UNITED STATES STATUTES AT LARGE

CONTAINING THE

LAWS AND CONCURRENT RESOLUTIONS
ENACTED DURING THE FIRST SESSION OF THE
NINETY-SEVENTH CONGRESS
OF THE UNITED STATES OF AMERICA

1981

AND

PROCLAMATIONS

VOLUME 95

IN ONE PART

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1982

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
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97-102	*Department of Transportation and Related Agencies Appropriation Act, 1982.* AN ACT Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes	Dec. 23, 1981	1442
97-103	*Agriculture, rural development and related agencies appropriations.* AN ACT Making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1982, and for other purposes	Dec. 23, 1981	1467
97-104	*George Washington Commemorative Coin Act.* AN ACT To provide for the minting of half dollars with a design emblematic of the two hundred and fiftieth anniversary of the birth of George Washington	Dec. 23, 1981	1491
97-105	*District of Columbia Self-Government and Governmental Reorganization Act, amendment.* AN ACT To amend the District of Columbia Self-Government and Governmental Reorganization Act and the charter of the District of Columbia with respect to the provisions allowing the District of Columbia to issue general obligation bonds and notes and revenue bonds, notes, and other obligations	Dec. 23, 1981	1493
97-106	*Military Construction Appropriation Act, 1982.* AN ACT Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes	Dec. 23, 1981	1503
97-107	*George Washington University facilities revenue bond.* AN ACT To allow the George Washington University Higher Education Facilities Revenue Bond Act of 1981 of the District of Columbia to take effect immediately	Dec. 23, 1981	1509

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97-108	*State and Local Government Cost Estimate Act of 1981.* AN ACT To amend the Congressional Budget Act of 1974 to require the Congressional Budget Office, for every significant bill or resolution reported in the House or the Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution	Dec. 23, 1981	1510
97-109	*Marine Protection, Research, and Sanctuaries Act of 1972, amendment.* AN ACT To amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983, and for other purposes	Dec. 26, 1981	1512
97-110	*International banking facility deposits.* AN ACT To clarify the treatment of international banking facility deposits for purposes of deposit insurance assessments and to remove certain limitations on the mortgage loan purchase authority of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association	Dec. 26, 1981	1513
97-111	*Farm Credit Administration regulations.* AN ACT To permit to become effective certain Farm Credit Administration regulations which expand the authority of financing institutions, other than farm credit system institutions, to borrow from and discount with Federal intermediate credit banks	Dec. 26, 1981	1517
97-112	*Lac Courte Oreilles Indians.* AN ACT To authorize the Secretary of the Interior to disburse certain trust funds of the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, and for other purposes	Dec. 29, 1981	1518
97-113	*International Security and Development Cooperation Act of 1981.* AN ACT To authorize appropriations for the fiscal years 1982 and 1983 for international security and development assistance and for the Peace Corps, to establish the Peace Corps as an autonomous agency, and for other purposes	Dec. 29, 1981	1519
97-114	*Department of Defense Appropriation Act, 1982.* AN ACT Making appropriations for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes	Dec. 29, 1981	1565
97-115	*Older Americans Act Amendments of 1981.* AN ACT To extend and revise the Older Americans Act of 1965, and for other purposes	Dec. 29, 1981	1595
97-116	*Immigration and Nationality Act Amendments of 1981.* AN ACT To amend the Immigration and Nationality Act, and for other purposes	Dec. 29, 1981	1611
97-117	*Municipal Wastewater Treatment Construction Grant Amendments of 1981.* AN ACT To amend the Federal Water Pollution Control Act to authorize funds for fiscal year 1982, and for other purposes	Dec. 29, 1981	1623
97-118	*Melvin Price Lock and Dam.* AN ACT To name the lock and dam authorized to replace locks and dam 26, Mississippi River, Alton, Illinois, as "Melvin Price Lock and Dam"	Dec. 29, 1981	1634
97-119	*Internal Revenue Code of 1954, amendment.* AN ACT To amend the Internal Revenue Code of 1954 to provide a temporary increase in the tax imposed on producers of coal, and for other purposes	Dec. 29, 1981	1635
97-120	*Herbert Clark Hoover Department of Commerce Building.* AN ACT To designate the Department of Commerce Building in Washington, the District of Columbia, as the "Herbert Clark Hoover Department of Commerce Building"	Dec. 29, 1981	1646

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97-121	*Foreign Assistance and Related Programs Appropriations Act, 1982.* AN ACT Making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes	Dec. 29, 1981	1647
97-122	*E. Michael Roll Post Office.* AN ACT To provide for the designation of the E. Michael Roll Post Office	Dec. 29, 1981	1658
97-123	*Social Security Act, amendment.* AN ACT To amend the Omnibus Reconciliation Act of 1981 to restore minimum benefits under the Social Security Act	Dec. 29, 1981	1659
97-124	*National Guard members, Federal tort claim provisions.* AN ACT To extend the Federal tort claims provisions of title 28, United States Code, to acts or omissions of members of the National Guard, and to provide that the remedy under those provisions shall be exclusive in medical malpractice actions involving members of the National Guard	Dec. 29, 1981	1666
97-125	*Union Station Redevelopment Act of 1981.* AN ACT To amend the National Visitor Center Facilities Act of 1968 to provide for the rehabilitation and completion of Union Station in Washington, District of Columbia, and for other purposes	Dec. 29, 1981	1667
97-126	*John Archibald Campbell United States Courthouse.* AN ACT To designate the John Archibald Campbell United States Courthouse	Dec. 29, 1981	1674
97-127	*Czechoslovakian Claims Settlement Act of 1981.* AN ACT To provide for the final settlement of certain claims against Czechoslovakia, and for other purposes	Dec. 29, 1981	1675
97-128	*Army Corps of Engineers projects.* AN ACT to deauthorize several projects within the jurisdiction of the Army Corps of Engineers	Dec. 29, 1981	1681
97-129	*Toxic Substances Control Act, amendment.* AN ACT To amend the Toxic Substances Control Act to authorize appropriations for fiscal years 1982 and 1983	Dec. 29, 1981	1686
97-130	*Record Carrier Competition Act of 1981.* AN ACT To amend the Communications Act of 1934 to eliminate certain provisions relating to consolidations or mergers of telegraph and record carriers and to create a fully competitive marketplace in record carriage, and for other purposes	Dec. 29, 1981	1687
97-131	*National Patriotism Week.* AN ACT To provide for the designation of the week commencing with the third Monday in February 1982 as "National Patriotism Week"	Dec. 29, 1981	1692
97-132	*Multinational Force and Observers Participation Resolution.* JOINT RESOLUTION To authorize the participation of the United States in a multinational force and observers to implement the Treaty of Peace between Egypt and Israel	Dec. 29, 1981	1693
97-133	*Ninety-seventh Congress, second session.* JOINT RESOLUTION Providing for the convening of the second session of the Ninety-seventh Congress	Dec. 29, 1981	1698
97-134	*Federal-Aid Highway Act of 1981.* AN ACT To amend the Surface Transportation Assistance Act of 1978, to establish obligation limitations for fiscal year 1982, and for related purposes	Dec. 29, 1981	1699
97-135	*National Scleroderma Week.* JOINT RESOLUTION To provide for the designation of February 7 through 13, 1982, as "National Scleroderma Week"	Dec. 29, 1981	1704
97-136	*Coast Guard appropriation authorization.* AN ACT To authorize appropriations for the Coast Guard for fiscal year 1982, and for other purposes	Dec. 29, 1981	1705
97-137	*Bandon Marsh National Wildlife Refuge.* AN ACT To provide for the establishment of the Bandon Marsh National Wildlife Refuge, Coos County, State of Oregon, and for other purposes	Dec. 29, 1981	1709

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97-138	*National Energy Education Day.* JOINT RESOLUTION To proclaim March 19, 1982, "National Energy Education Day"	Dec. 29, 1981	1713
97-139	*Bicentennial Year of the American Bald Eagle and National Bald Eagle Day.* JOINT RESOLUTION To provide for the designation of the year 1982 as the "Bicentennial Year of the American Bald Eagle" and the designation of June 20, 1982, as "National Bald Eagle Day"	Dec. 29, 1981	1715
97-140	*Benbrook Lake, Tex., water supply storage.* AN ACT To authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District Numbered 1 and the city of Weatherford, Texas, for the use of water supply storage in Benbrook Lake, and for other purposes	Dec. 29, 1981	1717
97-141	*Federal Physicians Comparability Allowance Amendments of 1981.* AN ACT To amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes	Dec. 29, 1981	1719
97-142	*Osage Indians.* AN ACT To authorize the Secretary of the Army to acquire, by purchase or condemnation, such interests in oil, gas, coal, and other minerals owned or controlled by the Osage Tribe of Indians as are needed for Skiatook Lake, Oklahoma, and for other purposes	Dec. 29, 1981	1721
97-143	*United States Capitol Police, authority.* AN ACT To amend the Act of July 31, 1946, as amended (40 U.S.C. 193a)	Dec. 29, 1981	1723
97-144	*National Jaycee Week.* JOINT RESOLUTION To authorize and request the President to designate the week of January 17, 1982, through January 23, 1982, as "National Jaycee Week"	Dec. 29, 1981	1725
97-145	*Export Administration Amendments Act of 1981.* AN ACT To authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes	Dec. 29, 1981	1727

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97–138	National Energy Education Day. JOINT RESOLUTION To designate March 3, 1982, "National Energy Education Day".	Dec. 29, 1981	1619
97–139	Bicentennial Year of the American Bald Eagle and National Eagle Week. JOINT RESOLUTION To proclaim the designation of the year 1982 as the "Bicentennial Year of the American Bald Eagle" and the designation of June 20, 1982, as "National Bald Eagle Week".	Dec. 29, 1981	1713
97–140	Brookings Lake Tex. water supply storage. AN ACT To authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District Numbered 1, and the city of Weatherford, Texas, for the use of water supply storage in Brookings Lake, and for other purposes.	Dec. 29, 1981	1717
97–141	Agricultural Commodities Affirmative Grounds. AN ACT To amend section 1837 of title 5, United States Code, to extend the Federal Employees Leave Sharing Allowance Act of 1978, and for other purposes.	Dec. 29, 1981	1719
97–142	Energy Informa. AN ACT To authorize the Secretary of the Army to acquire by purchase or condemnation, such interests in oil, gas, coal, and other minerals owned or controlled by the Osage Tribe of Indians as are needed for Skiatook Lake, Oklahoma, and for other purposes.	Dec. 29, 1981	1721
97–143	United States Coastal Fishing qualifying. AN ACT To amend the Act of July 21, 1964, as amended (16 U.S.C. 1046).	Dec. 29, 1981	1723
97–144	National Agriculture Week. JOINT RESOLUTION To authorize and request the President to designate the week of January 24, 1982, through January 30, 1982, as "National Agriculture Week".	Dec. 29, 1981	1725
97–145	Export Administration Amendments Act of 1979. AN ACT To authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979 and for other purposes.	Dec. 29, 1981	1727

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97-2	*Junior E. Moncrieffe.* AN ACT For the relief of Junior Edmund Moncrieffe	Nov. 13, 1981	1733
97-3	*Roland K. H. Vogel.* AN ACT For the relief of Roland Karl Heinz Vogel	Nov. 13, 1981	1733
97-4	*Madeleine Mesnager.* AN ACT For the relief of Madeleine Mesnager	Nov. 13, 1981	1734
97-5	*Omar Marachi.* AN ACT For the relief of Omar Marachi	Nov. 13, 1981	1734
97-6	*Aurora I. R. Diaz.* AN ACT For the relief of Aurora Isidra Rullan Diaz	Nov. 13, 1981	1734
97-7	*Gladys B. Schultz.* AN ACT For the relief of Gladys Belleville Schultz	Nov. 13, 1981	1735
97-8	*Kai-Mee Chen.* AN ACT For the relief of Kai-Mee Chen	Nov. 13, 1981	1735
97-9	*Hanife Frantz.* AN ACT For the relief of Hanife Frantz	Nov. 13, 1981	1736
97-10	*Moses Bank.* AN ACT For the relief of Moses Bank	Nov. 13, 1981	1736
97-11	*Yuk Yee Li.* AN ACT For the relief of Yuk Yee Li	Nov. 13, 1981	1736
97-12	*Capt Tom and Yardarm Knot, U.S. Coast Guard documentation of vessels.* AN ACT To direct the Secretary of the department in which the United States Coast Guard is operating to cause the vessel Capt Tom to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade	Dec. 29, 1981	1737

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Congress. Joint meeting	H. Con. Res. 69	Feb. 17, 1981	1742
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4809	Proclamation To Make Effective the Amendments of Section 3(b) of Public Law 96-490 and for Other Purposes	Dec. 17, 1980	1787
4810	National Patriotism Week	Dec. 23, 1980	1788
4811	Proclamation To Amend the Tariff Schedules of the United States With Respect to the Quantitative Limitations of Certain Cheeses	Dec. 30, 1980	1789
4812	Proclamation To Terminate Proclamation No. 4600 of September 21, 1978, Implementing Certain Temporary Tariff Concessions	Dec. 31, 1980	1790
4813	Second Continuation of Emergency Building Temperature Restrictions	Jan. 13, 1981	1791
4814	National Inventors' Day, 1981	Jan. 14, 1981	1792
4815	National Salute to Hospitalized Veterans' Day	Jan. 14, 1981	1793
4816	American Heart Month, 1981	Jan. 15, 1981	1794
4817	Proclamation To Modify the Suspension in Part of the Tariff Concessions on Certain Lead Products	Jan. 16, 1981	1795
4818	International Year of Disabled Persons	Feb. 6, 1981	1796
4819	National Agriculture Day	Feb. 13, 1981	1797
4820	Rescission of Emergency Building Temperature Restrictions	Feb. 17, 1981	1798
4821	Save Your Vision Week	Feb. 23, 1981	1799
4822	Red Cross Month, 1981	Feb. 27, 1981	1800
4823	World Trade Week, 1981	Mar. 3, 1981	1801
4824	National Poison Prevention Week, 1981	Mar. 13, 1981	1801
4825	National Farm Safety Week, 1981	Mar. 16, 1981	1802
4826	National Day of Prayer, 1981	Mar. 19, 1981	1803
4827	Pan American Day and Pan American Week, 1981	Mar. 20, 1981	1804
4828	Cancer Control Month	Mar. 20, 1981	1804
4829	Small Business Week, 1981	Mar. 23, 1981	1805
4830	Law Day, U.S.A., 1981	Apr. 2, 1981	1806
4831	Victims Rights Week, 1981	Apr. 8, 1981	1807
4832	Death of General Bradley	Apr. 9, 1981	1808
4833	African Refugee Relief Day	Apr. 9, 1981	1809
4834	Mother's Day, 1981	Apr. 13, 1981	1809
4835	Import Quota on Peanuts	Apr. 14, 1981	1810
4836	Loyalty Day, 1981	Apr. 14, 1981	1811
4837	Asian/Pacific American Heritage Week, 1981	Apr. 20, 1981	1812
4838	Days of Remembrance of Victims of the Holocaust	Apr. 22, 1981	1813
4839	National Defense Transportation Day and National Transportation Week, 1981	Apr. 22, 1981	1814
4840	National Maritime Day, 1981	Apr. 22, 1981	1815
4841	National Day of Recognition for Veterans of the Vietnam Era	Apr. 23, 1981	1815
4842	Memorial Day, May 25, 1981	Apr. 24, 1981	1817
4843	Older Americans Month, 1981	Apr. 29, 1981	1818
4844	Jewish Heritage Week	May 1, 1981	1818
4845	Father's Day, 1981	May 20, 1981	1819
4846	Flag Day and National Flag Week, 1981	June 1, 1981	1820
4847	National Safe Boating Week, 1981	June 4, 1981	1821
4848	National P.O.W.-M.I.A. Recognition Day, 1981	June 12, 1981	1822
4849	National Clean-up and Flag-up America's Highways Week, 1981	June 27, 1981	1823
4850	Captive Nations Week, 1981	June 30, 1981	1823

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4851	National Blinded Veterans Recognition Day	Aug. 6, 1981	1824
4852	National Schoolbus Safety Week	Aug. 14, 1981	1825
4853	Commodore John Barry Day	Aug. 20, 1981	1826
4854	Women's Equality Day, 1981	Aug. 24, 1981	1827
4855	National Hispanic Heritage Week, 1981	Sept. 4, 1981	1827
4856	Death of Roy Wilkins	Sept. 8, 1981	1828
4857	Yorktown Bicentennial	Sept. 14, 1981	1829
4858	Citizenship Day and Constitution Week, 1981	Sept. 16, 1981	1830
4859	National Cystic Fibrosis Week	Sept. 17, 1981	1831
4860	Fire Prevention Week	Sept. 28, 1981	1832
4861	National Diabetes Week	Sept. 28, 1981	1833
4862	Child Health Day	Sept. 28, 1981	1833
4863	White Cane Safety Day	Sept. 28, 1981	1834
4864	United Nations Day, 1981	Sept. 28, 1981	1835
4865	High Seas Interdiction of Illegal Aliens	Sept. 29, 1981	1836
4866	American Enterprise Day	Oct. 2, 1981	1837
4867	National Port Week	Oct. 2, 1981	1837
4868	National Employ the Handicapped Week, 1981	Oct. 2, 1981	1838
4869	General Pulaski Memorial Day	Oct. 5, 1981	1839
4870	National Guard Day	Oct. 6, 1981	1840
4871	Leif Erikson Day, 1981	Oct. 6, 1981	1841
4872	Death of Anwar el-Sadat	Oct. 7, 1981	1841
4873	Columbus Day	Oct. 9, 1981	1842
4874	National Forest Products Week, 1981	Oct. 9, 1981	1843
4875	World Food Day, 1981	Oct. 14, 1981	1844
4876	Suspension of the Application of Obligations Under an Agreement Between the Governments of the United States of America and Argentina Concerning Hide Exports and Other Trade Matters	Oct. 20, 1981	1845
4877	Hungarian Freedom Fighters' Day	Oct. 22, 1981	1847
4878	Veterans Day, 1981	Oct. 26, 1981	1848
4879	Silver Anniversary Year of the National System of Interstate and Defense Highways	Oct. 29, 1981	1849
4880	American Education Week, 1981	Oct. 29, 1981	1850
4881	National Farm-City Week, 1981	Oct. 29, 1981	1850
4882	National Family Week	Nov. 3, 1981	1851
4883	Thanksgiving Day, 1981	Nov. 12, 1981	1852
4884	Continuation of Temporary Duty Increase on the Importation Into the United States of Certain High-Carbon Ferrochromium	Nov. 13, 1981	1853
4885	Bill of Rights Day, Human Rights Day and Week, 1981	Dec. 4, 1981	1854
4886	Wright Brothers Day, 1981	Dec. 14, 1981	1855

PUBLIC LAWS

ENACTED DURING THE

FIRST SESSION OF THE NINETY-SEVENTH CONGRESS

OF THE

UNITED STATES OF AMERICA

Begun and held at the City of Washington on Monday, January 5, 1981, and adjourned sine die on Wednesday, December 16, 1981. Until noon January 20, 1981, JIMMY CARTER, *President;* WALTER F. MONDALE, *Vice President;* THOMAS P. O'NEILL, JR., *Speaker of the House of Representatives; from January 20, 1981,* RONALD REAGAN, *President;* GEORGE BUSH, *Vice President;* THOMAS P. O'NEILL, JR., *Speaker of the House of Representatives.*

Public Law 97-1
97th Congress

Joint Resolution

Designating January 29, 1981, as "A Day of Thanksgiving To Honor Our Safely Returned Hostages".

Jan. 26, 1981
[S.J. Res. 16]

Whereas we the people of the United States are one people under God;

Whereas in recognition of the hope, honor, faith, and courage of those men and women who have been forceably held prisoner in Iran;

Whereas eight brave men laid down their lives in the pursuit and defense of freedom;

Whereas in order for the people of the United States of America to express their appreciation, hope, and care for these men and women; and

Whereas in order for the Nation to express its thanks to God for the safekeeping of these people and this Country: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the 29th day of January 1981, is declared "A Day of Thanksgiving To Honor Our Safely Returned Hostages", and that Americans participate in services in places of their own choosing on that date, as already called for by churches, synagogues, and mosques across this Country.

A Day of Thanksgiving To Honor Our Safely Returned Hostages. Designation.

Approved January 26, 1981.

LEGISLATIVE HISTORY—S.J. Res. 16:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Jan. 22, considered and passed Senate.
Jan. 23, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 5 (1981):
Jan. 26, Presidential statement.

Public Law 97-2
97th Congress

An Act

Feb. 7, 1981
[H.R. 1553]

To provide for a temporary increase in the public debt limit.

Public debt limit, temporary increase.
31 USC 757b note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, during the period beginning on the date of the enactment of this Act and ending on September 30, 1981, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $585,000,000,000 (and any other provision of law providing for a temporary increase in such limit shall not apply).**

Approved February 7, 1981.

LEGISLATIVE HISTORY—H.R. 1553 (S. 393):

HOUSE REPORT No. 97-1 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Feb. 5, considered and passed House.
Feb. 5, 6, considered and passed Senate.

Public Law 97-3
97th Congress

An Act

To increase the number of members of the Commission on Wartime Relocation and Internment of Civilians.

Feb. 10, 1981
[S. 253]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) subsection (b) of section 3 of the Commission on Wartime Relocation and Internment of Civilians Act is amended by striking out "seven" and inserting in lieu thereof "nine".

(2) Clause (2) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(3) Clause (3) of such subsection is amended by striking out "Two" and inserting in lieu thereof "Three".

(b) Subsection (e) of section 3 of such Act is amended by striking out "Four" and inserting in lieu thereof "Five".

Commission on Wartime Relocation and Internment of Civilians, membership increase.
94 Stat. 964.
50 USC app. 1981 note.

Approved February 10, 1981.

LEGISLATIVE HISTORY—S. 253:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Jan. 27, considered and passed Senate.
Jan. 28, considered and passed House.

Public Law 97-4
97th Congress

An Act

Feb. 17, 1981
[S. 272]

Joint Committee on Printing. Membership increase.

To increase the membership of the Joint Committee on Printing.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101, title 44, United States Code, is amended to read as follows:

"The Joint Committee on Printing shall consist of the chairman and four members of the Committee on Rules and Administration of the Senate and the chairman and four members of the Committee on House Administration of the House of Representatives.".

Approved February 17, 1981.

LEGISLATIVE HISTORY—S. 272:

SENATE REPORT No. 97-2 (Comm. on Rules and Administration).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Feb. 3, considered and passed Senate.
Feb. 5, considered and passed House.

Public Law 97-5
97th Congress

An Act

To amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program.

Mar. 13, 1981
[H.R. 2166]

Energy Policy and Conservation Act, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That subsection (j) of section 252 of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking out "March 15, 1981" and inserting in lieu thereof "September 30, 1981".**

Approved March 13, 1981.

LEGISLATIVE HISTORY—H.R. 2166 (S. 573):

HOUSE REPORT No. 97-9 (Comm. on Energy and Commerce).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 10, considered and passed House; considered and passed Senate, in lieu of S. 573.

89-194 O—82——3 : QL3

Public Law 97-6
97th Congress

An Act

Mar. 31, 1981
[S. 509]

To amend section 201 of the Agricultural Act of 1949, as amended, to delete the requirement that the support price of milk be adjusted semiannually.

Milk price support, adjustment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That section 201 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446), is further amended by deleting subsection (d).**

Approved March 31, 1981.

LEGISLATIVE HISTORY—S. 509 (H.R. 1986)(H.R. 2594):

HOUSE REPORT No. 97-12 accompanying H.R. 2594 (Comm. on Agriculture).
SENATE REPORT No. 97-24 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 17, 19, 23-25, considered and passed Senate.
Mar. 26, H.R. 1986 considered and passed House; S. 509 considered and passed House, amended, in lieu of H.R. 1986.
Mar. 27, Senate concurred in House amendment.

Public Law 97-7
97th Congress

An Act

To continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period.

Apr. 9, 1981
[S. 840]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the authority, and any limitation on authority, contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, shall continue in effect with respect to activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) during the period beginning on April 6, 1981, and ending immediately before October 1, 1981.**

Justice Department Appropriation Authorization Act, FY 1980. Authority continuation. 94 Stat. 1563.

Approved April 9, 1981.

LEGISLATIVE HISTORY—S. 840:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 31, considered and passed Senate.
Apr. 7, considered and passed House, amended.
Apr. 8, Senate concurred in House amendment.

Public Law 97-8
97th Congress

Joint Resolution

Apr. 9, 1981
[S.J. Res. 61]

To authorize and request the President to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day".

Whereas there are more than four million refugees on the continent of Africa, and more than half of the world's refugees are African;

Whereas these refugees, who are primarily women and children, have typically crossed hundreds of miles to escape the ravages of armed conflict, drought, and political unrest;

Whereas world attention has focused on the plight of the more than one million refugees in Somalia who have fled the war in Ogaden, are suffering greatly from disease and malnutrition, and are being housed in overcrowded camps in which more than 90 per centum of the refugees are women and children;

Whereas approximately twenty-seven African countries are confronted with refugee problems, and generally lack sufficient resources to provide these victims with necessary sustenance; and

Whereas the Organization for African Unity and the United Nations High Commissioner for Refugees will convene an international conference in Geneva on April 9 and 10, 1981, to develop a plan of action to respond to this grave crises: Now, therefore, be it

African Refugee Relief Day. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating April 9, 1981, as "African Refugee Relief Day" and calling upon the people of the United States to observe such day by (1) increasing their awareness of the plight of African refugees; and (2) foregoing one meal and using the funds that otherwise would have been spent on such meal to make contributions to recognized private voluntary agencies providing care and relief for such refugees.

Approved April 9, 1981.

LEGISLATIVE HISTORY—S.J. Res. 61:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Apr. 7, considered and passed Senate and House.

Public Law 97-9
97th Congress

Joint Resolution

To designate April 26, 1981, as "National Recognition Day for Veterans of the Vietnam Era".

Apr. 14, 1981
[H.J. Res. 182]

Whereas the valorous service of Vietnam veterans has never been properly commemorated or recognized;

Whereas the conflict in Vietnam claimed more than fifty-five thousand American lives;

Whereas three hundred thousand men were wounded and one hundred and fifty thousand permanently disabled during the conflict in Vietnam;

Whereas there are four hundred and eighty thousand Vietnam veterans between the ages of twenty-five and thirty-nine who are currently unemployed;

Whereas as many as two hundred and eighty thousand Vietnam veterans suffer the intermittent psychological aftereffects of the Vietnam conflict; and

Whereas the more than two million five hundred thousand Americans who answered their country's call to duty and served honorably deserve the Nation's gratitude: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate April 26, 1981, as a "National Day of Recognition for Veterans of the Vietnam Era", and to call upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities, including a week of symposia hearings and conferences to be conducted in Washington, District of Columbia, prior to April 26, dedicated to those issues of concern to Vietnam veterans.

National Day of Recognition for Veterans of the Vietnam Era. Designation authorization.

Approved April 14, 1981.

LEGISLATIVE HISTORY—H.J. Res. 182 (S.J. Res. 40):

CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 26, considered and passed House.
Mar 31, considered and passed Senate.

Public Law 97-10
97th Congress

Joint Resolution

May 1, 1981
[H.J. Res. 155]

To authorize and request the President to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week".

Whereas the Congress recognizes that an understanding of the heritage of all American ethnic groups contributes to the unity of our country; and

Whereas intergroup understanding can be further fostered through an appreciation of the culture, history, and traditions of the Jewish community and the contributions of Jews to our country and society; and

Whereas the months of April and May contain events of major significance in the Jewish calendar—Passover, the anniversary of the Warsaw Ghetto Uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day: Now, therefore, be it

Jewish Heritage Week. Designation authorization.

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized and requested to issue a proclamation designating May 3 through May 10, 1981, as "Jewish Heritage Week" and calling upon the people of the United States, State and local government agencies, and interested organizations to observe that week with appropriate ceremonies, activities, and programs.**

Approved May 1, 1981.

LEGISLATIVE HISTORY—H.J. Res. 155:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 26, considered and passed House.
Apr. 27, considered and passed Senate.

Public Law 97-11
97th Congress

An Act

To ensure necessary funds for the implementation of the Federal Crop Insurance Act of 1980.

May 22, 1981
[S. 730]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 516(a) of the Federal Crop Insurance Act (7 U.S.C. 1516(a)) is amended by—

Federal Crop Insurance Act, amendment.

(1) inserting "(1)" immediately after the subsection designation; and

(2) adding a new paragraph (2) as follows:

"(2) To ensure the timely implementation of the Federal Crop Insurance Act of 1980, the Corporation may use funds otherwise available for the payment of indemnities to pay administrative and operating expenses of the Corporation incurred during the fiscal year ending September 30, 1981. However, the total amount of funds used by the Corporation under this paragraph shall not exceed $14,000,000.".

7 USC 1501 note.

Approved May 22, 1981.

LEGISLATIVE HISTORY—S. 730 (H.R. 3020):

HOUSE REPORT: No. 97-27 accompanying H.R. 3020 (Comm. on Agriculture).
SENATE REPORT: No. 97-38 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 5, considered and passed Senate.
May 19, considered and passed House in lieu of H.R. 3020.

Public Law 97-12
97th Congress

An Act

June 5, 1981
[H.R. 3512]

Making supplemental and further continuing appropriations for the fiscal year ending September 30, 1981, rescinding certain budget authority, and for other purposes.

Supplemental Appropriations and Rescission Act, 1981.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations (this Act may be cited as the "Supplemental Appropriations and Rescission Act, 1981") for the fiscal year ending September 30, 1981, that the following rescissions of budget authority are made, and for other purposes, namely:**

TITLE I

CHAPTER I

DEPARTMENT OF AGRICULTURE

SCIENCE AND EDUCATION ADMINISTRATION

Of the amounts appropriated under the headings "Extension activities" and "Cooperative research" in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), for payment to carry out cooperative agricultural extension work under the Smith-Lever Act, as amended, and cooperative forestry and other research under the Hatch Act, as amended, American Samoa and Micronesia shall be entitled to a distribution, as determined by the Secretary of Agriculture, for the fourth quarter of fiscal year 1981.

94 Stat. 3096.
7 USC 341 note.
7 USC 361a note.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

For an additional amount for "Animal and Plant Health Inspection Service", $13,250,000.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

(DEFERRAL)

Of the funds provided under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $1,500,000 may be withheld from obligation until October 1, 1981.

94 Stat. 3102.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For an additional amount for "Administrative and operating expenses", $28,181,000.

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

MODERATE INCOME HOUSING LOANS

(DEFERRAL AND RESCISSION)

Of the funds provided under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $166,000,000 may be withheld from obligation until October 1, 1981, and $150,000,000 are rescinded. 94 Stat. 3105.

AGRICULTURAL CREDIT INSURANCE FUND

FARM OWNERSHIP LOANS

(DEFERRAL AND RESCISSION)

Of the funds provided under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $30,000,000 may be withheld from obligation until October 1, 1981, and $50,000,000 are rescinded. 94 Stat. 3105.

SOIL AND WATER LOANS

(DEFERRAL)

Of the funds provided under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $5,000,000 may be withheld from obligation until October 1, 1981.

RURAL DEVELOPMENT INSURANCE FUND

ALCOHOL PRODUCTION FACILITY LOANS

For loans to be guaranteed under this fund in accordance with and subject to the provision of 7 U.S.C. 1932(a), $250,000,000.

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(RESCISSION)

Of the funds provided under this head for fiscal year 1980 in Public Law 96-304, $505,000,000 are rescinded. 94 Stat. 881.

DEPARTMENT OF AGRICULTURE

RURAL COMMUNITY FIRE PROTECTION GRANTS

(DEFERRAL)

Of the funds appropriated under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $1,500,000 may be withheld from obligation until October 1, 1981.

94 Stat. 3106.

RURAL DEVELOPMENT PLANNING GRANTS

(DEFERRAL)

Of the funds appropriated under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $2,000,000 may be withheld from obligation until October 1, 1981.

94 Stat. 3106.

RURAL HOUSING SUPERVISORY ASSISTANCE GRANTS

(RESCISSION)

Of the funds appropriated under this head in the Agriculture, Rural Development and Related Agencies Appropriation Act, 1981 (Public Law 96-528), $500,000 are rescinded.

94 Stat. 3106.

RURAL ELECTRIFICATION ADMINISTRATION

RURAL COMMUNICATION DEVELOPMENT FUND

(RESCISSION)

Of the loan levels authorized under section 310B under this head in Public Law 96-528, making appropriations for fiscal year 1981, $16,000,000 are rescinded.

94 Stat. 3108.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

For an additional amount for "Child nutrition programs", $109,875,000: *Provided,* That this appropriation shall be available only to the extent an official supplemental request is transmitted to the Congress.

FOOD STAMP PROGRAM

For an additional amount for the "Food stamp program", $1,740,724,000: *Provided,* That this appropriation shall be available only upon enactment into law of authorizing legislation, but pending the enactment into law of such legislation, funds received from the sale of surplus agricultural commodities shall be available to the extent and in the manner provided in this paragraph: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That of the amounts provided herein, $536,124,000 shall be available upon certification by the Secretary of Agriculture that the

Department of Agriculture is using all regulatory and administrative methods available under law to curtail fraud, waste, error, and abuse in the program: *Provided further,* That this appropriation shall be available only to the extent an official amended supplemental request is transmitted to the Congress: *Provided further,* That the funds provided herein shall remain available until September 30, 1981.

CHAPTER II

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

PERIODIC CENSUSES AND PROGRAMS

For an additional amount for "Periodic censuses and programs", $24,200,000, to remain available until expended.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSION)

Of the funds appropriated for "Economic development assistance programs" in Public Law 96-536, $187,850,000 are rescinded. 94 Stat. 3166.

REGIONAL DEVELOPMENT PROGRAM

REGIONAL DEVELOPMENT PROGRAMS

(RESCISSION)

Of the funds appropriated for "Regional development programs" in Public Law 96-536, $21,000,000 are rescinded, and the balance remaining under this head shall be available only to the extent necessary to complete termination of the program. 94 Stat. 3166.

UNITED STATES TRAVEL SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for United States Travel Service, "Salaries and expenses" in Public Law 96-536, $41,000 are rescinded. 94 Stat. 3166.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, research, and facilities", $4,677,000, to remain available until expended: *Provided,* That no funds available to this agency shall be used to either reduce or plan for a reduction in full-time permanent employment of less than twelve thousand five hundred and eighty (12,580): *Provided further,* That if the Secretary determines that the orderly and efficient operation of the Department of Commerce requires that he not comply with the preceding proviso, he need not comply and shall

submit to the Committees on Appropriations of the House and Senate, a report explaining his reasons for not complying.

(RESCISSION)

94 Stat. 3166.

Of the funds appropriated for "Operations, research, and facilities" in Public Law 96-536, $23,640,000 are rescinded.

CONSTRUCTION

(RESCISSION)

91 Stat. 432.

Of the funds appropriated under this head in Public Law 95-86, $11,000,000 are rescinded.

COASTAL ENERGY IMPACT FUND

(DEFERRAL)

91 Stat. 431.

Of the funds appropriated under this head in Public Law 95-86, $7,000,000 are deferred for obligation until October 1, 1981.

COASTAL ZONE MANAGEMENT

(TRANSFER OF FUNDS)

For an additional amount for "Coastal zone management", $33,000,000, to be derived by transfer from "Coastal energy impact fund", to remain available until expended.

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $2,500,000 of the proposed deferral D81-105, relating to Department of Commerce, National Oceanic and Atmospheric Administration, "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", as set forth in the message of April 27, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act, and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Effective date.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Fishery Conservation and Management Act of 1976, as amended (Public Law 96-339), there are appropriated from the fees imposed under the foreign fishery observer program authorized by that Act, not to exceed $350,000, to remain available until expended.

94 Stat. 1069.
16 USC 1827.

FISHERMEN'S GUARANTY FUND

For expenses necessary to carry out the provisions of the Fishermen's Protective Act of 1967, as amended, $1,900,000, of which $450,000 is to be derived from the receipts collected pursuant to the Act, to remain available until expended.

22 USC 1971 note.

SCIENCE AND TECHNICAL RESEARCH

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds appropriated for "Scientific and technical research and services" in Public Law 96-536, $3,370,000 are rescinded. 94 Stat. 3166.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the National Telecommunications and Information Administration, "Salaries and expenses" in Public Law 96-536, $163,000 are rescinded. 94 Stat. 3166.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

(RESCISSION)

Of the funds appropriated for "Public telecommunications facilities, planning and construction" in Public Law 96-536, $6,000,000 are rescinded. 94 Stat. 3166.

MARITIME ADMINISTRATION

SHIP CONSTRUCTION

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $55,000,000 of the proposed deferral D81-80 relating to the Department of Commerce, Maritime Administration, "Ship construction" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. The disapproval shall be effective upon the enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation. Effective date.

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds appropriated for the Maritime Administration, "Research and development" in Public Law 96-536, $2,500,000 are rescinded. 94 Stat. 3166.

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

(DISAPPROVAL OF DEFERRAL)

Effective date.

The Congress disapproves $3,165,000 of the proposed deferral D81-85 relating to the Department of Justice, General Administration, "Salaries and expenses" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses, General legal activities", $900,000, to be derived by transfer from Federal Prison System, "Buildings and facilities".

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses, United States Attorneys and Marshals", $7,251,000, of which $6,371,000 shall be derived by transfer from Federal Prison System, "Buildings and facilities".

FEES AND EXPENSES OF WITNESSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Fees and expenses of witnesses", $6,200,000, of which $2,931,000 is to be derived from Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance".

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

94 Stat. 3166.

For an additional amount for "Salaries and expenses", $12,203,000, of which $4,320,000 shall be derived by transfer from General Administration, "Salaries and expenses" and $6,202,000 shall be derived by transfer from Federal Prison System, "Buildings and facilities": *Provided*, That no part of any appropriation contained in this Act nor any part of the appropriation contained in Public Law 96-536 for the Federal Bureau of Investigation, "Salaries and expenses" in excess of $35,218,000 shall be available for paying to the Administrator of the General Services Administration the standard level user charge established pursuant to section 210(j) of the Federal

Property and Administrative Services Act of 1949, as amended, for space and services. 40 USC 490.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $8,869,000, of which $670,000 is to be derived by transfer from Office of Justice Assistance, Research, and Statistics, "Law enforcement assistance", and $5,452,000 is to be derived by transfer from Federal Prison System, "Buildings and facilities".

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $875,000, to be derived by transfer from Federal Prison System, "Buildings and facilities": *Provided*, That $1,700,000 appropriated for Drug Enforcement Administration, "Salaries and expenses" in Public Law 96-536 shall remain available until September 30, 1982, for purchase of evidence and purchase of information. 94 Stat. 3166.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-86 relating to the Department of Justice, Federal Prison System, "Salaries and expenses" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation. Effective date.

OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

RESEARCH AND STATISTICS

For an additional amount for "Research and statistics", $15,353,000.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $1,475,000, and $3,000,000 to be derived by release of that amount which was

withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536; and $20,964,000 to be derived by transfer from "Contributions to international organizations" by release of that amount which was withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536: *Provided,* That $35,800,000 appropriated for "Administration of foreign affairs, salaries and expenses" by Public Law 96-536 shall remain available until September 30, 1982.

94 Stat. 3166.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

(TRANSFER OF FUNDS)

For an additional amount for "Payment to the American Institute in Taiwan", $275,000 to be derived by transfer from "Acquisition, operation, and maintenance of buildings abroad" by release of that amount which was withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536.

94 Stat. 3166.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Payment to the Foreign Service retirement and disability fund", $5,321,000, and $4,030,000 to be derived by transfer from "Acquisition, operation, and maintenance of buildings abroad" by release of that amount which was withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536; and $2,695,000 to be derived by transfer from "Acquisition, operation, and maintenance of buildings abroad (Special foreign currency account)" by release of that amount which was withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536; and $205,000 to be derived by transfer from "Contributions to international organizations" by release of that amount which was withheld from obligation pursuant to section 105 of H.R. 7584 as incorporated into Public Law 96-536.

94 Stat. 3166.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

(RESCISSION)

Of the funds appropriated for "Contributions to international organizations" in Public Law 96-536, $84,000,000 are rescinded.

94 Stat. 3166.

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

CARE OF THE BUILDING AND GROUNDS

For an additional amount for "Care of the building and grounds", $42,000.

ACQUISITION OF PROPERTY AS AN ADDITION TO THE GROUNDS OF THE UNITED STATES SUPREME COURT BUILDING

To enable the Architect of the Capitol to carry out the provisions of Public Law 96-532, relating to the acquisition of property in lots 2, 3, 800, 801, and 802 in square 758 in the District of Columbia, $645,000, to remain available until expended. 94 Stat. 3130. 40 USC 13p note.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

BANKRUPTCY COURTS, SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $2,000,000, to be derived by transfer from "Space and facilities".

JUDICIAL SURVIVORS' ANNUITY PROGRAM

For deposit to the credit of the "Judicial survivors' annuities fund", the amount determined to be necessary to maintain the Fund on an actuarially sound basis, pursuant to Public Law 96-504, $616,000. 94 Stat. 2742. 28 USC 376 note.

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds appropriated for "Arms control and disarmament activities" in Public Law 96-536, $1,500,000 are rescinded. 94 Stat. 3166.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

The amounts provided in Public Law 96-536 for the Board for International Broadcasting may be expended without regard to the limitation on $2,400,000 for the purpose of transferring RFE/RL positions to the United States. 94 Stat. 3166.

Notwithstanding section 8(b) of the Board for International Broadcasting Act of 1973, not to exceed $1,600,000 of the amounts placed in reserve pursuant to that section, or which would be placed in reserve pursuant to that section, shall be available to the Board for carrying out that Act. 22 USC 2877.

(RESCISSION)

Of the funds appropriated for the Board for International Broadcasting, "Grants and expenses" in Public Law 96-536, $8,957,000 are rescinded. 94 Stat. 3166.

89-194 O—82——4 : QL3

COMMISSION ON WARTIME RELOCATION AND INTERNMENT OF CIVILIANS

SALARIES AND EXPENSES

Funds appropriated for the Commission on Wartime Relocation and Internment of Civilians, "Salaries and expenses" by Public Law 96-536 shall remain available until September 30, 1982.

94 Stat. 3166.

DEPARTMENT OF THE TREASURY

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

FISHERMEN'S PROTECTIVE FUND

For payment to the Fishermen's Protective Fund, in accordance with section 5 of the Public Law 92-569 approved October 26, 1972, $8,300,000, to remain available until expended.

22 USC 1979.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the Federal Trade Commission, "Salaries and expenses" in Public Law 96-536, $226,000 are rescinded.

94 Stat. 3166.

INTERNATIONAL COMMUNICATION AGENCY

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

For an additional amount for "Salaries and expenses", $350,000, to be derived by transfer from "Salaries and expenses (special foreign currency program)".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $350,000 of the proposed deferral D81-75 relating to the International Communication Agency, "Salaries and expenses (special foreign currency program)" as set forth in the message of February 13, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this Act and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Effective date.

INFORMATIONAL MEDIA GUARANTEE FUND

The Secretary of the Treasury shall cancel all notes originally issued or assumed by the Director of the United States Information Agency for purposes of payments under Informational Media Guarantees, and sums owing and unpaid thereon, including interest to the time of cancellation.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the Small Business Administration, "Salaries and expenses" in Public Law 96-536, $700,000 are rescinded: *Provided*, That $8,500,000 shall be available for Small Business Development Centers for fiscal year 1981 pursuant to section 20(i)(6) of the Small Business Act, as amended. 15 USC 631 note.

BUSINESS LOAN AND INVESTMENT FUND

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $73,400,000 of the proposed deferral D81-41A relating to the Small Business Administration, "Business loan and investment fund" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill. Effective date.

SURETY BOND GUARANTEES REVOLVING FUND

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-102 relating to the Small Business Administration, "Surety bond guarantees revolving fund" as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill. Effective date.

CHAPTER III

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for "Military personnel, Army", $8,400,000.

MILITARY PERSONNEL, NAVY

For an additional amount for "Military personnel, Navy", $290,089,000.

MILITARY PERSONNEL, MARINE CORPS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Military personnel, Marine Corps", $46,500,000, and in addition, $47,800,000, which shall be derived by transfer from "Retired pay, Defense".

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military personnel, Air Force", $140,150,000.

SPECIAL PAY FOR AVIATION OFFICERS

For the payment of special pay under section 301b of title 37, United States Code, $55,500,000, to be transferred to the various military personnel accounts.

RESERVE PERSONNEL, ARMY

For an additional amount for "Reserve personnel, Army", $9,200,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for "Reserve personnel, Marine Corps", $8,257,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for "National Guard personnel, Army", $27,400,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for "National Guard personnel, Air Force", $10,600,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and maintenance, Army", $466,149,000; and, in addition, $2,985,000 for liquidation of contract authority in "Operation and maintenance, Army" for fiscal year 1980; and, the amount of funds which can be used for emergencies and extraordinary expenses is increased to $4,159,000.

ARMY STOCK FUND

For the Army Stock Fund, $34,000,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for "Operation and maintenance, Navy", $561,605,000; and, in addition, $153,567,000 for liquidation of contract authority in "Operation and maintenance, Navy" for fiscal year 1980; and, the amount of funds available only for regularly scheduled ship overhauls, restricted availabilities and expenses associated with the installation of equipment, improvements, and modifications scheduled to be accomplished concurrently during an overhaul or restricted availability is decreased to $3,620,000,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and maintenance, Marine Corps", $56,906,000; and, in addition, $4,077,000 for liquida-

tion of contract authority in "Operation and maintenance, Marine Corps" for fiscal year 1980.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and maintenance, Air Force", $923,568,000; and, in addition, $388,743,000 for liquidation of contract authority in "Operation and maintenance, Air Force" for fiscal year 1980.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For an additional amount for "Operation and maintenance, Defense Agencies", $111,675,000; and, in addition, the amount of funds which can be used for emergencies and extraordinary expenses is increased to $5,454,000.

DEFENSE STOCK FUND

For an additional amount for the "Defense stock fund", $423,000,000.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for "Operation and maintenance, Army Reserve", $15,300,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and maintenance, Navy Reserve", $17,737,000; and, in addition, $8,786,000 for liquidation of contract authority in "Operation and maintenance, Navy Reserve" for fiscal year 1980.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for "Operation and maintenance, Air Force Reserve", $25,400,000; and, in addition, $14,997,000 for liquidation of contract authority in "Operation and maintenance, Air Force Reserve" for fiscal year 1980.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for "Operation and maintenance, Army National Guard", $26,150,000; and, in addition, $2,663,000 for liquidation of contract authority in "Operation and maintenance, Army National Guard" for fiscal year 1980.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and maintenance, Air National Guard", $70,900,000; and, in addition, $44,235,000 for liquidation of contract authority in "Operation and maintenance, Air National Guard" for fiscal year 1980.

CLAIMS, DEFENSE

For an additional amount for "Claims, defense", $6,000,000.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for "Aircraft procurement, Army, 1981/1983", $116,700,000, to remain available for obligation until September 30, 1983.

MISSILE PROCUREMENT, ARMY

For an additional amount for "Missile procurement, Army, 1981/1983", $25,100,000, to remain available for obligation until September 30, 1983.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of weapons and tracked combat vehicles, Army, 1981/1983", $796,000,000, to remain available for obligation until September 30, 1983.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for "Procurement of ammunition, Army, 1981/1983", $27,700,000, to remain available for obligation until September 30, 1983.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other procurement, Army, 1981/1983", $598,750,000, to remain available for obligation until September 30, 1983.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for "Aircraft procurement, Navy, 1981/1983", $143,600,000, to remain available for obligation until September 30, 1983.

SHIPBUILDING AND CONVERSION, NAVY

For an additional net amount for "Shipbuilding and conversion, Navy, 1981/1985", $241,400,000, consisting of additional amounts as follows: $152,400,000 for the CG-47 AEGIS cruiser program; and $89,000,000 for advance procurement for reactivation of a battleship, to remain available for obligation until September 30, 1985.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps, 1981/1983", $19,200,000, to remain available for obligation until September 30, 1983.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft procurement, Air Force, 1981/1983", $753,285,000, to remain available for obligation until September 30, 1983.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile procurement, Air Force, 1981/1983", $205,869,000, to remain available for obligation until September 30, 1983.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other procurement, Air Force, 1981/1983", $150,206,000, to remain available for obligation until September 30, 1983.

PROCUREMENT, DEFENSE AGENCIES

For an additional amount for "Procurement, Defense Agencies, 1981/1983", $16,436,000, to remain available for obligation until September 30, 1983; and, in addition, the number of passenger motor vehicles that can be purchased is increased to three hundred and sixteen.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For an additional amount for "Research, development, test, and evaluation, Army, 1981/1982", $41,017,000, to remain available for obligation until September 30, 1982.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For an additional amount for "Research, development, test, and evaluation, Navy, 1981/1982", $113,609,000, of which not to exceed $2,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. New Jersey and not to exceed $1,000,000 is for research and development in connection with the reactivation of the battleship U.S.S. Iowa, to remain available for obligation until September 30, 1982.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For an additional amount for "Research, development, test, and evaluation, Air Force, 1981/1982", $308,976,000, to remain available for obligation until September 30, 1982.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

For an additional amount for "Research, development, test, and evaluation, Defense Agencies, 1981/1982", $44,346,000, to remain available for obligation until September 30, 1982.

GENERAL PROVISIONS

Appropriations or funds available to the Department of Defense may be transferred to fiscal year 1981 Department of Defense appropriations for Research, development, test, and evaluation to the extent necessary to meet increased pay costs authorized by or pursuant to law.

None of the funds appropriated to the Department of Defense for fiscal year 1981 and hereafter shall be available for obligation to

10 USC 2304 note.

reimburse a contractor for the cost of commercial insurance (other than insurance normally maintained by the contractor in connection with the general conduct of his business) that would protect against costs of the contractor for correction of the contractor's own defects in materials or workmanship incident to the normal course of construction (those defects in materials or workmanship which do not constitute a fortuitous or casualty loss).

CHAPTER IV

DEPARTMENT OF ENERGY

OPERATING EXPENSES

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION AND DEFERRAL)

94 Stat. 1331.

Of the funds appropriated for "Operating expenses, energy supply, research and development activities" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $82,511,000 are rescinded and $105,688,000 are deferred for obligation until October 1, 1981.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

(RESCISSION)

94 Stat. 1331.

Contract authority deemed to have been made available for "Operating expenses, uranium supply and enrichment activities" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development in the amount of $979,585,000 is hereby rescinded.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

(DEFERRAL)

94 Stat. 1331.

Of the funds appropriated for "Operating expenses, general science and research activities", in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $5,000,000 are deferred for obligation until October 1, 1981.

ATOMIC ENERGY DEFENSE ACTIVITIES

For an additional amount for "Operating expenses, atomic energy defense activities", $41,000,000, to remain available until expended.

(DISAPPROVAL OF DEFERRAL)

Effective date.

94 Stat. 3197.

The Congress disapproves the proposed deferral D81-29A relating to the Atomic Energy Defense Activities inertial confinement fusion program as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon enactment into law of this bill. The funds shall be made available for obligation to carry out the inertial confinement fusion program activities authorized in Public Law 96-540.

DEPARTMENTAL ADMINISTRATION

GENERAL ADMINISTRATION

For an additional amount for "Operating expenses, departmental administration, general administration", $41,000,000, to remain available until expended.

PLANT AND CAPITAL EQUIPMENT

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION AND DEFERRAL)

Of the funds appropriated for "Plant and capital equipment, energy supply, research and development activities" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $2,500,000 are rescinded and $36,647,000 are deferred for obligation until October 1, 1981. 94 Stat. 1332.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

(RESCISSION)

Contract authority deemed to have been made available for "Plant and capital equipment, uranium supply and enrichment activities" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, in the amount of $274,460,000 is hereby rescinded. 94 Stat. 1332.

ATOMIC ENERGY DEFENSE ACTIVITIES

For an additional amount for "Plant and capital equipment, atomic energy defense activities", $10,000,000, to remain available until expended.

(DEFERRAL)

Of the funds appropriated for "Plant and capital equipment, atomic energy defense activities" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $30,000,000 are deferred for obligation until October 1, 1981. 94 Stat. 1333.

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of the funds appropriated for "Plant and capital equipment, departmental administration" in Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $11,500,000 are rescinded. 94 Stat. 1333.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

GEOTHERMAL LOAN GUARANTEE AND INTEREST ASSISTANCE PROGRAM

(RESCISSION AND DEFERRAL)

Of the funds appropriated for "Geothermal resources development fund, geothermal loan guarantee and interest assistance program" in Public Law 94-355, Public Law 95-96, Public Law 96-69, Public Law 96-367 and other Acts making appropriations for Energy and Water Development, $21,982,000 are rescinded and $101,000 are deferred for obligation until October 1, 1981.

90 Stat. 890; 91 Stat. 798; 93 Stat. 440; 94 Stat. 1335.

Amounts required for interest assistance payments hereafter shall be met from funds provided annually in appropriations Acts and the moneys remaining in the fund shall be available generally for the purposes specified in title II of Public Law 94-355.

90 Stat. 890.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

OPERATION AND MAINTENANCE, GENERAL

For an additional amount for "Operation and maintenance, general", $34,000,000, to remain available until expended. Any activity undertaken by virtue of funds appropriated herein for the relief of the emergency situation created by the eruptions of the volcano at Mount Saint Helens in Washington State is not prohibited by or otherwise subject to regulation under section 301, 402, or 404 of the Federal Water Pollution Control Act of 1972, as amended, or section 10 of the River and Harbor Act of 1899: *Provided,* That as expeditiously as possible, consistent with the protection of the public interests through the continuation of the emergency dredging, disposal, and related activities necessary, the Corps of Engineers shall initiate accelerated and abbreviated procedures, including as is appropriate, public notices and opportunities for public hearings, for such activities under section 404 of the Federal Water Pollution Control Act of 1972, as amended and section 10 of the River and Harbor Act of 1899.

33 USC 1311, 1342, 1344. 33 USC 403.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for flood control and coastal emergencies, $25,000,000, to remain available until expended. Any activity undertaken by virtue of funds appropriated herein for the relief of the emergency situation created by the eruptions of the volcano at Mount Saint Helens in Washington State is not prohibited by or otherwise subject to regulation under section 301, 402, or 404 of the Federal Water Pollution Control Act of 1972, as amended, or section 10 of the River and Harbor Act of 1899: *Provided,* That as expeditiously as possible, consistent with the protection of the public interests through the continuation of the emergency dredging, disposal, and related activities necessary, the Corps of Engineers shall initiate accelerated and abbreviated procedures, including as is appropriate public notices and opportunities for public hearings, for such activities under section 404 of the Federal Water Pollution Control Act of 1972, as amended, and section 10 of the River and Harbor Act of 1899.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For an additional amount for "Flood control, Mississippi River tributaries", $5,000,000, to remain available until expended.

INDEPENDENT AGENCIES

FUNDS APPROPRIATED TO THE PRESIDENT

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

(RESCISSION)

Of the funds appropriated for "Funds appropriated to the President, Appalachian regional development programs" in the Energy and Water Development Appropriation Act, 1981, $40,000,000 are rescinded. 94 Stat. 1343.

(DEFERRAL)

Of the funds appropriated for "Funds appropriated to the President, Appalachian regional development programs" in the Energy and Water Development Appropriation Act, 1981, $15,000,000 are deferred for obligation until October 1, 1981.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated for the Nuclear Regulatory Commission in the Energy and Water Development Appropriation Act, 1981, $5,000,000 are rescinded.

TENNESSEE VALLEY AUTHORITY

(RESCISSION)

Of the funds appropriated for the payment to the Tennessee Valley Authority in Public Law 96-367 making appropriations for Energy and Water Development and in Public Law 96-304 making supplemental appropriations for Energy and Water Development, $85,500,000 are rescinded. 94 Stat. 1345. 94 Stat. 872.

(DEFERRAL)

Of the funds appropriated for the payment to the Tennessee Valley Authority in Public Law 96-367 making appropriations for Energy and Water Development and in Public Law 96-304 making supplemental appropriations for Energy and Water Development, $42,000,000 are deferred for obligation until October 1, 1981.

WATER RESOURCES COUNCIL

WATER RESOURCES PLANNING

(RESCISSION)

Of the funds provided for "Water resources planning" in Public Law 96-367, $5,000,000 are rescinded.

94 Stat. 1345.

Not to exceed $2,288,000 of the unobligated balances of the Water Resources Council, as of the date of enactment of this Act, shall be reprogramed for grants to the States provided under the authority of title III of the Water Resources Planning Act (42 U.S.C. 1962 et seq.).

42 USC 1962c.

CHAPTER V

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

(RESCISSION)

Of the funds made available for this account by Public Law 96-536, $33,447,900 are rescinded.

94 Stat. 3166.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $500,000,000, to be available only upon the enactment of authorizing legislation, for the first installment of the United States contribution to the sixth replenishment, to remain available until expended: *Provided,* That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $17,987,000, to be available only upon the enactment of authorizing legislation, for the United States share of the initial subscription to paid-in capital stock, to remain available until expended: *Provided,* That no such payment may be made while the United States Executive Director to the African Development Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for

an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTION

The United States Governor of the African Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such increase in capital stock in an amount not to exceed $53,960,035, contingent on the availability of authorizing legislation.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

American Schools and Hospitals Abroad (Foreign Currency Program): For necessary expenses as authorized by section 612 of the Foreign Assistance Act of 1961 $14,300,000 in foreign currencies which the President determines to be excess to the normal requirements of the United States, which shall be available only for the American University in Cairo, Egypt, to remain available until expended. 22 USC 2362.

(RESCISSION)

Sahel development program: Of the funds made available by Public Law 96-536 for this account, $1,500,000 provided for transfer to the African Development Foundation are rescinded. 94 Stat. 3166.

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service retirement and disability fund", as authorized by the Foreign Service Act of 1980, $2,176,000.

For an additional amount for "Operating expenses", $10,170,000.

INTER-AMERICAN FOUNDATION

(RESCISSION)

Of the funds made available for this account by Public Law 96-536, $138,000 are rescinded. 94 Stat. 3166.

INDEPENDENT AGENCY

ACTION—INTERNATIONAL PROGRAMS

PEACE CORPS

For an additional amount for "Operating expenses, international programs", $531,000.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

(RESCISSION)

94 Stat. 3166.

Of the funds provided for this account in Public Law 96-536, $12,785,000 are rescinded.

MIGRATION AND REFUGEE ASSISTANCE

(RESCISSION)

94 Stat. 3166.

Of the funds provided for this account in Public Law 96-536, $17,500,000 are rescinded.

EXPORT-IMPORT BANK OF THE UNITED STATES

LIMITATION ON PROGRAM ACTIVITY

During fiscal year 1981, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $5,461,000,000. During fiscal year 1981, the total commitment to guarantee loans shall not exceed $8,059,000,000 of contingent liability for loan principal.

CHAPTER VI

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

94 Stat. 3044.

42 USC 1437c, 1437f.

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $30,611,609 for existing units under section 8, including section 8(j), of such Act, $197,102,148 for newly constructed and substantially rehabilitated units assisted under such Act, and $5,219,104,150 of budget authority, are rescinded.

(DEFERRAL)

Of the amounts of additional contract authority provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, as authorized by section 5 of the United States Housing Act of 1937, $15,000,000 for modernization of existing low-income housing projects and $300,000,000 of budget authority shall be withheld from obligation until October 1, 1981.

HOUSING PAYMENTS

For an additional amount for "Housing payments", $256,966,000.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For an additional amount for "Payments for operation of low-income housing projects", $100,000,000, to remain available until September 30, 1982: *Provided,* That the Secretary of Housing and Urban Development may accord priority in the distribution of these funds to meet the needs of public housing agencies which have experienced increased utility costs for reasons other than unjustified increases in consumption.

LOW RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

PAYMENTS TO THE FEDERAL FINANCING BANK

(INCLUDING TRANSFER OF FUNDS)

Unobligated balances of authority in the amount of $1,060,422,303 shall be transferred from the amounts provided in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, for section 5(c) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437(c)), and shall be available for contracts for periodic payments to the Federal Financing Bank, as authorized by section 16(b) of Federal Financing Bank Act of 1973 (12 U.S.C. 2294(b)), to offset the cost to the Bank of purchasing obligations of local public housing agencies issued for purposes of financing public housing projects as authorized under section 5(c); $1,060,422,303 shall be available until expended for liquidation of obligations incurred pursuant to these contracts. 94 Stat. 3046.

CONGREGATE SERVICES PROGRAM

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $10,000,000 are rescinded. 94 Stat. 3048.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

For additional commitments during fiscal year 1981 to issue guarantees of mortgage-backed securities, $11,000,000,000.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $121,000,000 are rescinded. 94 Stat. 3047.

COMMUNITY PLANNING AND DEVELOPMENT

COMPREHENSIVE PLANNING GRANTS

(RESCISSION)

Any amounts not reserved from appropriations provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, including any amounts becoming available from cancellation of prior year reservations, but excluding $19,000,000, are rescinded.

94 Stat. 3048.

REHABILITATION LOAN FUND

(RESCISSION)

All unreserved funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, including any recoveries of prior reservations, but excluding necessary funds for operating costs and the capitalization of delinquent interest on delinquent or defaulted loans, are rescinded: *Provided,* That the gross amounts administratively committed for the principal amounts of direct loans for fiscal year 1981 shall not exceed the amount of the appropriation remaining following the rescission herein, plus loan repayments and other income becoming available during the year, but excluding amounts becoming available from canceled prior year commitments.

94 Stat. 3048.

NEIGHBORHOODS, VOLUNTARY ASSOCIATIONS AND CONSUMER PROTECTION

HOUSING COUNSELING ASSISTANCE

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $3,000,000 are rescinded.

94 Stat. 3049.

NEIGHBORHOOD SELF-HELP DEVELOPMENT PROGRAM

(RESCISSION)

All unobligated funds provided under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, are rescinded. In addition, all recoveries of prior obligations are rescinded as they become available: *Provided,* That $501,500 of funds appropriated for Community Development Grants in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, shall be available from the Secretary's Discretionary Fund to fully fund the balance of the grant commitments made for the nine Neighborhood Self-Help Development projects approved after September 30, 1980, and before March 17, 1981.

94 Stat. 3049.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $5,000,000 are rescinded. 94 Stat. 3049.

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $499,300 are rescinded. 94 Stat. 3051.

ABATEMENT, CONTROL AND COMPLIANCE

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $4,953,100 are rescinded. 94 Stat. 3051.

PAYMENT TO THE HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

For payment to the Hazardous Substance Response Trust Fund as authorized by Public Law 96-510, $9,000,000. 94 Stat. 2767. 42 USC 9601 note.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4), $68,000,000, to be derived from the Hazardous Substance Response Trust Fund, to remain available until expended. Funds appropriated under this account may be allocated to other Federal agencies in accordance with section 111(a) of Public Law 96-510. 94 Stat. 2767. 42 USC 9601 note. 94 Stat. 2788. 42 USC 9611.

CONSTRUCTION GRANTS

(RESCISSION)

Of the funds appropriated under this head, $880,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1980, and $756,000,000 in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, are rescinded. The reduction in each appropriation will be distributed among the States according to the allotment formula specified in section 205(c) of Public Law 92-500, as amended by Public Law 95-217. Whenever a State's share of the reduction from an appropriation, as determined by the formula, is greater than its unobligated balance for that appropriation, as determined by the 93 Stat. 777. 94 Stat. 3052. 33 USC 1285.

Administrator of the Environmental Protection Agency upon the date of enactment of this Act, the shortfall will be distributed according to the allotment formula among all the States which still have funds remaining from that appropriation. This process of distributing the shortfall will continue until the amount of the reduction has been allocated among the States.

Of the funds appropriated under this head in the Public Works Employment Appropriation Act, 1977, $64,000,000 are rescinded.

90 Stat. 1498.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $708,000 are rescinded.

94 Stat. 3052.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $595,000 are rescinded.

94 Stat. 3052.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $8,000,000 are rescinded.

94 Stat. 3053.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $4,500,000 are rescinded.

94 Stat. 3054.

NATIONAL CONSUMER COOPERATIVE BANK

SELF-HELP DEVELOPMENT

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $16,990,000 are rescinded: *Provided,* That, notwith-

94 Stat. 3055.

standing any other provision of law, all interest deposited in the Office's Account in the Bank pursuant to 12 U.S.C. 3043(c) shall be available to pay administrative and technical assistance expenses of the Office.

During 1981, within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $19,700,000.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $46,000,000 are rescinded, and of the amounts remaining for research and related activities under Public Law 96-526: (1) not more than $37,000,000 shall be available for scientific, technological, and international affairs; (2) not more than $83,000,000 shall be available for engineering; (3) not more than $18,053,000 shall be available for earthquake hazards mitigation; (4) not more than $1,240,000 shall be available for the establishment and operation of three university-based Innovation Centers; (5) not more than $2,800,000 shall be available for grants to two-year and four-year colleges for equipment and instrumentation costing $35,000 or less; (6) not more than $300,000 shall be available for small business innovation for projects to aid the handicapped; and (7) not more than $1,400,000 shall be available for special programs for women and minorities in science and technology. None of these funds shall be available for separately targeted programs for appropriate technology, science faculty improvement programs for two-year and four-year college faculty research participation, and research opportunity grants and visiting professorships for women. 94 Stat. 3056.

SCIENCE EDUCATION ACTIVITIES

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $10,000,000 are rescinded: *Provided,* That of the amounts remaining for science education activities under Public Law 96-526, not more than (1) $15,000,000 shall be available for women and minorities in science and technology activities and (2) $500,000 shall be available for science education programs related to appropriate technology. 94 Stat. 3057.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, $1,940,000 are rescinded. 94 Stat. 3057.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $990,000,000, to remain available until expended.

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $467,500,000, to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For an additional amount for "Veterans insurance and indemnities", $3,555,000, to remain available until expended.

MEDICAL CARE

For an additional amount for "Medical care", $79,967,000.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-95 relating to the Veterans Administration, Medical care, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill.

Effective date.

MEDICAL CARE

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriations Acts, 1981 and prior years, $25,789,000 are rescinded.

94 Stat. 3059.

MEDICAL AND PROSTHETIC RESEARCH

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-96 relating to the Veterans Administration, Medical and prosthetic research, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill.

Effective date.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves the proposed deferral D81-97 relating to the Veterans Administration, Medical administration and miscellaneous operating expenses, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill.

Effective date.

CONSTRUCTION, MAJOR PROJECTS

(RESCISSION)

Of the funds appropriated under this head in the Department of Housing and Urban Development-Independent Agencies Appropriation Acts, 1981 and prior years, $162,160,000 are rescinded. 94 Stat. 3059.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $85,965,000 of the proposed deferral D81-98 relating to the Veterans Administration, Construction, major projects, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

VOCATIONAL REHABILITATION REVOLVING FUND

To increase the "Vocational rehabilitation revolving fund" established by the Act of March 24, 1943, as amended (38 U.S.C. 1512), $1,250,000, to remain available until expended.

CORPORATIONS

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

The limitation on nonadministrative expenses is increased by $930,000.

CHAPTER VII

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For an additional amount for "Management of lands and resources", $55,200,000.

OFFICE OF WATER RESEARCH AND TECHNOLOGY

SALARIES AND EXPENSES

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) 94 Stat. 2959. $2,745,000 shall not become available for obligation until October 1, 1981, and shall remain available for obligation until September 30, 1983, and $5,900,000 are rescinded.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For an additional amount for "Resource management", $2,000,000.

CONSTRUCTION AND ANADROMOUS FISH

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $2,500,000 are rescinded.

94 Stat. 2961.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the national park system", $4,776,000 including $576,000 to complete construction of the Savage River Bridge at Denali National Park and Preserve, Alaska.

URBAN PARK AND RECREATION FUND

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), and previous Interior Department Appropriations Acts, $19,000,000 are rescinded.

94 Stat. 2960.

LAND AND WATER CONSERVATION FUND

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) and previous Interior Department Appropriations Acts, $90,000,000 are rescinded in the following amounts: $55,000,000 for payments to the States; $133,000 for the Bureau of Land Management; $4,918,000 for the Forest Service; $12,217,000 for the United States Fish and Wildlife Service; $14,782,000 for the National Park Service; and $2,950,000 for the Pinelands National Reserve: *Provided,* That notwithstanding the provisions of 16 U.S.C. 460l-8, the unobligated balances of the contingency reserve and funds appropriated and apportioned for the various States and Territories upon enactment of this Act shall be reallocated among the States and Territories so that each shall receive not less than seventy-five percent of the amount each would have received under the statutory allocation of the amount appropriated for payment to the States under this head in Public Law 96-514.

94 Stat. 2960.

16 USC 460*l*-8.

HISTORIC PRESERVATION FUND

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public

Law 96-514), and previous Department of the Interior Appropriations Acts, $6,500,000 are rescinded. 94 Stat. 2960.

CONSTRUCTION

(RESCISSION)

Of the funds appropriated under this head in Public Law 96-126, making appropriations for the Department of the Interior and related agencies, 1980, $12,000,000 available from the Highway Trust Fund to liquidate contract authority provided under section 105(a)(8) of Public Law 94-280 for engineering services, roadway excavation, and pilot boring for the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87 are rescinded. 93 Stat. 960. 90 Stat. 427. 87 Stat. 278.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", $15,800,000.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $3,154,000 are rescinded and $5,800,000 shall not become available for obligation until October 1, 1981, to remain available for obligation until September 30, 1982. 94 Stat. 2966.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For an additional amount for "Operation of Indian programs", $7,350,000.

OFFICE OF TERRITORIAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For an additional amount for "Administration of territories", $5,704,000, to remain available until expended.

SECRETARIAL OFFICES

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $62,000.

OFFICE OF THE SECRETARY

INSPECTOR GENERAL

For an additional amount for "Inspector General", $200,000.

YOUTH CONSERVATION CORPS

(RESCISSION)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $34,000,000 are rescinded: *Provided*, That notwithstanding provisions of 16 U.S.C 1704(d) and 1706 the unrescinded balance of the amount appropriated under this head in Public Law 96-514 shall be allocated as follows: $18,000,000 for the purposes of 16 U.S.C 1704; $4,000,000 to the Secretary of the Interior; and $4,000,000 to the Secretary of Agriculture.

94 Stat. 2970.

RURAL WATER TREATMENT AND DISTRIBUTION SYSTEM

(DEFERRAL)

Of the funds appropriated under this head in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $1,900,000 shall not become available for obligation until the conditions of Section 9(b) of Public Law 96-355 regarding deauthorization of the Oahe unit have been met.

94 Stat. 2970.
94 Stat. 1175.

RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

NATIONAL FOREST SYSTEM

For an additional amount for "National forest system", $100,000,000.

CONSTRUCTION AND LAND ACQUISITION

For an additional amount for "Construction and land acquisition", $62,542,000, to remain available until expended for construction of forest development roads and trails by the Forest Service: *Provided*, That section 14(i) of the National Forest Management Act of 1976 (Public Law 94-588) may be waived at the discretion of the Secretary if he determines that such action will facilitate the salvage of timber damaged by the eruption of Mount Saint Helens: *Provided further*, That $22,607,000 appropriated in the Department of the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), for timber management and any related activities, including roads, on the Tongass National Forest, Alaska, that are replaced by funds provided under the authority of section 705(a) of Public Law 96-487 (which fund is hereby established at not less than $25,000,000 for fiscal year 1981), are transferred to this account, to remain available until expended, to facilitate timber salvage activities in the Mount Saint Helens volcano area of the Gifford Pinchot National Forest as follows: construction of forest development roads and trails by the

Waiver.
16 USC 472a.

94 Stat. 2973.

16 USC 539d.

Forest Service $18,812,000; land line location $300,000; timber sales preparation $800,000; and road maintenance $2,695,000.

DEPARTMENT OF ENERGY

ALTERNATIVE FUELS PRODUCTION

(RESCISSION)

Of the funds provided under this head in Public Law 96-304, $300,000,000 provided for support of preliminary alternative fuels commercialization activities are rescinded; and of the funds provided under this head in Public Law 96-126, $875,000,000 for the Solar and Conservation Reserve are rescinded.

94 Stat. 880.

93 Stat. 970.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $53,036,000 are rescinded and $9,000,000 shall not become available for obligation until October 1, 1981.

94 Stat. 2975.

FOSSIL ENERGY CONSTRUCTION

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $89,400,000 are rescinded and $235,000,000 shall not become available for obligation until October 1, 1981.

94 Stat. 2975.

ENERGY PRODUCTION, DEMONSTRATION, AND DISTRIBUTION

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), and in the Supplemental Appropriations Act, 1978 (Public Law 95-240), $400,000 shall not become available for obligation until October 1, 1981, and $10,348,000 are rescinded.

94 Stat. 2975.

92 Stat. 107.

ENERGY CONSERVATION

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $67,762,000 shall not become available for obligation until October 1, 1981, and $153,180,000 are rescinded.

94 Stat. 2975.

ECONOMIC REGULATION

(RESCISSION AND DEFERRAL)

Of the funds appropriated under this head in the Department of Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $17,167,000 are rescinded and $38,200,000 shall not become

94 Stat. 2976.

available for obligation until October 1, 1981, and shall remain available for obligation until September 30, 1982.

STRATEGIC PETROLEUM RESERVE

For an additional amount for "Strategic petroleum reserve", $1,305,000,000, to remain available until expended.

ENERGY INFORMATION ADMINISTRATION

(RESCISSION)

94 Stat. 2976.

Of the funds appropriated under this head in the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514) $13,700,000 are rescinded.

DEPARTMENT OF THE TREASURY

ENERGY SECURITY RESERVE

(RESCISSION)

42 USC 5915 note.
94 Stat. 881.

42 USC 8811, 8831.

Of the funds appropriated under this head in the Supplemental Appropriations and Rescissions Act, 1980 (Public Law 96-304) to the Secretary of Energy to carry out the provisions of title II of the Energy Security Act, Public Law 96-294, $250,600,000 for the purposes of subtitle A and $218,900,000 for the purposes of subtitle B are rescinded.

(TRANSFER)

94 Stat. 857.
93 Stat. 954.

42 USC 8701.

Funds not to exceed $5,310,000,000 to be derived by transfer of the balance of the amounts not committed or not conditionally committed which were appropriated by Public Law 96-304 and Public Law 96-126 from the Energy Security Reserve to the Department of Energy shall be available to carry out the provisions of title I of the Energy Security Act, Public Law 96-294 only upon a Presidential determination that the Synthetic Fuels Corporation is fully operational.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For an additional amount for "Indian health services", $120,000.

INDIAN HEALTH FACILITIES

For an additional amount for "Indian health facilities", $2,500,000, to remain available until expended, for site reviews, water investigations, and preliminary engineering and design of sanitation facilities for 2840 Indian housing units.

(RESCISSION)

Of the funds appropriated under this head in the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $3,916,000 are rescinded. 94 Stat. 2978.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $200,000 to remain available for obligation until September 30, 1982.

FEDERAL INSPECTOR FOR THE ALASKA GAS PIPELINE

PERMITTING AND ENFORCEMENT

(RESCISSION)

Of the funds appropriated under this head in the Interior and Related Agencies Appropriations Act, 1981 (Public Law 96-514), $445,000 are rescinded. 94 Stat. 2983.

CHAPTER VIII

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

EMPLOYMENT AND TRAINING ASSISTANCE

(RESCISSION)

Of the funds provided for "Employment and training assistance" for fiscal year 1981 in Public Law 96-536, as amended, $82,500,000 are rescinded: *Provided,* That notwithstanding any other provision of law, $696,000,000 shall be available for the Youth Employment and Training Program authorized under title IV, part A, subpart 3, of the Comprehensive Employment and Training Act: *Provided further,* That notwithstanding any other provision of law, $70,136,000 shall be available for title II, part A, section 202(e), of the Comprehensive Employment and Training Act. 94 Stat. 3166. 29 USC 907. 29 USC 842.

TEMPORARY EMPLOYMENT ASSISTANCE

(RESCISSION)

Of the funds made available under this head in Public Law 96-536, as amended, and in previous years, any unobligated balances remaining available as of September 30, 1981, are rescinded: *Provided,* That fiscal year 1981 allocations made pursuant to section 604 of Public Law 95-524 shall be reduced in the amount of $234,475,000. 94 Stat. 3166. 29 USC 964.

LABOR-MANAGEMENT SERVICES ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $570,000 are rescinded.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $406,000 are rescinded.

BLACK LUNG DISABILITY TRUST FUND

For an additional amount for "Black lung disability trust fund", for transfer to Employment Standards Administration, Salaries and expenses, $3,700,000.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $920,000 are rescinded.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $660,000 are rescinded.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $160,000 are rescinded.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $300,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

(RESCISSION)

Of the funds provided for "Health services", for fiscal year 1981 in Public Law 96-536, as amended, $49,776,000 are rescinded: *Provided,* That not more than $128,399,000 shall be available under this head for operation of Public Health Service hospitals and clinics. 94 Stat. 3166.

CENTERS FOR DISEASE CONTROL

PREVENTIVE HEALTH SERVICES

For an additional amount for "Preventive health services", $2,000,000, to remain available until expended: *Provided,* That these funds are to be derived from unobligated balances provided under Public Law 94-266 for National influenza immunization. 90 Stat. 363.

(RESCISSION)

Of the funds provided for "Preventive health services" for fiscal year 1981 in Public Law 96-536, as amended, $44,981,000 are rescinded; and of the funds provided under this heading in Public Law 94-266, $9,400,000 are rescinded. 94 Stat. 3166.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

(RESCISSION)

Of the funds provided for "National Cancer Institute" for fiscal year 1981 in Public Law 96-536, as amended, $10,785,000 are rescinded. 94 Stat. 3166.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

(RESCISSION)

Of the funds provided for "National Heart, Lung, and Blood Institute" for fiscal year 1981 in Public Law 96-536, as amended, $9,950,000 are rescinded. 94 Stat. 3166.

NATIONAL INSTITUTE OF ARTHRITIS, METABOLISM, AND DIGESTIVE DISEASES

(RESCISSION)

Of the funds provided for "National Institute of Arthritis, Metabolism, and Digestive Diseases" for fiscal year 1981 in Public Law 96-536, as amended, $2,113,000 are rescinded. 94 Stat. 3166.

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

(RESCISSION)

Of the funds provided for "National Institute of Neurological and Communicative Disorders and Stroke" for fiscal year 1981 in Public Law 96-536, as amended, $997,000 are rescinded.

94 Stat. 3166.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

(RESCISSION)

Of the funds provided for "National Institute of General Medical Sciences" for fiscal year 1981 in Public Law 96-536, as amended, $1,571,000 are rescinded.

94 Stat. 3166.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

(RESCISSION)

Of the funds provided for "National Institute of Child Health and Human Development" for fiscal year 1981 in Public Law 96-536, as amended, $2,694,000 are rescinded.

94 Stat. 3166.

NATIONAL EYE INSTITUTE

(RESCISSION)

Of the funds provided for "National Eye Institute" for fiscal year 1981 in Public Law 96-536, as amended, $2,137,000 are rescinded.

94 Stat. 3166.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

(RESCISSION)

Of the funds provided for "National Institute of Environmental Health Sciences" for fiscal year 1981 in Public Law 96-536, as amended, $3,630,000 are rescinded.

94 Stat. 3166.

NATIONAL INSTITUTE ON AGING

(RESCISSION)

Of the funds provided for "National Institute on Aging" for fiscal year 1981 in Public Law 96-536, as amended, $377,000 are rescinded.

94 Stat. 3166.

RESEARCH RESOURCES

(RESCISSION)

Of the funds provided for "Research resources" for fiscal year 1981 in Public Law 96-536, as amended, $8,623,000 are rescinded.

94 Stat. 3166.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

(RESCISSION)

Of the funds provided for "Alcohol, drug abuse, and mental health" for fiscal year 1981 in Public Law 96-536, as amended, $112,244,000 are rescinded. 94 Stat. 3166.

SAINT ELIZABETHS HOSPITAL, CONSTRUCTION AND RENOVATION

(RESCISSION)

Of the funds provided for "Saint Elizabeths Hospital, construction and renovation" for fiscal year 1981 in Public Law 96-536, as amended, $1,500,000 are rescinded. 94 Stat. 3166.

HEALTH RESOURCES ADMINISTRATION

HEALTH RESOURCES

(RESCISSION)

Of the funds provided for "Health resources" for fiscal year 1981 in Public Law 96-536, as amended, $158,189,000 are rescinded. 94 Stat. 3166.

ASSISTANT SECRETARY FOR HEALTH

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $40,000,000; such sums may be transferred to other appropriations of the Public Health Service to pay costs associated with the reduction or termination of various programs of the Service.

(RESCISSION)

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $38,270,000 are rescinded. 94 Stat. 3166.

HEALTH CARE FINANCING ADMINISTRATION

PAYMENTS TO HEALTH CARE TRUST FUNDS

(RESCISSION)

Of the funds provided for "Payments to health care trust funds" for fiscal year 1981 in Public Law 96-536, as amended, $6,520,000 are rescinded. 94 Stat. 3166.

PROGRAM MANAGEMENT

(RESCISSION)

Of the funds provided for "Program management" for fiscal year 1981 in Public Law 96-536, as amended, $7,494,000 are rescinded. 94 Stat. 3166.
Further, the amount to be transferred to this appropriation as authorized by section 201(g)(1) of the Social Security Act, from the 42 USC 401.

Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein, is reduced by $16,982,000.

SOCIAL SECURITY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The amount available to process workloads not anticipated in the budget estimates and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved, is increased to $80,000,000.

42 USC 1381, 1395, 421.

LOW INCOME ENERGY ASSISTANCE

(RESCISSION)

Of the funds provided for "Low income energy assistance" for fiscal year 1981 in Public Law 96-536, as amended, $500,000 are rescinded.

94 Stat. 3166.

REFUGEE ASSISTANCE

(RESCISSION)

Of the funds provided for "Refugee assistance" for fiscal year 1981 in Public Law 96-536, as amended, $41,805,000 are rescinded.

94 Stat. 3166.

CUBAN AND HAITIAN ENTRANTS RECEPTION AND PROCESSING

(RESCISSION)

Of the funds provided for "Cuban and Haitian entrants reception and processing" for fiscal year 1981 in Public Law 96-536, as amended, $10,000,000 are rescinded.

94 Stat. 3166.

CUBAN AND HAITIAN ENTRANTS DOMESTIC ASSISTANCE

For an additional amount for "Cuban and Haitian entrants domestic assistance", $6,000,000, to remain available until September 30, 1982, for education expenses pursuant to section 501(a) of the Refugee Education Assistance Act of 1980: *Provided,* That no funds shall be provided to any school district with fewer than 10,000 eligible students.

8 USC 1522 note.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

GRANTS TO STATES FOR SOCIAL AND CHILD WELFARE SERVICES

For an additional amount for "Grants to States for social and child welfare services" for fiscal year 1981, $5,000,000 to carry out activities authorized by section 470 of the Social Security Act.

42 USC 670.

HUMAN DEVELOPMENT SERVICES

(RESCISSION)

Of the funds provided for "Human development services" for fiscal year 1981 in Public Law 96-536, as amended, $13,500,000 are rescinded. 94 Stat. 3166.

DEPARTMENTAL MANAGEMENT

POLICY RESEARCH

(RESCISSION)

Of the funds provided for "Policy research" for fiscal year 1981 in Public Law 96-536, as amended, $2,500,000 are rescinded. 94 Stat. 3166.

DEPARTMENT OF EDUCATION

ELEMENTARY AND SECONDARY EDUCATION

(RESCISSION)

Of the funds provided under this head in Public Law 96-536, as amended, $10,455,000 of the amount provided for title I, parts A and B, $25,270,000 of the amount provided for title IV, part C, $8,925,000 of the amount provided for title V, part B, and $17,496,000 of the amount provided for title VII of the Elementary and Secondary Education Act, and $500,000 provided for sections 1524 and 1525 of the Education Amendments of 1978 are rescinded: *Provided,* That of the amount remaining for title I, parts A and B of the Elementary and Secondary Education Act, $100,000,000 shall be for the purpose of section 117, $266,400,000 shall be for the purposes of subpart 1 of such part B, $152,625,000 shall be for the purposes of subpart 2 of such part B, and $33,975,000 shall be for the purposes of subpart 3 of such part B and any reductions required thereby shall be proportionate among the States: *Provided further,* That notwithstanding the provision of sections 404(a)(9) and 523(c), none of the funds appropriated for title IV, part C of the Elementary and Secondary Education Act may be expended for the purposes of title V, part B of such Act: *Provided further,* That any reductions required in title IV, part C and title V, part B, of the Elementary and Secondary Education Act shall be proportionate among the States.

94 Stat. 3166.
20 USC 2711, 2761, 3111, 3161, 3221.
92 Stat. 2379.
20 USC 2722.
20 USC 2771, 2781.
20 USC 3084, 3163.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS

(RESCISSION)

Of the funds provided for "School assistance in Federally affected areas" for fiscal year 1981 in Public Law 96-536, as amended, $33,250,000 are rescinded: *Provided,* That the amounts paid with respect to entitlements under sections 2 and 3 shall be limited to 95 per centum of the amounts otherwise payable under those sections for fiscal year 1981. 94 Stat. 3166.

89-194 O—82——6 : QL3

EQUAL EDUCATIONAL OPPORTUNITIES

(RESCISSION)

42 USC 2000c.
20 USC 1601 note.
20 USC 3341.
94 Stat. 3166.

Of the funds provided for title IV of the Civil Rights Act of 1964, the Emergency School Aid Act, and title IX, part C of the Elementary and Secondary Education Act of 1965, for fiscal year 1981 in Public Law 96-536, as amended, $97,563,000 are rescinded.

LIBRARIES AND LEARNING RESOURCES

(RESCISSION)

94 Stat. 3166.
20 USC 3101.
20 USC 1022.
20 USC 1031.
20 USC 3082.

Of the funds provided for "Libraries and learning resources" for fiscal year 1981 in Public Law 96-536, as amended, $10,000,000 of the amount provided for title IV, part B of the Elementary and Secondary Education Act, $2,000,000 of the amount provided for title II, part A of the Higher Education Act, and $250,000 of the amount provided for title II, part B of the Higher Education Act are rescinded, and the remaining funds provided for fiscal year 1981 may be expended without regard to the provisions of section 402(a)(2)(A)(i) of title IV, part A of the Elementary and Secondary Education Act.

EDUCATION FOR THE HANDICAPPED

(RESCISSION)

94 Stat. 3166.
20 USC 1411, 1419.

Of the funds provided for "Education for the handicapped" for fiscal year 1981 in Public Law 96-536, as amended, $76,819,000 are rescinded: *Provided,* That $874,500,000 for section 611 and $25,000,000 for section 619 of the Education of the Handicapped Act shall become available for obligation on July 1, 1981, and shall remain available until September 30, 1982.

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

(RESCISSION)

94 Stat. 3166.
29 USC 732.
29 USC 750.

Of the funds provided for "Rehabilitation services and handicapped research" for fiscal year 1981 in Public Law 96-536, as amended, $12,126,000 are rescinded: *Provided,* That notwithstanding other provisions of law, the appropriation for section 112 of the Rehabilitation Act of 1973 shall be $2,800,000: *Provided further,* That $650,000 provided under this head in Public Law 96-536, as amended, for carrying out section 130 of the Rehabilitation Act of 1973 shall be made available to the Navajo Tribal Council.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

94 Stat. 3166.
20 USC 2301 note.
20 USC 1201 note.
20 USC 2601 note.

Of the funds provided for "Vocational and adult education" for the fiscal year 1981 in Public Law 96-536, as amended, $98,442,000 of the amount available for the purpose of carrying out the Vocational Education Act of 1963, as amended, $20,000,000 of the amount available for the purpose of carrying out the Adult Education Act, $5,000,000 of the amount available for the purpose of carrying out the Career Incentive Act, $6,862,000 of the amount available for the purpose of carrying out title VIII, section 804 of the Elementary and

Secondary Education Act and $2,261,000 of the amount available for the purpose of carrying out title III, part E of the Elementary and Secondary Education Act are rescinded: *Provided,* That not to exceed $93,323,000 shall be for carrying out part A, subpart 3 of the Vocational Education Act: *Provided further,* That not to exceed $7,477,000 shall be for carrying out part B, subpart 2 of the Vocational Education Act: *Provided further,* That notwithstanding the provisions of subpart 1, section 103, $2,243,100 shall be made available for the National Occupational Information Coordinating Committee: *Provided further,* That the $3,138,000 remaining for title VIII of the Elementary and Secondary Education Act shall be used for the purpose of carrying out sections 809, 810, and 812 of the Act.

20 USC 3284.
20 USC 2981.
20 USC 2350.
20 USC 2401.
20 USC 3289, 3290, 3292.

STUDENT FINANCIAL ASSISTANCE

For an additional amount for "Student financial assistance" to carry out title IV, part A, subpart 1 of the Higher Education Act, $445,000,000, which shall remain available until September 30, 1982: *Provided,* That no funds provided herein or under Public Law 96-86 or Public Law 96-536 to carry out subpart 1 of part A of the Higher Education Act shall be reserved or paid for administrative expenses: *Provided further,* That with funds appropriated herein and in the 1981 Continuing Resolution, Public Law 96-536, as amended, eligibility for a Pell grant in academic year 1981-82 shall be based on a maximum grant of $1,750, notwithstanding section 411(a)(2)(A)(i)(I) of the Higher Education Act: *Provided further,* That notwithstanding section 411(b)(3)(B)(i) each Pell grant be reduced by $80 after taking the cost of attendance limitation of section 411(a)(2)(B)(i) into account: *Provided further,* That the cost of attendance used for calculating eligibility for and amount of Pell grants shall be established by the Secretary of Education: *Provided further,* That notwithstanding any other provisions of law, of the sums appropriated pursuant to section 461(b)(1) of the Higher Education Act of 1965 for purposes of the fiscal year ending September 30, 1981, the Secretary shall apportion to each State an amount that bears the same ratio to the total amount of such sums as the amount received by the State under section 462(a)(1) of the Act in fiscal year 1980 bears to the sum of such amounts for all the States.

20 USC 1070.
93 Stat. 656; 94 Stat. 3166.
20 USC 1001.
20 USC 1070a.
20 USC 1070a note.
20 USC 1087aa.
20 USC 1087bb.

STUDENT LOAN INSURANCE

No amounts provided herein or under Public Law 96-86 or Public Law 96-536 shall be reserved for, or paid to, educational institutions to meet administrative expenses.

HIGHER AND CONTINUING EDUCATION

(RESCISSION)

Of the amount made available under this head in Public Law 96-304 for fiscal year 1981, $10,000,000 available for title VII, part A of the Higher Education Act are rescinded, and of the amount made available under this head in Public Law 96-536, as amended, for fiscal year 1981, $12,800,000 of the amount provided for title I, part B, $3,000,000 of the amount provided for section 417, $6,020,000 of the amount provided for section 420, and $2,150,000 of the amount provided for title IX, part B of the Higher Education Act are rescinded: *Provided,* That the funds appropriated in Public Law

94 Stat. 887.
20 USC 1132a.
94 Stat. 3166.
20 USC 1011, 1070d, 1070e, 1134d.

94 Stat. 3166.
20 USC 1134d, 1134e.

96-536, as amended, for title IX, part B are available notwithstanding the provisions of section 922(b)(2) of the Higher Education Act: *Provided further,* That $2,200,000 of the amount made available in Public Law 96-536 for title I, part B of the Higher Education Act is available only for section 115(d).

20 USC 1015.

HIGHER EDUCATION FACILITIES LOAN AND INSURANCE FUND

(DEFERRAL)

Deferral D81-82, transmitted in the Special Message of March 10, 1981 (House Document 97-28), is hereby disapproved. Funds proposed to be deferred in deferral D81-82 shall be obligated and expended.

COLLEGE HOUSING LOANS

(RESCISSION)

94 Stat. 3166.

Of the funds appropriated for participation sales insufficiencies for fiscal year 1981 in Public Law 96-536, as amended, $14,271,000 are rescinded. Payments of insufficiencies in fiscal year 1981 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749) using loan repayments and other income available during fiscal year 1981.

SCHOOL IMPROVEMENT

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "School improvement" in Public Law 96-536, as amended, for fiscal year 1981, $37,843,000 of the amount appropriated for title II, title III (part A, part B, part C, and part L), and title IX, parts A and E of the Elementary and Secondary Education Act, title III, section 303(c)(2) of the Comprehensive Employment and Training Act of 1973, as amended, and title V (part A and part B), section 532 of the Higher Education Act, the Alcohol and Drug Abuse Education Act, part B of the Headstart-Follow Through Act, section 3(a)(1) of the National Science Foundation Act of 1950, and section 422(a) of the General Education Provisions Act, as amended, are rescinded: *Provided,* That $17,225,000 shall be made available under title II, part A of the Elementary and Secondary Education Act.

20 USC 2881, 2941, 2951, 2961, 3051, 3311, 3361.
29 USC 873.
20 USC 1101, 1119, 1119a.
21 USC 1001 note.
42 USC 2929.
42 USC 1862.
20 USC 1231a.
20 USC 2881.

EDUCATIONAL STATISTICS

(RESCISSION)

94 Stat. 3166.
20 USC 1221e-1.

Of the funds provided in Public Law 96-536, as amended, to carry out section 406 of the General Education Provisions Act, $1,000,000 are rescinded.

RESEARCH AND RELATED ACTIVITIES

(RESCISSION)

Of the funds provided for "Research and related activities" for fiscal year 1981 in Public Law 96-536, as amended, $8,500,000 of the amounts appropriated for section 405 of the General Education Provisions Act are rescinded. 94 Stat. 3166. 20 USC 1221e.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds appropriated under this head for fiscal year 1981 in Public Law 96-536, as amended, $500,000 for the purposes of part D of the General Education Provisions Act are rescinded. 94 Stat. 3166. 20 USC 1233.

RELATED AGENCIES

ACTION

OPERATING EXPENSES, DOMESTIC PROGRAMS

(RESCISSION)

Of the funds provided under this heading for Action for fiscal year 1981 in Public Law 96-536, as amended, $5,187,000 are rescinded. 94 Stat. 3166.

COMMUNITY SERVICES ADMINISTRATION

COMMUNITY SERVICES PROGRAM

(RESCISSION)

Of the funds provided for "Community services program" for fiscal year 1981 in Public Law 96-536, as amended, $16,915,000 are rescinded. 94 Stat. 3166.

COMMUNITY DEVELOPMENT CREDIT UNIONS REVOLVING FUND

During 1981 no obligations for direct loans shall be incurred.

RURAL DEVELOPMENT LOAN FUND

During 1981 and within the resources and authority available, gross obligations for the amount of direct loans shall not exceed $5,500,000. During 1981, no commitments to guarantee loans shall be made.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "The Corporation for Public Broadcasting" for fiscal year 1983 in Public Law 96-536, as amended, $35,000,000 are rescinded.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for the Federal Mine Safety and Health Review Commission, "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $273,000 are rescinded.

NATIONAL COMMISSION ON STUDENT FINANCIAL ASSISTANCE

20 USC 1098.

For necessary expenses to carry out section 491 of the Higher Education Act, $250,000.

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $1,060,000 are rescinded.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for the Occupational Safety and Health Review Commission, "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, as amended, $54,000 are rescinded.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For an additional amount for "Operation and maintenance", $755,000, to be paid from the Soldiers' and Airmen's Home permanent fund.

GENERAL PROVISION

Of the total amounts appropriated for the Department of Health and Human Services for fiscal year 1981, $13,500,000 are hereby rescinded from funds available for travel, consultants, consultant services, training, and furniture and equipment purchases.

CHAPTER IX

LEGISLATIVE BRANCH

SENATE

(RESCISSION)

Of the funds appropriated under the heading "SENATE" in Acts providing appropriations for the Legislative Branch for the fiscal years ending September 30, 1977, September 30, 1978, and September 30, 1979, and which (except for the provisions of this section) would remain available until expended, the remaining balances, but not less than $46,400,000, are rescinded.

SALARIES, OFFICERS AND EMPLOYEES

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For an additional amount for "Offices of the Secretary for the Majority and the Secretary for the Minority", $100,000.

CONTINGENT EXPENSES OF THE SENATE STATIONERY (REVOLVING FUND)

For an additional amount for "Stationery (revolving fund)", $2,000.

ADMINISTRATIVE PROVISIONS

Revolving fund.

SEC. 101. In order to provide additional capital for the revolving fund established by the last paragraph under the heading "Contingent expenses of the Senate" appearing under the heading "SENATE" in chapter XI of the Third Supplemental Appropriation Act, 1957 (2 U.S.C. 46a-1), the Secretary of the Senate is authorized and directed to transfer $100,000 to such revolving fund from "miscellaneous items" in the contingent fund of the Senate.

Travel expenses.

SEC. 102. Effective with respect to fiscal years beginning on or after October 1, 1980, the first sentence of section 101 of the Legislative Branch Appropriations Act, 1976 (2 U.S.C. 61a-9a), is amended by striking out "$7,500" and inserting in lieu thereof "$10,000".

Inaugural ceremonies. 94 Stat. 892.

SEC. 103. Section 111 of the Supplemental Appropriations and Recission Act, 1980 (Public Law 96-304) is amended by striking out "and to remain available through September 30, 1981" and inserting in lieu thereof "and to remain available until December 31, 1981".

94 Stat. 892.

SEC. 104. Section 112(a) of the Supplemental Appropriations and Recission Act, 1980 (Public Law 96-304) is amended—

(1) by inserting "(and the unexpended balance on any subsequent date during the fiscal year ending September 30, 1981)" immediately after "February 28, 1981", and

(2) by striking out "for any fiscal year shall" and inserting in lieu thereof "or in funds otherwise made available for the same purposes as funds so appropriated for such fiscal year shall during such fiscal year".

SEC. 105. The second proviso contained in the Legislative Branch Appropriation Act, 1966 (2 U.S.C. 126b), under the heading "SENATE", "SALARIES, OFFICERS AND EMPLOYEES", "OFFICE OF THE SECRETARY", is amended to read as follows: "The Secretary of the Senate is hereafter authorized to employ, by contract or otherwise, substitute reporters of debates and expert transcribers at daily rates of compensation, or temporary reporters of debates and expert

transcribers at annual rates of compensation; no temporary reporters of debates or expert transcribers may be employed under authority of this provision for more than ninety days in any fiscal year; and payments made under authority of this proviso shall be made from the contingent fund of the Senate upon vouchers approved by the Secretary of the Senate.".

2 USC 61-1 note.

SEC. 106. (a) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the State of Florida is increased to that allowed Senators from States having a population of nine million but less than ten million, the population of said State having exceeded nine million inhabitants.

(b) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the State of Washington is increased to that allowed Senators from States having a population of four million but less than five million, the population of said State having exceeded four million inhabitants.

(c) Effective January 1, 1981, the allowance for administrative and clerical assistance of each Senator from the States of Oklahoma and South Carolina is increased to that allowed Senators from States having a population of three million but less than four million, the population of said States having exceeded three million inhabitants.

2 USC 64-2 note.

SEC. 107. Hereafter, the Secretary of the Senate as Disbursing Officer of the Senate is authorized to make transfers between appropriations of funds available for disbursement by him for fiscal year 1981, subject to the customary reprogramming procedures of the Committee on Appropriations of the Senate.

Travel expenses.

SEC. 108. Effective with the fiscal year ending September 30, 1981, section 117 of the Second Supplemental Appropriations Act, 1976 (2 U.S.C. 61f-1a), is amended by striking out "$92,000" and inserting in lieu thereof "$167,000".

SEC. 109. Notwithstanding any other provision of this Act (or any provision of law enacted prior to the date of enactment of this Act), the aggregate of the funds (other than funds appropriated under title II of this Act for increased pay costs) appropriated for the fiscal year ending September 30, 1981, for projects or activities for which disbursements are made by the Secretary of the Senate, shall not exceed an amount equal to 90 per centum of the aggregate of the funds (including funds appropriated for increased pay costs) appropriated for the fiscal year ending September 30, 1980, for such projects or activities.

2 USC 58b.

SEC. 110. (a) Effective in the case of each fiscal year (commencing with the fiscal year ending September 30, 1981) each Senator, at his election, may transfer from his Administrative, Clerical, and Legislative Assistance Allowance (hereinafter referred to as the "clerk hire allowance") to such Senator's Official Office Expense Account any balance remaining, or any portion thereof in such clerk hire allowance as of the close of the fiscal year. Any balance so transferred to a Senator's Official Office Expense Account shall be available only for expenses incurred during the calendar year in which occurred the close of the fiscal year. Each Senator electing to make such a transfer shall advise the Senate Disbursing Office in writing, no later than December 31, and such transfer shall be made on such date (but not earlier than the October 1 which next succeeds the close of the fiscal year with respect to which the balance occurs) as may be specified by the Senator.

(b) Transfer of funds under subsection (a) shall be made from the appropriation "Administrative, Clerical, and Legislative Assistance Allowance to Senators" under the heading "Senate" and "Salaries,

officers, and employees" for transfer to the appropriation "Miscellaneous items" for allocation to Senatorial Official Office Expense Accounts.

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Edith Mae Guyer, widow of Tennyson Guyer, late a Representative from the State of Ohio, $60,663.

COMMITTEE ON APPROPRIATIONS

(STUDIES AND INVESTIGATIONS)

For an additional amount for "Committee on Appropriations (Studies and investigations)", $652,000.

ALLOWANCES AND EXPENSES

For an additional amount for "Allowances and expenses", for supplies, materials, administrative costs and Federal tort claims, $3,150,000.

ADMINISTRATIVE PROVISIONS

SEC. 111. Of the amounts appropriated in fiscal year 1981 for the House of Representatives under the headings "Committee employees", "Special and select committees", "Salaries, officers and employees", and "Allowances and expenses", such amounts as are deemed necessary for the payment of salaries and expenses may be transferred among the aforementioned accounts upon approval of the Committee on Appropriations of the House of Representatives.

SEC. 112. No part of the funds appropriated by this or any other Act or resolution shall be available for planning or administering any user-reimbursement program or policy that requires reimbursement for computer services and equipment provided by the House Information Systems to the committees of the House of Representatives or the House Leadership offices.

JOINT ITEMS

OFFICIAL MAIL COSTS

For an additional amount for "Official mail costs", $15,400,000.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", Office of Technology Assessment, $100,000.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS

(RESCISSION)

94 Stat. 3166.

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $97,000 are rescinded.

CAPITOL GROUNDS

(RESCISSION)

94 Stat. 3166.

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $10,000 are rescinded.

ACQUISITION OF PROPERTY AS AN ADDITION TO THE CAPITOL GROUNDS

40 USC 193a note.

To enable the Architect of the Capitol, under the direction of the House Office Building Commission, to carry out the provisions of Public Law 96-432, approved October 10, 1980 (94 Stat. 1851), relating to the acquisition of property in squares 693, 640, and 582 in the District of Columbia, including necessary incidental expenses: *Provided,* That upon acquisition of such real property pursuant to this paragraph, the structure located on lot 801 of square 693 shall become a part of the House Office Buildings, subject to the provisions of the Act of July 31, 1946 (40 U.S.C. secs. 193a through 193m, 212a and 212b), including any amendments thereto, which are applicable to the Capitol Buildings, and to the Act of March 4, 1907 (40 U.S.C. 175); $11,500,000, to remain available until expended.

SENATE GARAGE

(RESCISSION)

94 Stat. 3166.

Of the funds appropriated under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, $102,000 are rescinded.

HOUSE OFFICE BUILDINGS

(RESCISSION)

94 Stat. 3166.

92 Stat. 782.

Of the funds appropriated under this head, $497,000 are rescinded, consisting of $200,000 included under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, and $297,000 included under this head in Public Law 95-391.

CAPITOL POWER PLANT

(INCLUDING RESCISSION)

90 Stat. 1454.

For an additional amount for "Capitol power plant", $2,000,000, of which $300,000 shall remain available until expended. Of the funds made available under this head in Public Law 94-440, $24,000 are

rescinded, together with $70,000 included under this head in H.R. 7593, and made available by Public Law 96-536. 94 Stat. 3166.

LIBRARY BUILDINGS AND GROUNDS

(RESCISSION)

Of the funds appropriated under this head, $508,000 are rescinded, consisting of $430,000 included under this head in H.R. 7593, and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, and $78,000 included under this head in Public Law 94-59. 94 Stat. 3166. 89 Stat. 290.

LIBRARY OF CONGRESS

COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS

(SPECIAL FOREIGN CURRENCY PROGRAM)

(RESCISSION)

Of the funds appropriated under this head, $500,000 are rescinded, consisting of $86,000 withheld from obligation pursuant to section 311 of Public Law 95-391, and $414,000 included under this head in H.R. 7593 and made available by Public Law 96-536, making continuing appropriations through June 5, 1981, including $197,900 withheld from obligation pursuant to section 309 of H.R. 7593. 92 Stat. 790. 94 Stat. 3166.

ADMINISTRATIVE PROVISION

Not to exceed $250,000 of the unobligated balance of that part of the appropriation "Salaries and expenses, Library of Congress" initially for the fiscal year 1980 and continued until September 30, 1981, for moving costs to the James Madison Memorial Building, is hereby further continued available until September 30, 1982.

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SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $14,000.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", Office of Superintendent of Documents, $400,000.

GENERAL PROVISIONS

The provisions of sections 491(c) and 491(d) of the Legislative Reorganization Act of 1970, as amended (2 U.S.C. 88b-1), shall not apply to the pay of pages of the Senate and House of Representatives during the period when the Senate and/or the House of Representatives adjourns or recesses on or after the first of August for a period of 2 USC 88b-1 note.

at least thirty days but not more than forty-five days. Such pay may continue until the end of such period of adjournment or recess.

CHAPTER X

MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

For an additional amount for "Military construction, Army", $28,400,000, to remain available until September 30, 1985; and $28,500,000 shall be available in addition to existing limitations for study, planning, design, architect and engineer services.

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military construction, Navy", $15,862,000, to remain available until September 30, 1985; and $23,000,000 shall be available in addition to existing limitations for study, planning, design, architect and engineer services.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for "Military construction, Air Force", $76,100,000, of which $35,000,000 shall be available, in addition to existing limitations, for study, planning, design, architect and engineer services, to remain available until September 30, 1985.

(DEFERRAL)

94 Stat. 1864.

Of the funds appropriated in the Military Construction Appropriations Act, 1981 (Public Law 96-436) under Military construction, Air Force for study, planning, design, architect, and engineering services, $92,000,000 are deferred for obligation until the President of the United States certifies to the Congress his decision on the basing mode for the MX missile.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

For an additional amount for "Military construction, Defense agencies", $16,400,000, of which $10,500,000 shall be available, in addition to existing limitations, for study, planning, design, architect and engineer services, to remain available until September 30, 1985.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For an additional amount for "Military construction, Air National Guard, 1981/1985", $6,500,000, to remain available until September 30, 1985.

FAMILY HOUSING, DEFENSE

For an additional amount for "Family housing, Defense", $84,000,000. The limitation for Air Force, construction, is increased to $65,975,000; and the limitation for the Department of Defense, operation, maintenance, is increased to $1,722,926,000; and the amount available only for the maintenance of real property facilities shall not be less than $764,625,000 rather than $811,711,000. Amounts

provided for construction shall remain available until September 30, 1985.

CHAPTER XI

DEPARTMENT OF TRANSPORTATION

COAST GUARD

OPERATING EXPENSES

For an additional amount for "Operating expenses", $95,575,000.

RETIRED PAY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Retired pay", $12,000,000, and, in addition, not to exceed $2,000,000 shall be derived by transfer from the unobligated balance in the appropriation "Acquisition, construction, and improvements".

RESERVE TRAINING

For an additional amount for "Reserve training", $1,000,000.

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), $5,000,000, to be derived from the Deepwater Port Liability Fund, to remain available until expended. In addition, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations pursuant to section 18(f)(3) of the Act, in such amounts and at such times as may be necessary to meet the obligations of the Fund. 33 USC 1517. 33 USC 1517a.

None of the authority provided under this or any other Act shall be available for the implementation or execution of programs the obligations for which are in excess of $50,000,000 in fiscal year 1981 for the "Deepwater port liability fund".

POLLUTION FUND

For carrying out the provisions of subsections (c), (d), (i), and (l) of section 311 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1321, $15,000,000, to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $30,000,000 of the proposed deferral D81-17B relating to Federal Aviation Administration, Facilities and Equipment (Airport and Airway Trust Fund), as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment Effective date.

into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

GRANTS-IN-AID FOR AIRPORT PLANNING AND DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

94 Stat. 1695.

The limitation in section 302 of the Department of Transportation and Related Agencies Appropriation Act, 1981 (Public Law 96-400), is amended by deleting "$700,000,000" and inserting in lieu thereof "$450,000,000".

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

94 Stat. 1685.

The limitation "Federal Aviation Administration, aircraft purchase loan guarantee program" contained in the Department of Transportation and Related Agencies Appropriation Act, 1981, is amended by deleting "$400,000,000" and inserting in lieu thereof "$350,000,000".

FEDERAL HIGHWAY ADMINISTRATION

HIGHWAY-RELATED SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(TRUST FUND)

For an additional amount for "Highway-related safety grants", $12,000,000, to remain available until expended, to be derived from the Highway Trust Fund.

NATIONAL SCENIC AND RECREATIONAL HIGHWAY

(LIQUIDATION OF CONTRACT AUTHORIZATION)

For an additional amount for "National scenic and recreational highway", $7,000,000, to remain available until expended, to be derived from the Highway Trust Fund.

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(TRUST FUND)

For an additional amount for "Federal-aid highways", $1,250,000,000 or so much as may be available in and derived from the Highway Trust Fund, to remain available until expended.

URBAN HIGH DENSITY TRAFFIC PROGRAM

Notwithstanding any other provision of law, obligations authorized out of the Highway Trust Fund are increased by $33,959,000, to remain available until expended, for the purpose of completing routes designated under the urban high density traffic program prior to May 5, 1976.

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

For an additional amount for "Access highways to public recreation areas on certain lakes", $10,000,000, to remain available until September 30, 1983.

FEDERAL RAILROAD ADMINISTRATION

RAIL SERVICE ASSISTANCE

(INCLUDING DISAPPROVAL OF DEFERRAL)

For an additional amount for "Rail service assistance", $60,381,000 for payment to the Secretary of the Treasury for debt reduction.

The Congress disapproves $40,000,000 of the proposed deferral D81-91 relating to the Federal Railroad Administration, Rail Service Assistance, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

After reserving funds for the grant agreements executed prior to March 10, 1981, for the remainder of the fiscal year 1981, the Secretary shall obligate available funds up to the extent of the entitlements which existed immediately prior to March 10, 1981, or on the basis of the rail transportation needs to be addressed by the project to be funded.

CONRAIL WORKFORCE REDUCTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Conrail Workforce Reduction Program, to remain available until expended, $15,000,000 which shall be transferred to the United States Railway Association in accordance with section 405(b)(1) of Public Law 96-448, of which $5,000,000 shall be derived by transfer from "Rail service assistance". 94 Stat. 1945.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

(RESCISSION)

Of the funds authorized to be expended under this head by the Department of Transportation and Related Agencies Appropriation Act, 1981, and prior appropriation Acts, $1,000,000 are rescinded. 94 Stat. 1689.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Grants to the National Railroad Passenger Corporation", for operating losses incurred by the Corporation, $15,300,000 to be derived by transfer from the unobligated balances under the appropriations "Department of the Treasury, Office of the Secretary, Investment in Fund Anticipation Notes" and "Federal Railroad Administration, Railroad Rehabilitation and Improvement Financing Funds". Not to exceed $24,900,000 of amounts previously appropriated for capital improvements may be used for operating expenses incurred by the Corporation. Amounts

appropriated in fiscal years 1980 and 1981 pursuant to section 122(b)(1)(D) of the Amtrak Reorganization Act of 1979 for labor protection shall be used for operating expenses incurred by the Corporation.

93 Stat. 550.

PAYMENTS TO THE ALASKA RAILROAD REVOLVING FUND

For an additional amount for "Payments to the Alaska railroad revolving fund", $2,000,000 to remain available until expended.

SETTLEMENTS OF RAILROAD LITIGATION

For necessary expenses to liquidate a promissory note pursuant to section 210(f) of the Regional Rail Reorganization Act of 1973 (Public Law 93-236), as amended, $2,113,000,000, to remain available until expended.

45 USC 720.

RAIL LABOR ASSISTANCE

For an additional amount for "Rail labor assistance", $60,000,000, to remain available until expended.

URBAN MASS TRANSPORTATION ADMINISTRATION

RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

(TRANSFER OF FUNDS)

For an additional amount for "Research, development, and demonstrations and university research and training", $2,000,000, to remain available until expended, of which $1,040,000 shall be derived by transfer from the appropriation "Office of the Secretary, transportation planning, research and development" and $960,000 shall be derived by transfer from the appropriation "Federal Railroad Administration, railroad research and development".

URBAN DISCRETIONARY GRANTS

(DEFERRAL)

Of the funds appropriated under this head in the Department of Transportation and Related Agencies Appropriation Act, 1981, $220,000,000 shall not become available for obligation until October 1, 1981.

94 Stat. 1689.

WATERBORNE TRANSPORTATION DEMONSTRATION PROJECT

(RESCISSION)

Of the funds appropriated under this head in Public Law 96-38, Public Law 96-131 and Public Law 96-400, making appropriations for a waterborne transportation demonstration project for fiscal years 1979, 1980, and 1981, $20,700,000 are rescinded.

93 Stat. 120, 1032, 94 Stat. 1690.

INTERSTATE TRANSFER GRANTS

For an additional amount for "Interstate transfer grants", $65,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The limitation on administrative expenses is increased to $1,685,000, which shall be computed on an accrual basis.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

COOPERATIVE AUTOMOTIVE RESEARCH PROGRAM

(RESCISSION)

Appropriations under this heading contained in Public Law 96-400 are hereby rescinded in the amount of $11,500,000. 94 Stat. 1691.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,000,000.

RELATED AGENCIES

CIVIL AERONAUTICS BOARD

PAYMENTS TO AIR CARRIERS

For an additional amount for "Payments to air carriers", $20,000,000, to remain available until expended.

INTERSTATE COMMERCE COMMISSION

PAYMENTS FOR DIRECTED RAIL SERVICE

(TRANSFER OF FUNDS)

For necessary expenses for "Payments for directed rail service", $2,500,000, to be derived by transfer from Interstate Commerce Commission, "Salaries and expenses", to remain available until expended.

NATIONAL CLEAN-UP AND FLAG-UP AMERICA'S HIGHWAYS WEEK

The week of June 28 through July 4, 1981, is designated as "National Clean-up and Flag-up America's Highways Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities. National Clean-up and Flag-up America's Highways Week. Designation.

MOTOR CARRIER RATEMAKING STUDY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Motor Carrier Ratemaking Study Commission as authorized by Public Law 96-296, $2,000,000 to remain available until expended. 94 Stat. 793.

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PANAMA CANAL COMMISSION

OPERATING EXPENSES

For payment to the Republic of Panama, pursuant to Article XIII, paragraph 4(c) of the Panama Canal Treaty of 1977, $2,699,000, to be derived from the Panama Canal Commission Fund.

EMERGENCY FUND

For expenses necessary to defray emergency expenditures and to insure continuous efficient and safe operation of the Panama Canal, when funds appropriated for the operation and maintenance of the Canal prove insufficient for such purposes, $10,000,000, to be derived from the Panama Canal Commission Fund, to remain available until expended.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

(RESCISSION)

94 Stat. 1694.

Of the funds appropriated under this head in the Department of Transportation and Related Agencies Appropriation Act, 1981, and prior appropriation Acts, $1,000,000 are rescinded.

UNITED STATES RAILWAY ASSOCIATION

PAYMENTS FOR PURCHASE OF CONRAIL SECURITIES

For an additional amount for acquisition of series A preferred stock issued by the Consolidated Rail Corporation, to remain available until expended, $300,000,000.

GENERAL PROVISION

Property conveyance deed to Gary, Ind. 49 USC 1115 note.

50 USC app. 1611 note.

(a) Notwithstanding section 16 of the Federal Airport Act (as in effect on May 29, 1947), the Secretary of Transportation is authorized, subject to the provisions of section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622c), as if the property described in subsection (b) has been conveyed pursuant to the Surplus Property Act of 1944, as amended, and the provisions of subsection (c) to grant a release or releases without monetary consideration to the United States with respect to the property described in subsection (b) from any of the terms, conditions, reservations, and restrictions contained in the deed of conveyance dated May 29, 1947, under which the United States conveyed certain property to the City of Gary, Indiana, for airport purposes.

(b) The property to which subsection (a) applies is that portion of the property conveyed to the City of Gary, Indiana, by the deed of conveyance dated May 29, 1947, which is described as follows: lying in the County of Lake in the State of Indiana, the westerly 500 feet of the southeast quarter of section 35, township 37 north, range 9 west lying north of the Grand Calumet River, containing 25.7 acres, more or less.

(c) Any release granted by the Secretary of Transportation under subsection (a) shall be subject to the following conditions:

Release conditions.

(1) The City of Gary, Indiana, shall agree that in conveying any interest in the property described in subsection (b) the city will receive an amount for such interest which is equal to the fair market value (as determined in a manner approved by such Secretary).

(2) Any such amount so received by such city shall be used by such city for the development, improvement, operation, or maintenance of a public airport owned by such city.

CHAPTER XII

DEPARTMENT OF THE TREASURY

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $10,000,000, to be used for the implementation of the Air Module Concept; including acquisition (purchase of four), operation and maintenance of aircraft: *Provided*, That none of the funds made available by this Act shall be available for administrative expenses in connection with effecting the reduction of employment in the U.S. Customs Service below the level on April 30, 1981.

INTERNAL REVENUE SERVICE

TAXPAYER SERVICE AND RETURNS PROCESSING

For an additional amount for the tax counseling for the elderly program (TCE), $500,000. This additional amount shall be used to retroactively reimburse volunteer tax counselors for personal and administrative expenses incurred during the past 1980 income tax filing season.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $11,629,000.

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $7,563,000.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

(INCLUDING TRANSFER OF FUNDS)

(RESCISSION)

Of the amounts in the Postal Service Fund, $250,000,000 shall be transferred to the account entitled "Payment to the Postal Service fund" and, when transferred, are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON WAGE AND PRICE STABILITY

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for the activities of the Council on Wage and Price Stability in Public Law 96-536, $1,500,000 are rescinded: *Provided,* That no funds appropriated or made available by this or any other Act shall be available to fund the Council on Wage and Price Stability after June 5, 1981.

INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $39,000.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

In addition to the aggregate amount heretofore made available for real property management and related activities in fiscal year 1981, $33,036,000 shall be made available for such purposes in the aggregate amount of $1,647,525,000, of which (1) not to exceed $2,336,000 shall remain available until expended for the construction and acquisition of facilities as follows:

Payment of Construction Claims:

Florida: West Palm Beach, U.S. Courthouse and Post Office, $1,000,000

Massachusetts: Andover, Internal Revenue Service Center, $700,000

Virginia: Quantico, Federal Bureau of Investigation Academy, $250,000

Acquisition:

Virginia: Charlottesville, Federal Executive Institute, $2,270,000

Provided, That $1,884,000 previously authorized for the acquisition of excess United States Postal Service properties pursuant to Public Law 95-429, under the heading "Federal Building Fund, Limitation on Availability of Revenue", shall be made available for such purposes: *Provided further,* That the immediately foregoing limits of costs may be exceeded to the extent that savings are effected in other such projects but by not to exceed 10 per centum: *Provided further,* That all funds for direct construction projects shall expire on September 30, 1982, except for funds for projects as to which funds have been obligated in whole or in part prior to such date: (2) not to exceed $30,700,000 for real property operations: *Provided,* That any revenues and collections and any other sums accruing to this fund during fiscal year 1981, excluding reimbursements under section 210(f)(6), in excess of $1,647,525,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts. 92 Stat. 1009.

GENERAL SUPPLY FUND

(INCLUDING TRANSFER OF FUNDS)

To increase the capital of the General Supply Fund, established by section 109 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 756), $150,000,000, and in addition, $72,300,000, to be derived by transfer from operating surpluses in the fund in fiscal years 1978, 1979, and 1980: *Provided,* That the Administrator of the General Services Administration is authorized hereafter to retain from any surplus generated from the operation of the fund such sums as may be necessary to maintain a sufficient level of inventory of personal property to meet the needs of the Federal agencies. 40 USC 756 note. 40 USC 756a.

NATIONAL ARCHIVES AND RECORDS SERVICE

OPERATING EXPENSES

For an additional amount for "Operating expenses", $1,100,000.

OFFICE OF PERSONNEL MANAGEMENT

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For an additional amount for "Payment to Civil Service retirement and disability fund", $513,007,000.

INTERGOVERNMENTAL PERSONNEL ASSISTANCE

(RESCISSION)

Of the funds provided for the Intergovernmental Personnel Act Grant program for fiscal year 1981 in Public Law 96-536, $5,600,000 are rescinded: *Provided,* That no funds appropriated or made available by this or any other Act shall be available to fund the Intergovernmental Personnel Act Grant program after June 5, 1981. 94 Stat. 3166.

REVOLVING FUND

For additional working capital for the revolving fund of the Office of Personnel Management established by 5 U.S.C 1304(e), $1,800,000, to remain available until expended.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The limitation on the transfer of funds from the Civil Service Retirement and Disability Fund for reimbursement of administrative expenses for the adjudication of retirement appeals in amounts determined by the Merit Systems Protection Board is increased for the current fiscal year to $950,000.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(RESCISSION)

94 Stat. 3166.

Of the funds provided for the Merit Systems Protection Board, "Salaries and expenses" for fiscal year 1981 in Public Law 96-536, $210,000 are rescinded.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $1,400,000. The limitation on obligations for travel and transportation of persons is increased to $1,309,000.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $221,000: *Provided,* That the limitation on travel expenses is increased by $45,000.

GENERAL PROVISION

None of the funds made available to the Department of the Treasury by this Act shall be used to implement changes shortening the time granted, or altering the mode of payment permitted, for payment of excise taxes by law or regulations in effect on January 1, 1981.

CHAPTER XIII

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For an additional amount for "Federal payment to the District of Columbia", for the fiscal year ending September 30, 1981, $4,600,000, as authorized by section 502 of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 812; D.C. Code, sec. 47-2501d).

DISTRICT OF COLUMBIA FUNDS

GOVERNMENTAL DIRECTION AND SUPPORT

(RESCISSION)

Of the funds appropriated for "Governmental direction and support" for fiscal year 1981 in Public Law 96-530, $3,665,500 are rescinded: *Provided,* That outstanding settlements of claims and suits not to exceed $200,000 in total shall be paid in the same manner as judgments rendered against the District of Columbia government. 94 Stat. 3122.

ECONOMIC DEVELOPMENT AND REGULATION

(RESCISSION)

Of the funds appropriated for "Economic development and regulation" for fiscal year 1981 in Public Law 96-530, $40,500 are rescinded. 94 Stat. 3122.

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public safety and justice", $3,394,000.

PUBLIC EDUCATION SYSTEM

(INCLUDING RESCISSIONS)

For an additional amount for "Public education system", $2,970,000, to be allocated as follows: $1,100,000 for the District of Columbia Public Schools, and $1,870,000 for the School Transit Subsidy: *Provided,* That of the funds appropriated under this heading for the Public Library for fiscal year 1981 in Public Law 96-530, $298,800 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Commission on the Arts and Humanities for fiscal year 1981 in Public Law 96-530, $5,000 are rescinded: *Provided further,* That of the funds appropriated under this heading for the Educational Institution Licensure Commission for fiscal year 1981 in Public Law 96-530, $3,500 are rescinded. 94 Stat. 3123.

HUMAN SUPPORT SERVICES

For an additional amount for "Human support services", $20,754,100: *Provided,* That $3,500,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation.

TRANSPORTATION SERVICES AND ASSISTANCE

(RESCISSION)

Of the funds appropriated for "Transportation services and assistance" for fiscal year 1981 in Public Law 96-530, $3,031,600 are rescinded. 94 Stat. 3124.

ENVIRONMENTAL SERVICES AND SUPPLY

(RESCISSION)

Of the funds appropriated for "Environmental services and supply" for fiscal year 1981 in Public Law 96-530, $121,600 are rescinded.

94 Stat. 3124.

WATER AND SEWER ENTERPRISE FUND

For an additional amount for "Water and Sewer Enterprise Fund", $3,017,800.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For establishment of the Washington Convention Center Enterprise Fund, $382,600.

CAPITAL OUTLAY

For an additional amount for "Capital outlay", $696,000.

TITLE II

INCREASED PAY COSTS FOR THE FISCAL YEAR 1981

For additional amounts for appropriations for the fiscal year 1981, for increased pay costs authorized by or pursuant to law as follows:

LEGISLATIVE BRANCH

SENATE

"Salaries, officers and employees", $11,740,000;
"Office of the Legislative Counsel of the Senate", $80,000;
"Office of Senate Legal Counsel", $40,000;
"Senate Policy Committees", $131,000;
"Inquiries and investigations", $1,627,000;
"Folding documents", $11,000;

HOUSE OF REPRESENTATIVES

"House leadership offices", $147,000;
"Salaries, officers and employees", $2,193,000;
"Committee employees", $2,225,000;
"Committee on Appropriations (studies and investigations)", $161,000;
"Office of Law Revision Counsel", $11,000;
"Office of the Legislative Counsel", $105,000;
"Members' clerk hire", $11,540,000;
"Allowances and expenses", $2,155,000;

JOINT ITEMS

"Joint Economic Committee", $57,000, and in addition, $43,000 to be derived by release of that amount withheld from obligation by the Secretary of the Senate pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

94 Stat. 3166.

"Joint Committee on Taxation", $127,000;

"Education of Pages", $9,000;
"Capitol Guide Service", $67,000;

OFFICE OF TECHNOLOGY ASSESSMENT

"Salaries and expenses", $83,000, and in addition, $220,000 to be derived by release of that amount withheld from obligation by the Director of the Office of Technology Assessment pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536; 94 Stat. 3166.

CONGRESSIONAL BUDGET OFFICE

"Salaries and expenses", $133,000, and in addition, $248,000 to be derived by release of that amount withheld from obligation by the Director of the Congressional Budget Office pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

ARCHITECT OF THE CAPITOL

(INCLUDING TRANSFER OF FUNDS)

Office of the Architect of the Capitol: "Salaries", $106,000, and in addition, $50,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

"Capitol buildings", $101,000, and in addition, $50,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536; and $132,000 to be derived by transfer from the appropriation "Capitol power plant" by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

"Capitol grounds", $127,000;

"Senate office buildings", $448,000;

"House office buildings", $318,000, of which $118,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 311 of Public Law 95-391 and 92 Stat. 790. $200,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536; and $339,000 to be derived by transfer from the appropriation "Capitol power plant" by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

"Capitol power plant", $73,000, and in addition, $50,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

"Library buildings and grounds: Structural and mechanical care", $250,000 to be derived by release of that amount withheld from obligation by the Architect of the Capitol pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

BOTANIC GARDEN

"Salaries and expenses", $56,000;

LIBRARY OF CONGRESS

(INCLUDING TRANSFER OF FUNDS)

"Salaries and expenses", $2,908,000, and in addition, $883,600 to be derived by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536; $1,446,350 to be derived by transfer from the appropriation "Books for the blind and physically handicapped: Salaries and expenses" by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536; and $88,750 to be derived by transfer from the appropriation "Furniture and furnishings" by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

94 Stat. 3166.

Copyright Office: "Salaries and expenses", $655,000, and in addition, $200,300 to be derived by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

Congressional Research Service: "Salaries and expenses", $1,033,000, and in addition, $573,000 to be derived by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

Books for the Blind and Physically Handicapped: "Salaries and expenses", $219,000 to be derived by release of that amount withheld from obligation by the Librarian of Congress pursuant to section 309 of H.R. 7593 as provided by section 101(c) of Public Law 96-536;

"Collection and distribution of library materials (Special Foreign Currency Program)", $21,000, to remain available until expended;

GENERAL ACCOUNTING OFFICE

"Salaries and expenses", $10,602,000;

GOVERNMENT PRINTING OFFICE

Office of Superintendent of Documents: "Salaries and expenses", $200,000;

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

"Salaries and expenses", $700,000;

COURT OF CUSTOMS AND PATENT APPEALS

"Salaries and expenses", $72,000;

U.S. COURT OF INTERNATIONAL TRADE

"Salaries and expenses", $114,000;

COURT OF CLAIMS

"Salaries and expenses", $267,000;

COURT OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

"Salaries of judges", $1,500,000;

"Salaries of supporting personnel", $18,750,000 of which $12,500,000 is to be derived by transfer from "Space and facilities";

"Salaries and expenses of magistrates", $700,000;

"Bankruptcy Courts, salaries and expenses", $3,500,000;

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

"Salaries and expenses", $875,000;

FEDERAL JUDICIAL CENTER

"Salaries and expenses", $222,000;

EXECUTIVE OFFICE OF THE PRESIDENT

WHITE HOUSE OFFICE

"Salaries and expenses", $905,000;

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

"Operating expenses", $218,000;

SPECIAL ASSISTANCE TO THE PRESIDENT

"Salaries and expenses", $60,000;

COUNCIL OF ECONOMIC ADVISERS

"Salaries and expenses", $34,000;

NATIONAL SECURITY COUNCIL

"Salaries and expenses", $171,000;

OFFICE OF ADMINISTRATION

"Salaries and expenses", $200,000;

OFFICE OF MANAGEMENT AND BUDGET

"Salaries and expenses", $1,416,000;

OFFICE OF FEDERAL PROCUREMENT POLICY

"Salaries and expenses", $128,000;

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

"Salaries and expenses", $260,000;

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL DEVELOPMENT ASSISTANCE

"Operating expenses of the International Development Cooperation Agency", $10,408,000; of which not to exceed $5,540,000 shall be for operating expenses, Agency for International Development—Washington, and $114,000 shall be for operating, administrative expenses, International Development Cooperation Agency;

DEPARTMENT OF AGRICULTURE

"Office of the Secretary", $416,000;

"Departmental Administration", for budget, planning and evaluation, and public participation, $125,000; and for operations and finance, personnel, equal opportunity, safety and health management, management analysis, and small and disadvantaged business utilization, $579,000; making a total of $704,000;

"Office of Governmental and Public Affairs", $42,000;

"Office of the General Counsel", $910,000;

"Office of the Inspector General", $700,000;

SCIENCE AND EDUCATION ADMINISTRATION

"Agricultural research", $10,464,000;

"Extension activities", $136,000;

"Technical information systems", $281,000;

"Economics and Statistics Service", $2,951,000;

"Foreign Agricultural Service", $281,000;

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

(INCLUDING TRANSFER OF FUNDS)

"Salaries and expenses", $13,163,000. In addition, not to exceed an additional $6,831,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund;

RURAL ELECTRIFICATION ADMINISTRATION

"Salaries and expenses", $590,000;

FARMERS HOME ADMINISTRATION

"Salaries and expenses", $7,513,000;

SOIL CONSERVATION SERVICE

"Conservation operations", $18,862,000;

"River basin surveys and investigations", $881,000;

"Watershed planning", $813,000;

"Great Plains Conservation Program", $664,000 to remain available until expended;

"Animal and Plant Health Inspection Service", $9,880,000;

FEDERAL GRAIN INSPECTION SERVICE

"Salaries and expenses", $605,000;

AGRICULTURAL MARKETING SERVICE

"Marketing services", $1,773,000;

"Food Safety and Quality Service", $17,788,000; "Funds for strengthening markets, income and supply (section 32)", (increase of $340,000 in the limitation, "marketing agreements and orders");

FOOD AND NUTRITION SERVICE

"Food program administration", $592,000;

FOREST SERVICE

"Forest research", $5,612,000;

"State and private forestry", $1,068,000, of which $1,053,000 shall remain available for obligation until September 30, 1982, to carry out activities authorized in Public Law 95-313;

92 Stat. 365. 16 USC 2101 note.

"National forest system", $41,436,000, of which $7,536,000 for reforestation and stand improvement, cooperative law enforcement, and maintenance of forest roads and trails shall remain available for obligation until September 30, 1982;

"Construction and land acquisition", $11,378,000 to remain available until expended;

DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

"Salaries and expenses", $1,100,000;

BUREAU OF THE CENSUS

"Salaries and expenses", $2,600,000;

"Periodic censuses and programs", $7,200,000, to remain available until expended;

ECONOMIC AND STATISTICAL ANALYSIS

"Salaries and expenses", $890,000;

INTERNATIONAL TRADE ADMINISTRATION

"Operations and administration", $1,700,000, to remain available until expended;

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

"Operations, research, and facilities", $20,716,000, to remain available until expended, of which $2,500,000 shall be derived by transfer from "Promote and develop fishery products and research pertaining to American fisheries";

PATENT AND TRADEMARK OFFICE

"Salaries and expenses", $3,600,000;

MARITIME ADMINISTRATION

"Operations and training", $450,000, to remain available until expended;

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

"Military personnel, Army", $1,079,432,000;
"Military personnel, Navy", $745,583,000;
"Military personnel, Marine Corps", $236,714,000;
"Military personnel, Air Force", $885,362,000;
"Reserve personnel, Army", $70,950,000;
"Reserve personnel, Navy", $16,755,000;
"Reserve personnel, Marine Corps", $9,333,000;
"Reserve personnel, Air Force", $18,386,000;
"National Guard personnel, Army", $104,803,000;
"National Guard personnel, Air Force", $34,437,000;

OPERATION AND MAINTENANCE

"Operation and maintenance, Army", $391,600,000;
"Operation and maintenance, Navy", $431,800,000;
"Operation and maintenance, Marine Corps", $21,100,000;
"Operation and maintenance, Air Force", $291,000,000;
"Operation and maintenance, Defense Agencies", $212,348,000;
"Operation and maintenance, Army Reserve", $19,100,000;
"Operation and maintenance, Navy Reserve", $5,000,000;
"Operation and maintenance, Air Force Reserve", $17,900,000;
"Operation and maintenance, Army National Guard", $41,800,000;
"Operation and maintenance, Air National Guard", $41,400,000;
"National Board for the Promotion of Rifle Practice, Army", $20,000;
"Court of Military Appeals, Defense", $113,000;

FAMILY HOUSING

"Family housing, Defense", $17,938,000 (and an increase of $17,938,000 in the limitation on Department of Defense, operation, maintenance);

DEPARTMENT OF DEFENSE—CIVIL

SOLDIERS' AND AIRMEN'S HOME

"Operation and maintenance", $1,074,000;

CORPS OF ENGINEERS—CIVIL

"Construction general", $8,150,000, to remain available until expended;
"Operation and maintenance general", $31,300,000, to remain available until expended;
"General expenses", $5,600,000;

DEPARTMENT OF EDUCATION

DEPARTMENTAL MANAGEMENT

"Salaries and expenses", $2,497,000;

DEPARTMENT OF ENERGY

"Fossil energy research and development", $1,518,000, to remain available until expended;

"Energy production, demonstration, and distribution", $599,000, to remain available until expended;

"Energy conservation", $348,000, to remain available until expended;

"Economic regulation", $6,012,000;

"Strategic petroleum reserve", $507,000 to remain available until expended;

DEPARTMENTAL ADMINISTRATION

"General administration", $4,240,000 to remain available until expended;

FEDERAL ENERGY REGULATORY COMMISSION

"Salaries and expenses", $1,000,000;

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

"Salaries and expenses", $5,890,000;

HEALTH SERVICES ADMINISTRATION

"Health services", $5,310,000;

"Indian health services", $12,556,000;

CENTER FOR DISEASE CONTROL

"Preventive health services", $2,000,000;

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

"Saint Elizabeths Hospital", $4,591,000;

HEALTH RESOURCES ADMINISTRATION

(TRANSFER OF FUNDS)

"Health resources", $3,062,000, to be derived by transfer from unobligated regional medical program, physician shortage area scholarship, and health professions teaching facilities construction funds provided under Public Laws 93-50, 93-192, and 94-303;

87 Stat. 99, 746; 90 Stat. 610.

HEALTH CARE FINANCING ADMINISTRATION

"Program management", $3,000,000 to be derived by transfer from the "Federal Hospital Insurance Trust Fund" and the "Federal Supplementary Medical Insurance Trust Fund";

SOCIAL SECURITY ADMINISTRATION

"Limitation on administrative expenses" (increase of $90,000,000 in the limitation on salaries and expenses paid from the trust funds and the supplemental security income program);
"Supplemental security income", $25,000,000;

OFFICE OF HUMAN DEVELOPMENT SERVICES

"Human development services", $1,116,000;

DEPARTMENTAL MANAGEMENT

(TRANSFER OF FUNDS)

"General departmental management", $8,300,000, of which $3,800,000 is to be derived by transfer from "Office of the Inspector General" and $700,000 is to be derived by transfer from "Policy research" and $3,800,000 is to be derived by transfer from "Social Security Administration, limitation on administrative expenses";
"Office of Consumer Affairs", $100,000;

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

"Salaries and expenses", $20,494,000, of which $14,494,000 shall be derived by transfer from various funds of the Federal Housing Administration;

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

"Management of lands and resources", $7,568,000;

WATER AND POWER RESOURCES SERVICE

(INCLUDING TRANSFER OF FUNDS)

"General investigations", $1,400,000;
"Operation and maintenance", $5,200,000, of which $379,000 shall be derived from the Colorado River Dam Fund;
"Construction program", $5,474,000;
"General administrative expenses", $2,350,000;

U.S. FISH AND WILDLIFE SERVICE

"Resource management", $5,864,000;

NATIONAL PARK SERVICE

"Operation of the national park system", $9,437,000;
"Land and water conservation fund", of the amount heretofore appropriated under this heading, an additional amount of $413,000 shall be available for administrative expenses of the Heritage Conservation and Recreation Service;

"John F. Kennedy Center for the Performing Arts", $141,000;

GEOLOGICAL SURVEY

"Surveys, investigations, and research", $13,864,000;

BUREAU OF MINES

"Mines and minerals", $2,891,000;

BUREAU OF INDIAN AFFAIRS

"Operation of Indian programs", $18,051,000;

OFFICE OF TERRITORIAL AFFAIRS

(INCLUDING TRANSFER OF FUNDS)

"Trust Territory of the Pacific Islands", $168,000, of which $73,000 is to be derived by transfer from Office of Territorial Affairs, "Administration of territories";

OFFICE OF THE SOLICITOR

"Salaries and expenses", $1,032,000;

OFFICE OF THE SECRETARY

"Departmental management", $1,536,000;
"Construction management", $39,000;
"Inspector General", $472,000;

DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

"Salaries and expenses", $1,400,000;

UNITED STATES PAROLE COMMISSION

"Salaries and expenses", $275,000;

LEGAL ACTIVITIES

"Salaries and expenses, general legal activities", $6,400,000;
"Salaries and expenses, Foreign Claims Settlement Commission", $22,000;
"Salaries and expenses, United States Attorneys and Marshals", $8,500,000: *Provided*, That amounts provided for the processing and detention of Cuban nationals under title VII of H.R. 7584, as incorporated into Public Law 96-536 are available to pay other expenses under this head; 94 Stat. 3166.
"Salaries and expenses, Community Relations Service", $270,000;

FEDERAL BUREAU OF INVESTIGATION

"Salaries and expenses", $38,800,000;

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IMMIGRATION AND NATURALIZATION SERVICE

"Salaries and expenses", $11,600,000;

DRUG ENFORCEMENT ADMINISTRATION

"Salaries and expenses", $8,500,000;

FEDERAL PRISON SYSTEM

"Salaries and expenses", $7,465,000;

"Limitation on administrative and vocational training expenses, Federal Prison Industries, Incorporated" (increase of $101,000 in the limitation on Administrative expenses; and $179,000 on Vocational expenses);

OFFICE OF JUSTICE ASSISTANCE, RESEARCH, AND STATISTICS

"Research and statistics", $800,000;

DEPARTMENT OF LABOR

(INCLUDING TRANSFER OF FUNDS)

EMPLOYMENT AND TRAINING ADMINISTRATION

"Program administration", $5,064,000, to be derived by transfer from "Employment and training assistance", together with not to exceed $1,425,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which $396,000 shall be for carrying into effect the provisions of 38 U.S.C. 2001-03;

LABOR-MANAGEMENT SERVICES ADMINISTRATION

"Salaries and expenses", $1,915,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance";

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

"Salaries and expenses", $3,090,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance";

MINE SAFETY AND HEALTH ADMINISTRATION

"Salaries and expenses", $4,475,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance";

BUREAU OF LABOR STATISTICS

"Salaries and expenses", $4,917,000 to be derived by transfer from Employment and Training Administration, "Employment and training assistance";

DEPARTMENTAL MANAGEMENT

"Salaries and expenses", $829,000, to be derived by transfer from Employment and Training Administration, "Employment and training assistance", together with not to exceed $60,000 to be derived by transfer from the Employment Security Administration account, Unemployment Trust Fund;

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

"Salaries and expenses", $17,200,000;

INTERNATIONAL COMMISSIONS

International Boundary and Water Commission, United States and Mexico:

"Salaries and expenses", $329,000;

"American sections, international commissions", $25,000;

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

"Salaries and expenses", $527,000;

"Limitation on working capital fund" (increase of $1,000,000 in the limitation on Working Capital Fund);

COAST GUARD

"Operating expenses", $48,520,000;

"Reserve training", $3,476,000;

FEDERAL AVIATION ADMINISTRATION

"Operations", $106,880,000;

"Operation and maintenance, metropolitan Washington airports", $623,000;

FEDERAL HIGHWAY ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

"Motor carrier safety", $555,000, to be derived by transfer from "Baltimore-Washington Parkway";

"Limitation on general operating expenses" (increase of $5,000,000; in the limitation on general operating expenses);

FEDERAL RAILROAD ADMINISTRATION

"Office of the Administrator", $368,000;

URBAN MASS TRANSPORTATION ADMINISTRATION

(TRANSFER OF FUNDS)

"Administrative expenses", $1,000,000, to be derived by transfer from "Research and special programs" appropriation;

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

"Limitation on administrative expenses, Saint Lawrence Seaway Development Corporation" (increase of $45,000 in the limitation on administrative expenses)";

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

"Salaries and expenses", $385,000 to be derived from funds available under 23 U.S.C. 104(a) for payment of obligations;

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

"Salaries and expenses", $1,507,000;
"International affairs", $163,000;

OFFICE OF REVENUE SHARING

"Salaries and expenses", $216,000;

FEDERAL LAW ENFORCEMENT TRAINING CENTER

"Salaries and expenses", $248,000;

BUREAU OF GOVERNMENT FINANCIAL OPERATIONS

"Salaries and expenses", $3,741,000;
"Chrysler Corporation loan guarantee program", $29,000;

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

"Salaries and expenses", $5,550,000;

UNITED STATES CUSTOMS SERVICE

"Salaries and expenses", $16,468,000;

BUREAU OF THE MINT

"Salaries and expenses", $946,000;

INTERNAL REVENUE SERVICE

(INCLUDING TRANSFER OF FUNDS)

"Salaries and expenses", $7,008,000, of which $4,686,000 is to be derived from "Administering the Public Debt";
"Taxpayer service and returns processing", $34,767,000;
"Examinations and appeals", $47,008,000;
"Investigation and collections", $32,960,000;

UNITED STATES SECRET SERVICE

"Salaries and expenses", $9,710,000;

ENVIRONMENTAL PROTECTION AGENCY

"Salaries and expenses", $6,165,000;

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"Research and program management", $41,400,000;

VETERANS ADMINISTRATION

"Medical care", $265,205,000;

"Medical and prosthetic research", $7,917,000, to remain available until September 30, 1982;

"Medical administration and miscellaneous operating expenses", $1,591,000;

"General operating expenses", $15,659,000;

OTHER INDEPENDENT AGENCIES

ACTION

"Operating expenses, domestic programs", $230,000;

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

"Salaries and expenses", $67,000;

ADVISORY COUNCIL ON HISTORIC PRESERVATION

"Salaries and expenses", $67,000;

AMERICAN BATTLE MONUMENTS COMMISSION

"Salaries and expenses", $797,000;

CIVIL AERONAUTICS BOARD

"Salaries and expenses", $775,000;

COMMISSION OF FINE ARTS

"Salaries and expenses", $13,000;

COMMISSION ON CIVIL RIGHTS

"Salaries and expenses", $300,000;

COMMITTEE FOR PURCHASE FROM THE BLIND AND OTHER SEVERELY HANDICAPPED

"Salaries and expenses", $26,000;

COMMODITY FUTURES TRADING COMMISSION

"Salaries and expenses", $815,000;

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

"Salaries and expenses", $1,200,000;

EXPORT-IMPORT BANK OF THE UNITED STATES

"Limitation on administrative expenses" (increase of $366,000 in the limitation on administrative expenses);

FARM CREDIT ADMINISTRATION

"Limitation on administrative expenses" (increase of $688,000 in the limitation on administrative expenses);

FEDERAL COMMUNICATIONS COMMISSION

"Salaries and expenses", $3,437,000;

FEDERAL ELECTION COMMISSION

"Salaries and expenses", $379,000;

FEDERAL HOME LOAN BANK BOARD

"Limitation on administrative and nonadministrative expenses, Federal Home Loan Bank Board" (increase of $1,000,000 in the limitation on administrative expenses and an increase of $1,400,000 in the limitation on nonadministrative expenses);

FEDERAL LABOR RELATIONS AUTHORITY

"Salaries and expenses", $622,000;

FEDERAL MARITIME COMMISSION

"Salaries and expenses", $100,000;

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

Limitations on availability of revenue: In addition to the aggregate amount heretofore made available for real property management and related activities in fiscal year 1981, $19,470,000 shall be available for such purposes and the limitation on the amount available for real property operations is increased to $551,144,000 and the limitation on the amount available for program direction and centralized services is increased to $82,179,000: Any revenues and collections and any other sums accruing to this fund during fiscal year 1981, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)), in excess of $1,617,489,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriation Acts;

FEDERAL SUPPLY SERVICE

(INCLUDING TRANSFER OF FUNDS)

"Operating expenses", $5,948,000, of which $444,000 shall be derived by transfer from the appropriation for "Office of Inspector General";

TRANSPORTATION AND PUBLIC UTILITIES SERVICE

"Operating expenses", $830,000;

NATIONAL ARCHIVES AND RECORDS SERVICE

(INCLUDING TRANSFER OF FUNDS)

"Operating expenses", $1,899,000, of which $50,000 shall be derived by transfer from the appropriation for "Consumer Information Center" and $8,000 shall be derived by transfer from the appropriation for "Allowances and office staff for former Presidents";

AUTOMATED DATA AND TELECOMMUNICATIONS SERVICE

"Operating expenses", $498,000;

FEDERAL PROPERTY RESOURCES SERVICE

"Operating expenses", $1,189,000;

GENERAL MANAGEMENT AND ADMINISTRATION

"Salaries and expenses", $3,981,000;

INTELLIGENCE COMMUNITY STAFF

"Intelligence Community Staff", $447,000;

INTERGOVERNMENTAL AGENCIES

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

"Salaries and expenses", $72,000;

DELAWARE RIVER BASIN COMMISSION

"Salaries and expenses", $3,000;

SUSQUEHANNA RIVER BASIN COMMISSION

"Salaries and expenses", $3,000;

INTERNATIONAL COMMUNICATION AGENCY

"Salaries and expenses", $9,846,000;

INTERNATIONAL TRADE COMMISSION

"Salaries and expenses", $500,000;

MERIT SYSTEMS PROTECTION BOARD

"Office of the Special Counsel", $140,000;

NATIONAL CAPITAL PLANNING COMMISSION

"Salaries and expenses", $130,000;

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

"Salaries and expenses", $235,000;

NATIONAL LABOR RELATIONS BOARD

"Salaries and expenses", $2,913,000;

NATIONAL SCIENCE FOUNDATION

"Research and related activities", $4,759,000, to remain available until September 30, 1982 (and an increase of $759,000 in the limitation on program development and management);

NATIONAL TRANSPORTATION SAFETY BOARD

"Salaries and expenses", $240,000;

OFFICE OF PERSONNEL MANAGEMENT

(INCLUDING TRANSFER OF FUNDS)

"Salaries and expenses", $2,633,000 together with an additional amount of $1,808,000 for current fiscal year administration expenses for the retirement and insurance programs to be transferred from the appropriate trust funds of the Office of Personnel Management in amounts to be determined by the Office of Personnel Management without regard to other statutes;

PANAMA CANAL COMMISSION

"Operating expenses", $27,000;

RAILROAD RETIREMENT BOARD

"Limitation on administration", (increase of $1,044,000 in limitation on administration paid from the railroad retirement account);

SECURITIES AND EXCHANGE COMMISSION

"Salaries and expenses", $3,850,000;

SMITHSONIAN INSTITUTION

"Salaries and expenses", $4,613,000;
"Salaries and expenses, National Gallery of Art", $337,000;
"Salaries and expenses, Woodrow Wilson International Center for Scholars", $35,000;

NAVAJO AND HOPI RELOCATION COMMISSION

"Salaries and expenses", $57,000;

UNITED STATES TAX COURT

"Salaries and expenses", $446,000.

TITLE III

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 302. Except where specifically increased or decreased elsewhere in this Act, the restrictions contained within appropriations, or provisions affecting appropriations or other funds, available during the fiscal year 1981, limiting the amounts which may be expended for personal services, or for purposes involving personal services, or amounts which may be transferred between appropriations or authorizations available for or involving such services, are hereby increased to the extent necessary to meet increased pay costs authorized by or pursuant to law. Increased pay costs.

SEC. 303. No part of any appropriation contained in this Act for departments and agencies funded in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1981, for personnel compensation and benefits shall be available for other object classifications set forth in the budget estimates submitted for the appropriations without the approval of the Committees on Appropriations. 94 Stat. 3044.

SEC. 304. The Social Security system is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to about 35 million Americans.

The Social Security system faces serious short-term and long-term financing problems that jeopardize the payment of benefits.

It is essential that Congress act forthrightly to address the Social Security financing problem and to restore the American people's confidence in the system.

Any resolution to this problem will have come as a result of a bipartisan effort.

It is the sense of the Congress that Congress should carefully study all options in order to find the most equitable solution to insuring the fiscal integrity of the system.

That Congress shall not precipitously and unfairly reduce early retirees' benefits.

That Congress will enact reforms necessary to ensure the short-term and long-term solvency of the Social Security system but will not support reductions in benefits which exceed those necessary to achieve a financially sound system and the well being of all retired Americans.

SEC. 305. None of the funds in the Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in World Trade at competitive prices as authorized by law. Surplus agricultural commodities, sale.

TITLE IV

FURTHER CONTINUING APPROPRIATIONS

SEC. 401. Clause (c) of section 101 and clause (c) of section 102 of the joint resolution of December 16, 1980 (Public Law 96-536), are hereby amended by striking out "June 5, 1981" and inserting in lieu thereof "September 30, 1981". 5 USC 5318 note. 94 Stat. 3166, 3169.

SEC. 402. Section 109 of such joint resolution is amended to read as follows: Abortions. 94 Stat. 3170.

"SEC. 109. Notwithstanding any other provision of this joint resolution except section 102, none of the funds made available by this joint resolution for programs and activities for which appropriations would be available in H.R. 7998, entitled the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1981, as passed the House of Representatives on August 27, 1980, shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term: *Provided, however,* That the several States are and shall remain free not to fund abortions to the extent that they in their sole discretion deem appropriate.".

SEC. 403. Such joint resolution is further modified by the provisions included herein under titles I and II of this bill.

Approved June 5, 1981.

LEGISLATIVE HISTORY—H.R. 3512:

HOUSE REPORT No. 97-124 (Comm. of Conference).
SENATE REPORT No. 97-67 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 12, 13, considered and passed House.
May 19-21, considered and passed Senate, amended.
June 4, House agree to conference report; receded and concurred in certain Senate amendments, in others with amendments. Senate agreed to conference report; resolved amendments in disagreement.

Public Law 97-13
97th Congress

Joint Resolution

Designating July 17, 1981, as "National P.O.W.-M.I.A. Recognition Day".

June 12, 1981
[S.J. Res. 50]

National P.O.W.-M.I.A. Recognition Day. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That July 17, 1981, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.**

Approved June 12, 1981.

LEGISLATIVE HISTORY—S.J. Res. 50:

CONGRESSIONAL RECORD, Vol. 127 (1981):
May 6, considered and passed Senate.
May 28, considered and passed House.

Public Law 97-14
97th Congress

An Act

June 16, 1981
[S. 1070]

To extend the authorization for youth employment and demonstration programs, and for other purposes.

Youth Employment Demonstration Amendments of 1981.
29 USC 801 note.
29 USC 822.

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 "Youth Employment Demonstration Amendments of 1981".**

SEC. 2. Section 112(a)(4) of the Comprehensive Employment and Training Act is amended by adding at the end thereof the following new subparagraph:

"(D) There are authorized to be appropriated such sums as may be necessary for the fiscal year 1982 to carry out part A of title IV.".

29 USC 893.
Repeal.
29 USC 916.

SEC. 3. Section 441 of the Comprehensive Employment and Training Act is repealed.

Approved June 16, 1981.

LEGISLATIVE HISTORY—S. 1070 (H.R. 3337) (S. 648):

HOUSE REPORT No. 97-36 accompanying H.R. 3337 (Comm. on Education and Labor).

SENATE REPORTS: No. 97-46 accompanying S. 648 and No. 97-56 accompanying S. 1070 (both from Comm. on Labor and Human Resources).

CONGRESSIONAL RECORD, Vol. 127 (1981):

May 12, considered and passed Senate.

June 1, 2, H.R. 3337 considered and passed House; passage vacated and S. 1070 passed in lieu.

Public Law 97-15
97th Congress

An Act

To amend title 38, United States Code, to extend by twelve months the period during which funds appropriated for grants by the Veterans Administration for the establishment and support of new State medical schools may be expended.

June 17, 1981
[H.R. 2156]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5073(a)(2)(G) of title 38, United States Code, is amended by striking out "seventh such period" and inserting in lieu thereof "seventh and eighth such periods".

Veterans Administration. State medical schools, funds, extension.

Approved June 17, 1981.

LEGISLATIVE HISTORY—H.R. 2156:

HOUSE REPORT No. 97-77 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed House.
June 3, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17 (1981), No. 25:
June 17, Presidential statement.

Public Law 97-16
97th Congress

An Act

June 23, 1981
[S. 1213]

To amend title I of the Marine Protection, Research, and Sanctuaries Act, as amended.

Marine Protection, Research, and Sanctuaries Act, amendment.
94 Stat. 3344.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That section 111 of the Marine Protection, Research, and Sanctuaries Act, as amended (33 U.S.C. 1420), is amended by striking "and fiscal year 1982," and inserting in lieu thereof "and not to exceed $4,213,000 for fiscal year 1982,".**

Approved June 23, 1981.

LEGISLATIVE HISTORY—S. 1213 (H.R. 3319):

HOUSE REPORT No. 97-65 accompanying H.R. 3319 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 97-119 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed Senate.
June 11, considered and passed House in lieu of H.R. 3319.

Public Law 97-17
97th Congress

Joint Resolution

To correct Public Law 97-12 due to an error in the enrollment of H.R. 3512.

June 29, 1981
[H.J. Res. 288]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That in order to correct an error in the enrollment of H.R. 3512, the figure in the second line of the third paragraph on page 42 of Public Law 97-12 is hereby amended as follows:**

Strike "$10,455,000" and insert "$410,455,000".

Ante, p. 55.

Approved June 29, 1981.

LEGISLATIVE HISTORY—H.J. Res. 288:

CONGRESSIONAL RECORD, Vol. 127 (1981):
June 15, considered and passed House and Senate.

Public Law 97-18
97th Congress

An Act

June 30, 1981
[H.R. 3991]

To amend the Food Stamp Act of 1977 to increase the authorization for appropriations for fiscal year 1981, and to amend Public Law 93-233 to continue, through August 1, 1981, the cash-out of food stamp program benefits of certain recipients of Supplemental Security Income.

Food Stamp Act of 1977, amendment. 7 USC 2027.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 18(a)(1) of the Food Stamp Act of 1977 is amended by striking out, before the period at the end of the first sentence thereof, "and not in excess of $9,739,276,000 for the fiscal year ending September 30, 1981" and inserting in lieu thereof "and not in excess of $11,480,000,000 for the fiscal year ending September 30, 1981".

42 USC 1382e note.

SEC. 2. Effective for the period July 1, 1981, to August 1, 1981, section 8(d) of Public Law 93-233 is amended to read as follows:

42 USC 1382e.

"(d) Upon the request of a State, the Secretary shall find for purposes of the provisions specified in subsection (c), that the level of such State's supplementary payments of the type described in 1616(a) of the Social Security Act has been specifically increased for any month after June 1976 so as to include the bonus value of food stamps if: (1) the Secretary has found that such State's supplementary payments in June 1976 were increased to include the bonus value of food stamps; (2) recipients of supplementary payments in such State were ineligible for food stamps for the month of December 1980; and (3) such State continues to meet the requirements of section 1618 of such Act for each month after June 1977 and up to and including the month for which the Secretary is making the determination.".

42 USC 1382g.

Approved June 30, 1981.

LEGISLATIVE HISTORY—H.R. 3991:

CONGRESSIONAL RECORD, Vol. 127 (1981):
June 23, considered and passed House.
June 25, considered and passed Senate.

Public Law 97-19
97th Congress

An Act

To permit certain funds allocated for official expenses of Senators to be utilized to procure additional office equipment.

July 6, 1981
[S. 1123]

Senate, additional office equipment, funds.
2 USC 58.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 506(a)(9) of the Supplemental Appropriations Act, 1973 (Public Law 92-607) is amended—

(1) by inserting "(including expenses for additional office equipment)" immediately after "for such other official expenses", and

(2) by inserting ", except for additional office equipment," immediately after "(not including official office expenses)".

Approved July 6, 1981.

LEGISLATIVE HISTORY—S.1123:

SENATE REPORT No. 97-50 (Comm. on Rules and Administration).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 14, considered and passed Senate.
June 24, considered and passed House.

89-194 O—82——9 : QL3

Public Law 97-20
97th Congress

An Act

July 6, 1981
[S. 1124]

To authorize the Sergeant at Arms and Doorkeeper of the Senate, subject to the approval of the Committee on Rules and Administration, to enter into contracts which provide for the making of advance payments for computer programing services.

Computer programing services, advance payments.
2 USC 123c-1.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, notwithstanding any other provision of law, the Sergeant at Arms and Doorkeeper of the Senate, subject to the approval of the Committee on Rules and Administration, is hereafter authorized to enter into contracts which provide for the making of advance payments for computer programing services.**

Approved July 6, 1981.

LEGISLATIVE HISTORY—S. 1124:

SENATE REPORT No. 97-51 (Comm. on Rules and Administration).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 12, considered and passed Senate.
June 24, considered and passed House.

Public Law 97-21
97th Congress

Joint Resolution

To approve a Constitution for the United States Virgin Islands.

July 9, 1979
[H.J. Res. 238]

Whereas the Congress, recognizing the basic democratic principle of government by the consent of the governed enacted Public Law 94-584 authorizing the peoples of the Virgin Islands to organize a government pursuant to a constitution of their own adoption; and 48 USC 1541 note.

Whereas a constitution to provide for local self-government for the peoples of the United States Virgin Islands has been submitted to the Congress pursuant to the provisions of Public Law 94-584; and 48 USC 1541 note.

Whereas, on April 24, 1981, the Virgin Islands Constitutional Convention recommended certain amendments to said proposed constitution: Now, therefore, be it 48 USC 1541 note.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Constitution for the United States Virgin Islands is approved for submission to the people of the Virgin Islands in accordance with the provisions of Public Law 94-584 (90 Stat. 2809) as follows: Constitution for the United States Virgin Islands. 48 USC 1541 note. 90 Stat. 2899. 48 USC note prec. 1391. 48 USC 1541 note.

PREAMBLE

We the people of the United States Virgin Islands, grateful to Almightly God for our creation, preservation, and freedom, assuming the responsibilities of self-government in political union with the United States, and in order to promote more unity among our islands for ourselves and our posterity, promote the general welfare, protect the fundamental rights and freedoms of the individual, ensure political, social and economic justice, maintain a representative democratic government, protect our culture and natural resources, and preserve the identity of the Virgin Islands, do ordain and establish this Constitution.

ARTICLE I. BILL OF RIGHTS

FUNDAMENTAL RIGHTS

SECTION 1. The dignity of the human being is inviolable. No person shall be deprived of life, liberty or property without due process of law or be denied the equal protection of the laws. No person shall be discriminated against on account of race, color, sex, place of birth, social origin, or political or religious belief. 48 USC 1541 note.

FREEDOM OF RELIGION, SPEECH, PRESS, ASSEMBLY AND PETITION

SECTION 2. No law shall be enacted respecting an establishment of religion, or prohibiting the free exercise thereof, or abridging the freedom of speech or of the press, or the right of the people peaceably 48 USC 1541 note.

to assemble, and to petition the Government for the redress of grievances.

RIGHT OF PRIVACY

48 USC 1541 note.

SECTION 3. The right of the people to privacy in the conduct of their personal affairs is recognized and shall not be infringed.

RIGHT TO KNOW

48 USC 1541 note.

SECTION 4. A person may examine any public document or observe the deliberations of any agency of Government, subject to reasonable limitation as may be provided by law, including protection of the right of privacy.

SEARCHES AND SEIZURES

48 USC 1541 note.

SECTION 5. The right of the people to be secure in their persons, houses, papers, and other possessions against unreasonable searches and seizures and against invasions of privacy shall not be violated. No warrant for arrest or search shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, thing to be seized, or person to be arrested. Interception of communications by eavesdropping devices or other means is prohibited, unless authorized by warrant issued under terms and conditions provided by law. Evidence obtained in violation of the rights of the accused as set forth in this section shall not be admissible as affirmative evidence against the accused in a criminal trial.

RIGHTS OF THE ACCUSED

48 USC 1541 note.

SECTION 6. (a) In all criminal prosecutions, the accused shall be presumed innocent until proven guilty beyond a reasonable doubt, shall have the right to a speedy and public trial, and where the penalty may be imprisonment for more than six months, the right to trial by an impartial jury; to be informed of the nature and cause of the accusation; to have the assistance of counsel, and where the accused may be imprisoned, the assistance of counsel at public expense if necessary; to have compulsory process for obtaining witnesses, and to be confronted by the witnesses against him.

(b) Any person who is subjected to a custodial police interrogation shall, before he is questioned, be advised that he has a right to remain silent, that any statement that he makes may be used as evidence against him, and that he has the right to the presence of an attorney, either retained or appointed.

(c) Excessive bail shall not be required, nor excessive fines imposed, nor cruel or unusual punishment inflicted. All persons shall be presumed to be bailable, and such presumption shall be overcome only by a preponderance of the evidence, established by the Government, that the accused may flee the jurisdiction or that the granting of bail would constitute a hazard to the community.

(d) No person shall be twice put in jeopardy for the same offense or be compelled in any criminal case to be a witness against himself. The failure of an accused to testify shall not be taken into consideration or commented upon to the detriment of the accused.

(e) All civil rights shall be restored to a person convicted of an offense upon the completion of any sentence served, which shall include any period of probation or parole.

PROHIBITION OF SLAVERY

SECTION 7. Slavery and involuntary servitude are prohibited, except in the latter case as a punishment for crime after the accused has been duly convicted. 48 USC 1541 note.

NO IMPRISONMENT FOR DEBT

SECTION 8. No person shall be imprisoned or suffer forced labor for debt. 48 USC 1541 note.

HABEAS CORPUS

SECTION 9. All persons have the right to the writ of habeas corpus. 48 USC 1541 note.

LABOR

SECTION 10. (a) All persons shall have the right to organize and bargain collectively, to strike and to picket, and to engage in other lawful concerted activities subject to reasonable limitations to protect the health, welfare, and safety as may be provided by law. 48 USC 1541 note.

(b) Public employees engaged in services essential to the public health or safety may have the right to strike in accordance with law.

(c) All public employees and all employees of an individual private employer shall have the right to equal pay for equal work: *Provided, however,* That the phrase equal pay for equal work shall not be construed as requiring the equality of salaries, compensation, or benefits between public employees doing substantially equal work represented by different labor organizations.

(d) All employees shall have the right to reasonable protection against injuries in work or employment.

(e) The employment of children in any occupation injurious to their health, morals, or general welfare, or which places them in jeopardy of life or limb is prohibited.

PROTECTION OF PROPERTY

SECTION 11. Private property shall not be taken for public use without the payment of just compensation. 48 USC 1541 note.

RESTRICTIONS ON LEGISLATION

SECTION 12. No ex post facto law, bill of attainder, or law impairing the obligation of contracts shall be enacted. 48 USC 1541 note.

QUARTERING OF SOLDIERS

SECTION 13. No soldier, in time of peace, shall be quartered in any house without the consent of the owner, nor in time of war, except as provided by law. 48 USC 1541 note.

TRIAL BY JURY

SECTION 14. Trial by jury shall be preserved, but the Senate by law may authorize the trial of civil causes by a jury of no less than six persons. 48 USC 1541 note.

RESERVATION AND IMPLEMENTATION OF RIGHTS

SECTION 15. The preceding enumeration of rights shall not be construed restrictively nor shall it be construed to deny or disparage 48 USC 1541 note.

other rights retained by the people. The Senate shall provide by law for the implementation and enforcement of this Article.

ARTICLE II. PRINCIPLES OF GOVERNMENT

REPUBLICAN FORM OF GOVERNMENT

48 USC 1541 note.

SECTION 1. The Government of the Virgin Islands shall be republican in form and shall consist of three branches: legislative, executive, and judicial.

ETHICAL STANDARDS

48 USC 1541 note.

SECTION 2. Officers and employees of the Government shall be devoted to serving the public interest and shall observe and maintain the highest ethical standards. A code of ethics applicable to all public officers and employees shall be established by law.

CAPITAL

48 USC 1541 note.

SECTION 3. The capital of the Virgin Islands shall be Charlotte Amalie, St. Thomas.

ANTHEM, FLAG, AND SYMBOLS

48 USC 1541 note.

SECTION 4. An anthem, flag, seal, bird, flower, fish, and tree of the Virgin Islands, each of which shall symbolize the history and culture of the people, shall be provided by law. Within one year of the effective date of this Constitution, the Senate shall provide for the implementation of this section. Once established by law, the anthem, flag, seal, bird, flower, fish, and tree, shall be incorporated and considered a part of this Constitution.

ARTICLE III. CITIZENSHIP

DEFINITION OF A VIRGIN ISLANDER

48 USC 1541 note.

SECTION 1. A Virgin Islander is—

(a) a person born in the Virgin Islands, or

(b) a person who is a descendant of at least one parent who was born in the Virgin Islands.

CITIZENSHIP

48 USC 1541 note.

SECTION 2. Citizens of the Virgin Islands are—

(a) all persons born in the Virgin Islands and subject to the jurisdiction thereof; or

(b) all persons born outside of the Virgin Islands who are citizens of the United States, and who have been domiciled in the Virgin Islands for at least one year; or

(c) all former Danish citizens who, on January 17, 1917, resided in the Virgin Islands of the United States, and were residing in those islands or in the United States or Puerto Rico on February 25, 1927, and who did not make the declaration required to preserve their Danish citizenship by Article 6 of the treaty entered into on August 4, 1916, between the United States and Demark, or who, having made such a declaration, have heretofore renounced or may hereafter renounce it by a declaration before a court of record, or

(d) subject to the enactment of appropriate Federal legislation, all persons born in the Virgin Islands residing outside of the United States, its territories, and possessions between January 17, 1917, and June 28, 1932, and not subject to the jurisdiction of the United States, and who are not citizens or subjects of any foreign country.

ARTICLE IV. SUFFRAGE AND ELECTIONS

RIGHT TO VOTE

SECTION 1. Every citizen of the United States and the Virgin Islands eighteen years of age or older and registered to vote in the Virgin Islands shall have the right to vote. No property, language, literacy, or income qualifications may be imposed, but a minimum period of residency in the Virgin Islands may be required by law. Persons who are adjudged mentally incompetent, or serving a sentence after conviction of a felony may be disqualified from voting by law. 48 USC 1541 note.

REGULAR GENERAL ELECTION

SECTION 2. The regular general election of the Virgin Islands shall be held on the first Tuesday following the first Monday of November in each even numbered year. The Governor, Lieutenant Governor, and members of the Senate shall be elected at a regular general election. Other elections, initiative, referenda, and matters with respect to election procedures shall be as provided by law. 48 USC 1541 note.

DATE OF TAKING OFFICE

SECTION 3. The Governor and Lieutenant Governor elected at a regular general election shall take office on the first Tuesday following the first Monday in January following the election. All other public officials elected at a regular general election shall take office as provided by law. 48 USC 1541 note.

OATH OR AFFIRMATION

SECTION 4. No political or religious test, other than an oath or affirmation to support the Constitution and laws of the Virgin Islands and the Constitution and laws of the United States applicable to the Virgin Islands, shall be required as a qualification for public office. 48 USC 1541 note. USC prec. title 1.

COMPENSATION

SECTION 5. Elected officials shall receive compensation as provided by law. 48 USC 1541 note.

ARTICLE V. LEGISLATIVE BRANCH

LEGISLATIVE POWER

SECTION 1. The legislative power of the Virgin Islands is vested in a unicameral body designated the Senate of the Virgin Islands and shall extend to all subjects of legislation consistent with this Constitution and the Constitution and laws of the United States applicable to the Virgin Islands. To the extent not inconsistent with the Constitution and laws of the United States, this Constitution and laws of the Virgin Islands enacted under it shall be the supreme law of the Virgin Islands. 48 USC 1541 note. USC prec. title 1.

COMPOSITION OF THE SENATE

48 USC 1541 note.

SECTION 2. The Senate shall consist of fifteen members to be known as Senators. The Senate shall provide for district and at-large Senators in accordance with law: *Provided*, That there shall be no more than four at-large Senators and the legislative districts of St. Croix, St. John, and St. Thomas each shall be represented. District Senators shall be elected for a term of two years, and at-large Senators for a term of four years.

REAPPORTIONMENT

48 USC 1541 note.

SECTION 3. (a) At least once every ten years and within one hundred and twenty days of publication of an official census, the Senate shall be reapportioned by law as required by changes in the distribution of residents on each island. A reapportionment plan may divide a legislative district and shall provide for representation by each Senator of approximately the same number of residents, while ensuring representation for each island.

(b) If the Senate fails to reapportion, the appellate court shall have original and exclusive jurisdiction to promulgate a reapportionment plan.

QUALIFICATIONS OF SENATORS

48 USC 1541 note.

SECTION 4. A Senator shall be—

(a) a citizen of the United States,

(b) a citizen of the Virgin Islands,

(c) a qualified voter of the Virgin Islands for at least three years,

(d) at least twenty-one years of age,

(e) a domiciliary of the Virgin Islands for at least five years immediately preceding the date of taking office, and

(f) if a district Senator, a domiciliary of the legislative district from which elected for at least thirty days immediately preceding the date of filing for office.

COMPENSATION

48 USC 1541 note.

SECTION 5. No law increasing the compensation of Senators shall take effect during the term of the Senate that enacts the law.

RESTRICTION OF ACTIVITIES

48 USC 1541 note.

SECTION 6. A Senator may not hold any other public position while in office. Within one year of ceasing to serve, a Senator may neither be appointed to any salaried public position which was created by the Senate nor benefit from any compensation which was increased by the Senate during the Senator's last term of office.

VACANCIES

48 USC 1541 note.

SECTION 7. If a vacancy occurs in the Senate and one year or more remains in the unexpired term of office, the vacancy shall be filled by a special election within sixty days. If less than one year remains in the unexpired term of office when a vacancy occurs, the President of the Senate shall, within thirty days, appoint the next available person from among those candidates considered in order of the highest number of votes received. If there is no available candidate, the vacancy will be filled as provided by law.

LEGISLATIVE IMMUNITY

SECTION 8. A Senator may not be held to answer in any place except the Senate for a statement made in any Senate proceeding. A Senator shall, except in cases of treason, felony, or breach of the peace, be privileged from arrest during attendance at a session of the Senate and in going to and returning from same. 48 USC 1541 note.

ORGANIZATION AND PROCEDURE

SECTION 9. A majority of the Senate shall constitute a quorum. The Senate shall have all authority inherent in a legislative assembly; shall be the sole judge of the election and qualifications of its members, and shall have the power to institute and conduct investigations, issue subpoenas, and administer oaths. The Senate, upon the vote of three-fourths of its members, may discipline any member for cause. The Senate shall keep a daily journal of its proceedings, which shall include a record of all votes and shall be published within thirty days. 48 USC 1541 note.

REGULAR AND SPECIAL SESSIONS

SECTION 10. (a) Regular sessions of the Senate shall be held in the capital of the Virgin Islands beginning on the first Monday following the first Tuesday in January of each year. 48 USC 1541 note.

(b) A special session of the Senate may be called by the Governor or by the President of the Senate upon request of one-third of its members. Until the business specified in the call has been acted upon, no other business shall be considered at a special session.

(c) All sessions of the Senate shall be open to the public.

ENACTMENT OF LAWS

SECTION 11. (a) A law may be enacted only by bill, and a bill shall not be enacted unless it is written, read, and passed by a majority of the members present and voting on the question. 48 USC 1541 note.

(b) Each bill passed by the Senate shall be presented to the Governor. If the Governor signs or fails to return a bill within ten working days of presentation, it shall become law. If the Governor vetoes a bill, it shall be returned to the Senate within ten working days of its presentation with a statement of reasons for the veto. The Governor may veto an item of an appropriation bill and sign the remainder of the bill, in which event the vetoed item shall be returned to the Senate within ten working days of its presentation with reasons for the veto.

(c) A bill or item of an appropriation bill vetoed by the Governor may be considered by the Senate upon the motion of any Senator within thirty days of its return and shall become law as originally passed upon a vote of two-thirds of the members of the Senate.

IMPEACHMENT

SECTION 12. The Senate may impeach any elected official for cause upon a vote of two-thirds of its members. The appellate court shall determine, by a two-thirds vote, whether to remove from office an elected public official impeached by the Senate, and a person so removed shall not be immune from criminal charges or civil action. 48 USC 1541 note.

ARTICLE VI. EXECUTIVE BRANCH

EXECUTIVE POWER

48 USC 1541 note.

SECTION 1. The executive power of the Virgin Islands is vested in the Governor.

ELECTION OF GOVERNOR AND LIEUTENANT GOVERNOR

48 USC 1541 note.

SECTION 2. The Governor and Lieutenant Governor shall be elected by the qualified voters of the Virgin Islands and shall serve for a term of four years. Each qualified voter shall cast a single vote for Governor and Lieutenant Governor, who shall be elected upon receiving a majority of the votes cast. Runoff elections shall be as provided by law. A Governor may not serve more than two successive full terms and may not serve as Lieutenant Governor immediately following two successive full terms.

QUALIFICATIONS FOR GOVERNOR AND LIEUTENANT GOVERNOR

48 USC 1541 note.

SECTION 3. The Governor and Lieutenant Governor each shall be—

(a) a United States citizen,

(b) a Virgin Islands citizen,

(c) a qualified voter of the Virgin Islands,

(d) at least thirty-five years of age, and

(e) a domiciliary of the Virgin Islands for fifteen years, five of which must immediately precede the date of taking office.

POWERS AND DUTIES OF THE GOVERNOR

48 USC 1541 note.

SECTION 4. (a) The Governor shall supervise the executive branch and shall be responsible for the faithful execution of the laws of the Virgin Islands.

(b) The Governor shall appoint, with the advice and consent of the Senate, and may remove the heads of all executive branch departments. The Governor shall appoint and may remove all other employees of the executive branch subject to law.

(c) The Governor shall report annually to the Senate on the state of Virgin Islands affairs and, at any time, may recommend bills or other measures.

(d) The Governor shall prepare and submit to the Senate, at a time prescribed by law, a budget for the ensuing fiscal year. The budget shall state the estimated funds available for appropriation and the estimated receipts, expenditures, and obligations for every department, agency, and Government instrumentality. The budget shall state the public debt and contingent liabilities and shall include other information as may be required by law.

(e) The Governor shall have the power to issue executive orders consistent with law.

(f) Except in cases of impeachment, the Governor shall have the power to grant reprieves, commutations, pardons, and to remit fines and forfeitures. Each exercise of this power shall be reported to the Senate.

(g) In the event of a natural disaster, invasion, or insurrection, or imminent danger thereof, the Governor may call out the militia or, when the public safety requires, proclaim martial law. Upon such proclamation, the Senate shall meet forthwith and may, upon the affirmative vote of two-thirds of its members, revoke the proclamation of martial law then or at any other time. During an

emergency, the Governor may order the executive branch to be moved temporarily.

POWERS AND DUTIES OF THE LIEUTENANT GOVERNOR

SECTION 5. The Lieutenant Governor shall have custody of the seal of the Virgin Islands, shall countersign and affix the seal to official documents, shall record and preserve the laws of the Virgin Islands, and shall have additional duties as may be assigned by the Governor or provided by law. 48 USC 1541 note.

OFFICIAL RESIDENCE

SECTION 6. The official residence of the Governor shall be in the capital of the Virgin Islands. The Governor and Lieutenant Governor shall be provided appropriate rent-free residences. 48 USC 1541 note.

RESTRICTIONS ON ACTIVITIES

SECTION 7. The Governor and Lieutenant Governor shall devote full time to their duties. While in office, neither shall practice a trade or profession for profit or, unless authorized by law, hold any public position. 48 USC 1541 note.

ORDER OF SUCCESSION

SECTION 8. The order of succession to the office of Governor and to the office of Lieutenant Governor shall be: the President of the Senate, Vice-President of the Senate, and such other public official of the Virgin Islands as may be designated by law. 48 USC 1541 note.

DISABILITY OF THE GOVERNOR OR LIEUTENANT GOVERNOR

SECTION 9. (a) The Governor or Lieutenant Governor shall declare a disability to discharge the duties of office by transmitting to the Senate a written declaration of disability. In the event of the temporary disability of the Governor, the Lieutenant Governor shall act as Governor. If the Lieutenant Governor is unable to act as Governor, the next available person in the order of succession shall act as Governor. In the event of the temporary disability of the Lieutenant Governor, the next available person in the order of succession shall act as Lieutenant Governor. The Governor or Lieutenant Governor shall resume office upon submitting a written declaration of termination of the disability. 48 USC 1541 note.

(b) Upon the affirmative vote of two-thirds of its members, the Senate may raise the question of the temporary or permanent disability of the Governor or Lieutenant Governor. The appellate court shall determine all questions raised by the Senate or otherwise raised, as provided by law, with respect to the temporary or permanent disability of the Governor or Lieutenant Governor. If the Governor or Lieutenant Governor is determined by the appellate court to be permanently disabled, the office shall be declared vacant.

(c) In the event of a permanent disability of the Governor-elect, the office shall be declared vacant and the vacancy shall be filled by a special election to be held within sixty days of the declaration of the disability.

(d) In the event of the permanent disability of the Lieutenant Governor-elect the office shall be declared vacant, and the Governor, with the advice and consent of the Senate, shall appoint a qualified person to fill the vacancy.

PERMANENT VACANCY IN THE OFFICE OF GOVERNOR OR LIEUTENANT GOVERNOR

48 USC 1541 note.

SECTION 10. (a) In the event of a permanent vacancy in the office of Governor, the Lieutenant Governor shall become Governor.

(b) In the event of a permanent vacancy in the office of Lieutenant Governor, the Governor shall appoint a qualified person within forty-five days who, upon confirmation by the Senate, shall become Lieutenant Governor. Until such a permanent appointment is made and confirmed, the next available person in the order of succession shall act as Lieutenant Governor.

(c) If simultaneous vacancies occur in the offices of Governor and Lieutenant Governor and more than one year remains in the unexpired term of office, a special election shall be held within sixty days to fill both offices. Between the occurrence of the vacancies and the election of successors, the offices of Governor and Lieutenant Governor respectively shall be filled by the next two available persons in the order of succession.

(d) If vacancies occur in the positions of both Governor-elect and Lieutenant Governor-elect, a special election shall be held within sixty days to fill both vacancies. The incumbent Governor and Lieutenant Governor shall remain in office until such election is held in accordance with law.

EXECUTIVE BRANCH DEPARTMENTS

48 USC 1541 note.

SECTION 11. (a) The functions, powers, and duties of the executive branch offices, agencies, and instrumentalities shall be as provided by law. These shall be organized, as far as practicable, in departments according to major purposes. Independent, regulatory, quasi-judicial, and temporary offices, agencies, and instrumentalities need not be attached to a department.

(b) The Governor by executive order may make such changes in the functions, powers, and duties of offices, agencies, and instrumentalities as are considered necessary for efficient administration. Any changes that are inconsistent with law shall be presented to the Senate and, unless modified or disapproved by a majority of the members, shall become effective sixty days after presentation.

(c) The head of the department of law shall be the Attorney General, who shall prosecute all violations of laws in the name of the people of the Virgin Islands. The Attorney General shall be a citizen of the United States and the Virgin Islands and licensed to practice law in the Virgin Islands for at least five years.

ARTICLE VII. JUDICIAL BRANCH

JUDICIAL POWER

48 USC 1541 note.

SECTION 1. The judicial power of the Virgin Islands shall be vested in an appellate court and in such lower courts as may be created by law.

APPELLATE COURT

48 USC 1541 note.

SECTION 2. The appellate court shall consist of not less than three judges, and shall have appellate jurisdiction over all cases arising under this Constitution and such other appellate and original jurisdiction as may be provided by law. Decisions of the appellate court on questions arising under this Constitution and the laws of the Virgin Islands shall be final, except as Federal law may provide for review of

such decisions by the United States Supreme Court. Decisions of the appellate court on questions arising under the United States Constitution or laws or treaties of the United States may be appealed to the United States Court of Appeals for the Third Circuit, unless otherwise provided by the Congress of the United States.

JUDICIAL NOMINATING COMMITTEE

SECTION 3. There shall be a Judicial Nominating Committee established by law whose members shall be nominated by the Governor with the advice and consent of the Senate. All judges shall be appointed by the Governor with the advice and consent of the Senate, but no person shall be appointed as a judge who has not been nominated by the Judicial Nominating Committee. 48 USC 1541 note.

JUDICIAL MISCONDUCT AND DISABILITY

SECTION 4. There shall be a judicial commission established by law with the power to discipline, censure, suspend, remove for misconduct, or retire for disability any judge of any court established by law. Any decision of the judicial commission shall be appealable in a manner as provided by law. The position of any judge suffering permanent disability shall be filled in accordance with law. 48 USC 1541 note.

TERM

SECTION 5. The regular term of a judge of any court of the Virgin Islands shall be eight years. 48 USC 1541 note.

QUALIFICATIONS

SECTION 6. A judge shall— 48 USC 1541 note.

(a) be a citizen of the United States and the Virgin Islands;

(b) be a domiciliary of the Virgin Islands for not less than five years immediately preceding his appointment;

(c) have been licensed to practice law in the Virgin Islands for not less than four years immediately preceding his appointment; and

(d) for appointment to the appellate court of the Virgin Islands, have practiced law for not less than ten years, and for appointment to any lower court, have practiced law for not less than five years.

COMPENSATION

SECTION 7. The salary and allowances of a judge shall be provided by law, and may not be decreased during his tenure. 48 USC 1541 note.

RESTRICTION ON ACTIVITIES

SECTION 8. No person who holds a judicial office in the Virgin Islands shall hold any other paid office, engage in the practice of law, or in the pursuit of business. Any judge who files or announces his candidacy for elective office shall thereby forfeit his judicial office. 48 USC 1541 note.

RULEMAKING POWER

SECTION 9. The appellate court shall adopt rules with respect to judicial matters, including temporary disability, civil and criminal 48 USC 1541 note.

procedure, judicial ethics, and admission to, governance of and expulsion from the practice of law.

ADMINISTRATION

48 USC 1541 note.

SECTION 10. The chief judge of the appellate court of the Virgin Islands shall be responsible for the administration of that court. Administration of any lower court shall be as provided by law.

ARTICLE VIII. LOCAL GOVERNMENT

POLITICAL SUBDIVISIONS; CREATION, POWERS

48 USC 1541 note.

SECTION 1. The Senate may create political subdivisions within the Virgin Islands and provide for the government thereof. The Senate may create a political subdivision embodying each major island, but may not create a political subdivision within any of the islands, except with the approval of a majority of the voters voting on the question on the island which is to be subdivided. Each political subdivision shall have and exercise such powers as shall be conferred by law.

LOCAL SELF-GOVERNMENT; CHARTER

48 USC 1541 note.

SECTION 2. Each political subdivision shall have the power to frame and adopt a charter for its own self-government within such limits and under such procedures as may be provided by law.

TAXATION AND FINANCE

48 USC 1541 note.

SECTION 3. (a) The power to tax shall be reserved to the Senate, but a political subdivision may petition the Senate to impose a tax to be utilized by said political subdivision.

(b) The Senate shall have the power to apportion revenues among the political subdivisions.

MANDATES, ACCRUED CLAIMS

48 USC 1541 note.

SECTION 4. No law shall be passed mandating any political subdivision to pay any previously accrued claim.

GENERAL LAWS

48 USC 1541 note.

SECTION 5. This Article shall not limit the power of the Senate to enact laws of general concern, and no political subdivision may infringe upon this power.

ARTICLE IX. EDUCATION

EDUCATIONAL PHILOSOPHY

48 USC 1541 note.

SECTION 1. (a) The Government of the Virgin Islands shall provide for the education of its people and establish a system of elementary, secondary, and higher education which embodies the principle of essential human equality and includes programs that respond to the needs, interests, and abilities of its people.

(b) Elementary and secondary education shall be compulsory for all persons as provided by law. Attendance at a public or an accredited nonpublic school shall satisfy this requirement. Public elementary and secondary education shall be essentially free.

SCHOOL BOARDS

SECTION 2. (a) A Virgin Islands Board of Education shall be established by law and shall have such power and duties as may be provided by law. 48 USC 1541 note.

(b) Other school boards, subordinate to the Virgin Islands Board of Education, may be provided by law.

ARTICLE X. PROTECTION OF CULTURE AND ENVIRONMENT

CULTURAL DEVELOPMENT

SECTION 1. No law shall be passed abridging the preservation and development of Virgin Islands culture, language, traditions or customs. Study of Virgin Islands culture, including but not limited to language, traditions, history, music, and art, shall be an integral part of the public education system. 48 USC 1541 note.

COMMISSION ON CULTURE

SECTION 2. A commission shall be established by law to study, promote, and preserve the history, culture, and traditions of the Virgin Islands. 48 USC 1541 note.

HISTORICAL PLACES AND ARTIFACTS

SECTION 3. Places, artifacts, documents, and objects of cultural or historical significance to the people of the Virgin Islands shall be protected and preserved, and public access to such places and artifacts shall be maintained as provided by law. 48 USC 1541 note.

AGRICULTURE AND LAND COMMISSION

SECTION 4. A commission shall be established by law to acquire land for redistribution by lease to the people of the Virgin Islands for agriculture, homestead, or other public purposes as provided by law. The commission may acquire land only by transfer from the Government of the Virgin Islands or by purchase. 48 USC 1541 note.

ENVIRONMENTAL PROTECTION

SECTION 5. The policy of the Virgin Islands shall be to preserve its natural resources, protect its air, land, and water, and to provide for the enjoyment of its natural beauty. 48 USC 1541 note.

OPEN BEACHES

SECTION 6. All beaches and shorelines of the Virgin Islands shall be public and open to public access. Where not available, public access may be provided by law. 48 USC 1541 note.

RIGHT TO A HEALTHFUL ENVIRONMENT

SECTION 7. Every person has the right to a healthful environment subject to reasonable limitations as may be provided by law. Each person may enforce this right against any party subject to reasonable limitations as may be provided by law. 48 USC 1541 note.

ARTICLE XI. TAXATION AND FINANCE

TAX AUTHORITY

48 USC 1541 note.

SECTION 1. All taxes shall be levied by law, and the Senate may not surrender, suspend, or contract away its power to initiate tax legislation except as provided by this Constitution. A tax may be levied or an appropriation of public money made only for a public purpose.

INCOME TAX

48 USC 1541 note.

SECTION 2. Laws shall be enacted to administer and enforce the income tax and the Federal tax laws applicable to the Virgin Islands.

PUBLIC DEBT LIMITATION

48 USC 1541 note.

SECTION 3. (a) The Senate by law may cause bonds or other obligations to be issued on behalf of the Government either for (i) a public improvement or public undertaking or (ii) other projects nominally and/or beneficially privately owned which will promote the public interest through economic development. Such bonds or obligations shall be payable solely from the revenues directly derived from and attributable to such public improvement, public undertaking, or other project. Such bonds shall not constitute a general obligation of the Virgin Islands or of the United States.

(b) The Senate, as authorized by law, may cause to be issued such negotiable general obligation bonds or other evidence of indebtedness as it may deem necessary and advisable to achieve or further a public purpose: *Provided,* That no public indebtedness of the Virgin Islands shall be incurred in excess of 10 percent of the assessed valuation of the taxable real property in the Virgin Islands.

(c) Bonds issued pursuant to this section may bear such dates, may be in such denominations, may mature in such amounts and at such time or times, not exceeding thirty years from the date thereof, may be payable at such place or places, may be sold at either public or private sale, may be redeemable (either with or without premium) or nonredeemable, may carry such registration privileges as to either principal and interest, or principal only, and may be executed by such officers and in such manner as shall be provided by law. In case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signature, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if such officers had remained in office until such delivery. The bonds so issued shall bear interest at a rate not to exceed that specified by law and be payable at such time or times specified by law.

All such bonds shall be sold for not less than the principal amount thereof plus accrued interest. All bonds issued by the Government of the Virgin Islands, specifically including interest thereon, shall be exempt from taxation by the Government of the United States; by the Government of the Virgin Islands or any political subdivision thereof; by any State, territory or possession or any political subdivision thereof, or by the District of Columbia.

(d) The proceeds of the bond issue or other obligation herein authorized shall be expended only for public purposes as set forth in this section or for the reduction of the debt created by such bond issue or obligation.

(e) For purposes of this section bonds shall mean bonds, notes, or other obligations and shall be deemed to include bonds to refund any bonds, notes, or other obligations.

(f) Aggregate bonds issued in support of a single project pursuant to section (b) above, which exceed 20 percent of the average Government revenue for the previous three years, shall be approved by a majority of the qualified voters of the Virgin Islands voting on the question at a referendum.

(g) Bonds may not be issued for the operating expenses of the Government of the Virgin Islands, except that short-term bonds which are required to be repaid within one year may be issued by law to meet appropriations for any fiscal period in anticipation of the collection of revenue for that period or to meet casual deficits.

AUDITOR GENERAL

SECTION 4. (a) There shall be an Auditor General, who shall be appointed by the Governor with the advice and consent of the Senate and shall serve for a term of six years. 48 USC 1541 note.

(b) The Auditor General shall be a United States citizen, a Virgin Islands citizen, a qualified voter of the Virgin Islands, a domiciliary of the Virgin Islands for at least five years, and shall have such other qualifications as may be provided by law.

(c) The Auditor General shall audit all revenues, accounts, expenditures, and programs of the Government, its departments, offices, agencies, and instrumentalities; shall make a public annual report and any special reports that may be required by the Governor or the Senate, and shall perform other duties as may be provided by law. In the performance of official duties, the Auditor General shall have the authority to administer oaths, take evidence, compel the attendance of witnesses and the production of books, letters, papers, records, and all other necessary articles.

(d) The Auditor General may not hold any other public position while in office, nor engage in any activity that would conflict with official duties and responsibilities. The salary of the Auditor General may not be decreased during a term of office.

(e) The Auditor General may be removed from office for cause by the Governor, with the advice and consent of the Senate, or by impeachment.

ARTICLE XII. INITIATIVE, REFERENDUM AND RECALL

All political power is inherent in the people, who reserve the power to propose, adopt, or reject laws, and also the power to adopt or reject any act or section of any act passed by the Senate. 48 USC 1541 note.

INITIATIVE AND REFERENDUM

SECTION 1. (a) Initiative and referendum is the power of the electors to propose the enactment, amendment, or repeal of laws of the Virgin Islands, except public exigency laws and laws involving operating expenses. An initiative shall be instituted by a petition containing the full text of the proposal, and be signed by at least 10 percent of the qualified voters of each legislative district or by 41 percent of the qualified voters of the Virgin Islands. 48 USC 1541 note.

(b) An initiative petition shall be filed with the Senate. If adopted by the Senate within thirty days of the filing of the petition, the proposal contained in the petition shall take effect in accordance with

its terms. If the Senate fails to act within thirty days, the proposal shall be submitted to the voters at the next general election or at a special election held before the next general election.

(c) An initiative shall take effect upon the affirmative vote of a majority of the qualified voters of the Virgin Islands voting on the question. An initiative may not be vetoed by the Governor, and when adopted by the people may not be amended or repealed by the Senate in office when the petition was filed.

RECALL

48 USC 1541 note.

SECTION 2. (a) Elected public officials of the Virgin Islands may be recalled by the qualified voters. A recall petition shall identify the official to be recalled by name and office, and be signed by at least 30 percent of the persons qualified to vote for that office. The petition shall state the reasons for recall.

(b) A special recall election shall be held within sixty days of the filing of the recall petition. An official shall be recalled upon the affirmative vote of two-thirds of those voting on the question.

(c) A recall petition may not be filed during the first year of the first term of office of an elected official, and not less than three months before a general election; nor more than once a year except for cause.

ARTICLE XIII. CONSTITUTIONAL AMENDMENT

PROPOSAL OF AMENDMENTS

48 USC 1541 note.

SECTION 1. Amendments to this Constitution shall maintain the principles of a republican form of government and may be proposed by initiative, a constitutional convention, or the Senate.

GENERAL CONSTITUTIONAL CONVENTION

48 USC 1541 note.

SECTION 2. (a) The Senate, by the affirmative vote of two-thirds of its members, may submit to the qualified voters of the Virgin Islands at a regular general election the question, "Shall there be a constitutional convention to propose amendments to the Constitution?" This question shall be submitted by the Senate to the qualified voters of the Virgin Islands within ten years after the effective date of this Constitution and at least once every ten years thereafter.

(b) An initiative petition may submit to the qualified voters of the Virgin Islands the question, "Shall there be a constitutional convention to propose amendments to the Constitution?" The petition shall be signed by at least 15 percent of the qualified voters of each legislative district of the Virgin Islands or by 51 percent of the qualified voters of the Virgin Islands. The question shall be submitted to the voters at the first regular election held not less than ninety days after filing of the initiative petition.

(c) If a majority of those voting on the question of a constitutional convention favors holding such a convention, the Senate shall convene a convention within one hundred and twenty days after approval of the petition.

(d) Delegates to a constitutional convention shall be elected on a nonpartisan ballot as provided by law. A constitutional convention may propose an amendment to the Constitution only upon the affirmative vote of two-thirds of its members.

LEGISLATIVE PROPOSAL

SECTION 3. The Senate may propose an amendment to this Constitution upon the affirmative vote of two-thirds of its members. 48 USC 1541 note.

INITIATIVE

SECTION 4. The people may propose an amendment to this Constitution by initiative. An initiative petition shall contain the full text of the proposed amendment and shall be signed by 15 percent of the qualified voters of each legislative district of the Virgin Islands or by 51 percent of the qualified voters of the Virgin Islands. 48 USC 1541 note.

LIMITED CONSTITUTIONAL CONVENTION

SECTION 5. A constitutional amendment proposed by the Senate or by initiative may provide, in accordance with its terms, for direct ratification by the qualified voters of the Virgin Islands or for the convening of a constitutional convention limited to the issues raised by the proposed amendment. If a majority of those voting on the question of a limited constitutional convention favors holding such a convention, the Senate shall convene a limited constitutional convention within one hundred and twenty days, subject to the same restrictions on membership and adoption of any proposed amendment as those imposed on a general constitutional convention. 48 USC 1541 note.

CONSTITUTIONAL REVIEW COMMISSION

SECTION 6. Within five years after the effective date of this Constitution and at least once every ten years thereafter, a constitutional review commission shall be established by law. The commission shall, within one hundred and twenty days of its establishment, make a public report to the Senate with its proposals, if any, for revision of the Constitution. Members of the commission shall be qualified voters of the Virgin Islands. 48 USC 1541 note.

RATIFICATION OF AMENDMENTS

SECTION 7. Each proposed amendment to this Constitution shall be submitted to the qualified voters of the Virgin Islands for ratification at the first regular general election or at a special election called by the Senate. A proposed amendment shall take effect in accordance with its terms upon the affirmative vote of a majority of those voting on the amendment. 48 USC 1541 note.

TRANSITIONAL SCHEDULE

RATIFICATION AND EFFECTIVE DATE OF THE CONSTITUTION

SECTION 1. This Constitution, as finally approved or modified by the Congress of the United States under Section 5 of Public Law 94-584 (October 12, 1976), shall be submitted to the qualified voters of the Virgin Islands and shall be ratified upon the affirmative vote of a majority of those voting on the question. The Constitution shall take effect one hundred and twenty days after ratification, except as provided in Sections 2 and 5 of this Transitional Schedule. 48 USC 1541 note. 48 USC note prec. 1391.

ELECTIONS

48 USC 1541 note.

SECTION 2. Notwithstanding any other provision of this Constitution, all elected officials shall be elected in accordance with this Constitution at the first general election after the effective date of this Constitution.

CONTINUITY OF LAWS

48 USC 1541 note.

SECTION 3. Laws, executive orders, and regulations in force in the Virgin Islands on the effective date of this Constitution that are consistent with this Constitution shall continue in force until they expire, are amended, or repealed. Laws, executive orders, and regulations that have been enacted or issued by the legislature of the Virgin Islands or by local executive authorities, respectively that are inconsistent with this Constitution shall be void to the extent of such inconsistency.

CONTINUITY OF GOVERNMENT EMPLOYMENT AND OPERATIONS

48 USC 1541 note.

SECTION 4. Employees of the Government of the Virgin Islands on the effective date of this Constitution shall be employees of the constitutional government on the same terms and conditions of employment as were in effect and enforceable previously, unless otherwise provided by law. Employees of the Government of the Virgin Islands shall have the same functions and duties after becoming employees of the constitutional government unless otherwise provided by law.

CONTINUITY OF JUDICIAL MATTERS

48 USC 1541 note.

SECTION 5. Until the Senate otherwise provides, the appellate court created by Section 1 of Article VII shall consist of the two United States District Court judges for the Virgin Islands and one judge appointed in accordance with the provisions of Section 3 and Section 6 of Article VII of this Constitution. The judge so appointed shall serve as the chief judge of the appellate court until the appellate court created by Section 1 is fully implemented.

The Territorial Court of the Virgin Islands shall continue as a trial court of original jurisdiction in the same manner as existed prior to the date of adoption of this Constitution until and unless changed by law. The qualifications for judges set forth in this Constitution shall not be retroactively applied to any sitting judge of the Territorial Court. All rules of the judicial system consistent with this Constitution and in effect upon the adoption of this Constitution shall continue or may be modified or terminated in the same manner as existed prior to the adoption of this Constitution until and unless changed by law.

PROSPECTIVE OPERATION OF RIGHTS

48 USC 1541 note.

SECTION 6. All rights or obligations, procedural or substantive, created for the first time by this Constitution shall be prospective and not retroactive.

SUCCESSION

48 USC 1541 note.

SECTION 7. The constitutional government of the Virgin Islands shall succeed to all rights and obligations of the Government of the Virgin Islands that existed prior to the effective date of this Constitution. The validity of all public and private bonds, debts, and contracts,

and of all claims, actions, and causes of action shall continue as if no change had taken place.

Signed and Witnessed by the Delegates to the Fourth Constitutional Convention of the Virgin Islands, at Charlotte Amalie, St. Thomas, United States Virgin Islands, on this 1st day of August, 1980.

Rupert W. Ross, Jr.,
President
Ruth H. Beagles,
Secretary
Toya Andrew,
Assistant Secretary
Clarice Bryan
Cecil Benjamin
Dorene E. Carter
Otis Felix
Henry Feuerzeig
Kwame Garcia
Cyprian Gardine
Rufus Graham
Geraldo Guirty
Olaf Hendricks
Stedmann Hodge
John James
Wilfrid James
Bent Lawaetz
Sidney Lee
Lucien Moolenaar
Alva McFarlane
Thyra Hodge Smith
Clement Sackey, 2d Vice President
Llewellyn Sewer, Sergeant at Arms
Ruby Simmonds, 1st Vice President
Yvonne Tharpes
Charles Turnbull
Mario Watlington

SEC. 2. Notwithstanding the time limitations for congressional review provided in Public Law 94-584 (90 Stat. 2899), the Constitution of the Virgin Islands, as approved by section 1 of this resolution, shall be submitted to the qualified voters of the Virgin Islands for acceptance or rejection as provided in section 5 of said Act.

48 USC 1541 note.
48 USC note prec. 1391.

48 USC note prec. 1391.

Approved July 9, 1981.

LEGISLATIVE HISTORY—H.J. RES. 238:

HOUSE REPORT No. 97-25 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-66 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 5, considered and passed House.
June 3, considered and passed Senate, amended.
June 16, House concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 28 (1981):
July 10, Presidential statement.

Public Law 97-22
97th Congress

An Act

July 10, 1981
[H.R. 3807]

To make technical corrections in the Defense Officer Personnel Management Act.

Defense Officer Personnel Management Act Technical Corrections Act.
10 USC 101 note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Defense Officer Personnel Management Act Technical Corrections Act".

(b) Whenever in this Act a reference is made to a section of title 10, United States Code, as added or amended by "the Act", the reference shall be considered to be a reference to that section as added or amended effective September 15, 1981, by the Defense Officer Personnel Management Act (Public Law 96-513; 94 Stat. 2835).

10 USC 101 note.

SEC. 2. (a) Section 101(41) of title 10, United States Code (as added by section 101 of the Act (94 Stat. 2840)), is amended by inserting "or Coast Guard" after "Navy".

(b) Section 138(c)(3)(D)(iii)(I) of such title (as added by section 102(a)(2) of the Act (94 Stat. 2840)) is amended by striking out "and active military service".

(c) Section 266(a) of such title (as amended by section 501(4) of the Act (94 Stat. 2907)) is amended—

(1) by striking out "title," and inserting in lieu thereof "title and except for boards that may be convened to select Reserves for appointment in the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps,"; and

(2) by striking out "an appropriate number of Reserves, as prescribed by the Secretary concerned under standards and policies prescribed by the Secretary of Defense" and inserting in lieu thereof "at least one member of the Reserves, with the exact number of Reserves determined by the Secretary concerned in his discretion".

SEC. 3. (a) Section 531 of such title (as added by section 104(a) of the Act (94 Stat. 2845)) is amended—

(1) by inserting "(a)" before "Original appointments"; and

(2) by adding at the end thereof the following new subsection:

"(b) The grade of a person receiving an appointment under this section who at the time of appointment (1) is credited with service under section 533 of this title, and (2) is not a commissioned officer of a reserve component shall be determined under regulations prescribed by the Secretary of Defense based upon the amount of service credited. The grade of a person receiving an appointment under this section who at the time of the appointment is a commissioned officer of a reserve component is determined under section 533(f) of this title.".

(b) Section 532(d) of such title (as added by section 104(a) of the Act (94 Stat. 2846)) is amended by striking out "medical officer or dental officer or as a chaplain" and inserting in lieu thereof "medical or dental officer, as a chaplain, or as an officer designated for limited duty in the Regular Navy or Regular Marine Corps".

(c)(1) Subsection (b)(1)(A) of section 533 of such title (as added by section 104(a) of the Act (94 Stat. 2846)) is amended— 10 USC 533.

(A) by inserting ", designated, or assigned" in the first sentence after "persons appointed";

(B) by striking out "appointment as a commissioned officer" in the first sentence and inserting in lieu thereof "such appointment, designation, or assignment"; and

(C) by striking out the second sentence and inserting in lieu thereof the following: "Except as provided in clause (E), in determining the number of years of constructive service to be credited under this clause to officers in any professional field, the Secretary concerned shall credit an officer with, but with not more than, the number of years of postsecondary education in excess of four that are required by a majority of institutions that award degrees in that professional field for completion of the advanced education or award of the advanced degree.".

(2) Subsection (b)(1)(B) of such section is amended by striking out "as an officer" and inserting in lieu thereof ", designation, or assignment".

(3) Subsection (b)(1)(E) of such section is amended by inserting ", designated, or assigned" in the second sentence after "being appointed".

(4) Subsection (d)(1) of such section is amended by adding at the end thereof the following new sentence: "However, in the case of an officer who completes advanced education or receives an advanced degree while on active duty or in an active status and in less than the number of years normally required to complete such advanced education or receive such advanced degree, constructive service may, subject to regulations prescribed under subsection (a)(2), be credited to the officer under subsection (b)(1)(A) to the extent that the number of years normally required to complete such advanced education or receive such advanced degree exceeds the actual number of years in which such advanced education or degree is obtained by the officer.".

(5) Subsection (f) of such section is amended to read as follows:

"(f) A reserve officer (other than a warrant officer) who receives an original appointment as an officer (other than as a warrant officer) in the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps shall—

"(1) in the case of an officer on the active-duty list immediately before that appointment as a regular officer, be appointed in the same grade and with the same date of rank as the grade and date of rank held by the officer on the active-duty list immediately before the appointment; and

"(2) in the case of an officer not on the active-duty list immediately before that appointment as a regular officer, be appointed in the same grade and with the same date of rank as the grade and date of rank which the officer would have held had the officer been serving on the active-duty list on the date of the appointment as a regular officer.".

SEC. 4. (a)(1) Paragraph (2) of subsection (a) of section 612 of title 10, United States Code (as added by section 105 of the Act (94 Stat. 2851)), is amended to read as follows:

"(2)(A) Except as provided in subparagraph (B), a selection board shall include at least one officer from each competitive category of officers to be considered by the board.

"(B) A selection board need not include an officer from a competitive category to be considered by the board when there are no officers of that competitive category on the active-duty list in a grade higher

than the grade of the officers to be considered by the board and eligible to serve on the board. However, in such a case the Secretary of the military department concerned, in his discretion, may appoint as a member of the board an officer of that competitive category who is not on the active-duty list from among officers of the same armed force as the officers under consideration by the board who hold a higher grade than the grade of the officers under consideration and who are retired officers, reserve officers serving on active duty but not on the active-duty list, or members of the Ready Reserve.".

(2) Paragraph (3) of such subsection is amended—

(A) by inserting ", with the exact number of reserve officers to be determined by the Secretary of the military department concerned in his discretion" after "at least one reserve officer of that armed force"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof "who are eligible to serve on the board.".

(3) Such subsection is further amended by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) Except as provided in paragraphs (2) and (3), if qualified officers on the active-duty list are not available in sufficient number to comprise a selection board, the Secretary of the military department concerned shall complete the membership of the board by appointing as members of the board officers who are members of the same armed force and hold a grade higher than the grade of the officers under consideration by the board and who are retired officers, reserve officers serving on active duty but not on the active-duty list, or members of the Ready Reserve.

"(5) A retired general or flag officer who is on active duty for the purpose of serving on a selection board shall not, while so serving, be counted against any limitation on the number of general and flag officers who may be on active duty.".

(4) Subsection (b) of such section is amended by inserting "convened under section 611(a) of this title" after "selection boards".

10 USC 614.

(b) Section 614(a) of such title (as added by section 105 of the Act (94 Stat. 2852)) is amended by striking out ", the names of the officers eligible for consideration by the board as of the date of the notification, the convening date of the board," and inserting in lieu thereof "which shall include the convening date of the board".

(c) Section 619(c)(2) of such title (as added by section 105 of the Act (94 Stat. 2855)) is amended—

(1) by striking out "and" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof "for the purposes of clause (A); and"; and

(3) by adding at the end thereof the following new clause: "(C) may, by regulation, prescribe a period of time, not to exceed one year, from the time an officer is placed on the active-duty list during which the officer shall be ineligible for consideration for promotion.".

(d)(1) Subsection (a) of section 624 of such title (as added by section 105 of the Act (94 Stat. 2857)) is amended—

(A) by striking out "or in the case of officers selected for promotion to the grade of first lieutenant or lieutenant (junior grade), when a list of officers selected for promotion is approved by the President," in paragraph (1); and

(B) by adding at the end of paragraph (2) the following new sentence: "Officers to be promoted to the grade of first lieutenant or lieutenant (junior grade) shall be promoted in accordance with regulations prescribed by the Secretary concerned.".

(2) Subsection (c) of such section is amended by striking out "in the grade of first lieutenant or lieutenant (junior grade) under this section" and inserting in lieu thereof "under this section in the grade of first lieutenant or captain or lieutenant (junior grade) or lieutenant".

(3) Subsection (d) of such section is amended—

(A) by striking out "The Secretary concerned may delay the appointment of an officer under this section if—" in paragraph (1) and inserting in lieu thereof "Under regulations prescribed by the Secretary concerned, the appointment of an officer under this section may be delayed if—";

(B) by inserting "then unless action to delay an appointment has also been taken under subsection (d)(2)" after "as the case may be," in the second sentence of paragraph (1);

(C) by striking out "The Secretary concerned may also delay the appointment of an officer to the next higher grade under this section in any case in which the Secretary finds that" in paragraph (2) and inserting in lieu thereof "Under regulations prescribed by the Secretary concerned, the appointment of an officer under this section may also be delayed in any case in which";

(D) by striking out the period at the end of the first sentence of paragraph (3) and inserting in lieu thereof ", unless it is impracticable to give such written notice before the effective date of the appointment, in which case such written notice shall be given as soon as practicable."; and

(E) by striking out "by the Secretary" in the second sentence of paragraph (3).

(e)(1) Section 637(b) of such title (as added by section 105 of the Act (94 Stat. 2864)) is amended by striking out "section 633, 634, 635, or 636" in paragraph (1) and inserting in lieu thereof "section 633 or 634". 10 USC 637.

(2) Paragraph (2) of such section is amended to read as follows: Retirement deferments.

"(2) An officer subject to retirement under section 635 or 636 of this title who is serving in the grade of brigadier general, commodore admiral, major general, or rear admiral may, subject to the needs of the service, have his retirement deferred and be continued on active duty by the Secretary concerned. An officer subject to retirement under section 635 or 636 of this title who is serving in a grade above major general or rear admiral may have his retirement deferred and be continued on active duty by the President.".

(f) Section 638(a) of such title (as added by section 105 of the Act (94 Stat. 2864)) is amended by striking out "four" in clauses (3) and (4) and inserting in lieu thereof "three and one-half".

(g) Section 689 of such title (as added by section 106 of the Act (94 Stat. 2868)) is amended by striking out the period and inserting in lieu thereof ", except that a reserve officer who is credited with service under section 3353, 5600, or 8353 of this title and is ordered to active duty may be ordered to active duty in a reserve grade and with a date of rank and position on the active-duty list determined under regulations prescribed by the Secretary of Defense based upon the amount of service credited.".

(h)(1) The table in subsection (a) of section 741 of such title (as amended by section 107 of the Act (94 Stat. 2869)) is amended to read as follows:

"Army, Air Force, and Marine Corps	Navy and Coast Guard
General	Admiral.
Lieutenant general	Vice admiral.
Major general	Rear admiral (Navy) and Rear admiral (upper half) (Coast Guard).
Brigadier general	Commodore admiral (Navy) and Rear admiral (lower half) (Coast Guard).
Colonel	Captain.
Lieutenant colonel	Commander.
Major	Lieutenant commander.
Captain	Lieutenant.
First lieutenant	Lieutenant (junior grade).
Second lieutenant	Ensign.".

(2) Subsection (c) of such section is amended by inserting "of the Army, Navy, Air Force, and Marine Corps" after "officers".

(3) Subsection (d) of such section is amended—

(A) by inserting "of the Army, Navy, Air Force, or Marine Corps" in paragraph (1) after "officer" both places it appears; and

(B) by inserting "of the Army, Navy, Air Force, or Marine Corps" in paragraph (3) after "(other than a warrant officer)".

(4) The heading of such section is amended to read as follows:

"§741. Rank: commissioned officers of the armed forces".

SEC. 5. (a)(1) Subsection (b) of section 3064 of title 10, United States Code (as amended by section 231 of the Act (94 Stat. 2886)), is amended by striking out "may appoint commissioned officers in, and may assign members to," and inserting in lieu thereof "may assign commissioned officers (other than officers of the Regular Army) and members to".

(2) Subsection (c) of such section is amended to read as follows:

"(c) Commissioned officers of the Regular Army may be appointed in a special branch, but the Secretary may not assign any officer of the Regular Army to a special branch.".

10 USC 3210.

(b) Section 3210(a) of such title (as amended by section 502(5) of the Act (94 Stat. 2909)) is amended by striking out ", exclusive of the number authorized for the Army Medical Department and the Chaplains," and ", exclusive of the number of commissioned officers on the active-duty list authorized for the Army Medical Department and the Chaplains".

(c)(1) Subsection (a) of section 3353 of such title (as amended by section 205(a) of the Act (94 Stat. 2881)) is amended—

(A) by inserting "or an assignment to an officer category in which advanced education or training or special experience is required or will be directly used" in paragraph (1) after "in the Army";

(B) by inserting "or assignment" in paragraph (1) after "such appointment" both places it appears;

(C) by inserting "as a regular officer on active duty or as a reserve officer" in paragraph (1) after "that he performed"; and

(D) by striking out "receiving an original appointment" and "at the time of such appointment" in paragraph (2).

(2) Subsection (b)(1) of such section is amended—

(A) by inserting "or an assignment to an officer category in which advanced education or training or special experience is required or will be directly used" after "officer in the Army";

(B) by striking out "appointed in" in subparagraph (A) and inserting in lieu thereof "assigned to";

(C) by striking out "appointment as a commissioned officer" in subparagraph (A) and inserting in lieu thereof "such assignment";

(D) by striking out the second sentence in subparagraph (A) and inserting in lieu thereof the following: "Except as provided in clause (E), in determining the number of years of constructive service to be credited under this clause to officers in any professional field, the Secretary concerned shall credit an officer with, but with not more than, the number of years of postsecondary education in excess of four that are required by a majority of institutions that award degrees in that professional field for completion of the advanced education or award of the advanced degree.".

(E) by striking out "appointment as an officer," in subparagraph (B) and inserting in lieu thereof "assignment as an officer in such health profession,";

(F) by striking out "appointed" in the second sentence of subparagraph (E) and inserting in lieu thereof "assigned to such health profession"; and

(G) by striking out "appointed in" in subparagraph (F) and inserting in lieu thereof "assigned to".

(3) Subsection (b)(3) of such section is amended by striking out the period and inserting in lieu thereof "or his assignment to an officer category in which advanced education or training or special experience is required or will be directly used.".

(4) Subsection (c) of such section is amended—

(A) by inserting "as a commissioned officer (other than a warrant officer) on active duty or" after "while serving"; and

(B) by adding at the end thereof the following new sentence: "However, in the case of an officer who completes advanced education or receives an advanced degree while in an active status and in less than the number of years normally required to complete such advanced education or receive such advanced degree, constructive service may, subject to regulations prescribed under subsection (a)(2), be credited to the officer under subsection (b)(1)(A) to the extent that the number of years normally required to complete such advanced education or receive such advanced degree exceeds the actual number of years in which such advanced education or degree is obtained by the officer.".

(5) Subsection (d) of such section is amended by striking out "in the Judge Advocate General's Corps with a view to an immediate call to active duty" and inserting in lieu thereof "with a view to assignment in the Judge Advocate General's Corps".

SEC. 6. (a) Subsection (c) of section 5155 of title 10, United States Code (as added by section 351 of the Act (94 Stat. 2902)), is amended to read as follows:

"(c) The Secretary of the Navy, whenever the needs of the service require, may convene a selection board under section 611(a) of this title to select an officer in the Nurse Corps or in the Medical Service Corps (if such corps has been established under subsection (a)) for promotion to the grade of commodore admiral. An officer promoted pursuant to such a selection shall be appointed by the Secretary to the position of Director of the Nurse Corps or Director of the Medical Service Corps, respectively, for a term of four years, to serve at the pleasure of the Secretary. For the purpose of computing the total number of flag officers in the staff corps of the Navy under section

5444 of this title, an officer so appointed shall be considered an additional number in grade.".

10 USC 5444.

(b)(1) Section 5444 of such title (as amended by section 302 of the Act (94 Stat. 2888)) is amended by striking out "specified" each place it appears in subsection (b) and inserting in lieu thereof "prescribed".

(2) Subsection (f) of such section is amended to read as follows: "(f) The Secretary, in his discretion, shall prescribe the number of commodore admirals, and the number of rear admirals, in each staff corps. The total of the prescribed numbers of rear admirals for all the staff corps may not exceed 50 percent of the total number computed under subsection (b).".

(c)(1) Subsection (a) of section 5600 of such title (as amended by section 328 of the Act (94 Stat. 2895)) is amended—

(A) by inserting "or who is designated in an officer category in which advanced education or training or special experience is required or will be directly used" in paragraph (1) after "Marine Corps Reserve";

(B) by inserting "or designation" in paragraph (1) after "such appointment" both places it appears;

(C) by inserting "as a regular officer on active duty or as a reserve officer" in paragraph (1) after "that he performed"; and

(D) by striking out "receiving an original appointment" and "at the time of such appointment" in paragraph (2).

(2) Subsection (b)(1) of such section is amended—

(A) by inserting "or a designation in an officer category in which advanced education or training or special experience is required or will be directly used" after "officer in the Navy or Marine Corps";

(B) by inserting "or designated" in subparagraph (A) after "appointed";

(C) by inserting "or designation in such a category" in subparagraph (A) after "commissioned officer"; and

(D) by striking out the second sentence in subparagraph (A) and inserting in lieu thereof the following: "Except as provided in clause (E), in determining the number of years of constructive service to be credited under this clause to officers in any professional field, the Secretary concerned shall credit an officer with, but with not more than, the number of years of postsecondary education in excess of four that are required by a majority of institutions that award degrees in that professional field for completion of the advanced education or award of the advanced degree.".

(3) Subsection (b)(3) of such section is amended by striking out the period and inserting in lieu thereof "or his designation in an officer category in which advanced education or training or special experience is required or will be directly used.".

(4) Subsection (c) of such section is amended—

(A) by inserting "as a commissioned officer (other than a warrant officer) on active duty or" after "while serving"; and

(B) by adding at the end thereof the following new sentence: "However, in the case of an officer who completes advanced education or receives an advanced degree while in an active status and in less than the number of years normally required to complete such advanced education or receive such advanced degree, constructive service may, subject to regulations prescribed under subsection (a)(2), be credited to the officer under subsection (b)(1)(A) to the extent that the number of years normally required to complete such advanced education or

receive such advanced degree exceeds the actual number of years in which such advanced education or degree is obtained by the officer.".

SEC. 7. (a) Subsection (a) of section 8353 of title 10, United States Code (as amended by section 205(b) of the Act (94 Stat. 2882)), is amended—

(1) by striking out "337 and 363" in paragraph (1) and inserting in lieu thereof "837 and 863";

(2) by inserting ", or receiving a designation in or assignment to an officer category in which advanced education or training or special experience is required or will be directly used," in paragraph (1) after "in the Air Force";

(3) by inserting ", designation, or assignment" in paragraph (1) after "such appointment" both places it appears;

(4) by inserting "as a regular officer on active duty or as a reserve officer" in paragraph (1) after "that he performed"; and

(5) by striking out "receiving an original appointment" in paragraph (2) and "at the time of such appointment".

(b) Subsection (b)(1) of such section is amended—

(1) by inserting "or a designation in or assignment to an officer category in which advanced education or training or special experience is required or will be directly used" after "officer in the Air Force";

(2) by striking out "appointed in" in subparagraph (A) and inserting in lieu thereof "designated in or assigned to";

(3) by striking out "appointment as a commissioned officer" in subparagraph (A) and inserting in lieu thereof "such designation or assignment";

(4) by striking out the second sentence in subparagraph (A) and inserting in lieu thereof "Except as provided in clause (E), in determining the number of years of constructive service to be credited under this clause to officers in any professional field, the Secretary concerned shall credit an officer with, but with not more than, the number of years of postsecondary education in excess of four that are required by a majority of institutions that award degrees in that professional field for completion of the advanced education or award of the advanced degree.".

(5) by striking out "appointment as an officer," in subparagraph (B) and inserting in lieu thereof "designation or assignment as an officer in such health profession,"; and

(6) by striking out "appointed" in the second sentence of subparagraph (E) and inserting in lieu thereof "designated in or assigned to such health profession".

(c) Subsection (b)(3) of such section is amended by striking out the period and inserting in lieu thereof "or his designation in or assignment to an officer category in which advanced education or training or special experience is required or will be directly used.".

(d) Subsection (c) of such section is amended—

(A) by inserting "as a commissioned officer (other than a warrant officer) on active duty or" after "while serving"; and

(B) by adding at the end thereof the following new sentence: "However, in the case of an officer who completes advanced education or receives an advanced degree while in an active status and in less than the number of years normally required to complete such advanced education or receive such advanced degree, constructive service may, subject to regulations prescribed under subsection (a)(2), be credited to the officer under subsection (b)(1)(A) to the extent that the number of years

normally required to complete such advanced education or receive such advanced degree exceeds the actual number of years in which such advanced education or degree is obtained by the officer.".

(e) Subsection (d) of such section is amended by striking out "in the Judge Advocate General's Corps" and inserting in lieu thereof "with a view to designation as a judge advocate".

10 USC 611 note.

SEC. 8. (a) Section 601 of the Defense Officer Personnel Management Act (94 Stat. 2940) is amended—

(1) by striking out "paragraph" in subsection (b) and inserting in lieu thereof "subsection"; and

(2) by adding at the end thereof the following new subsection:

"(d)(1) Any delay of a promotion of an officer referred to in clause (2) or (3) of subsection (a) that was in effect on September 14, 1981, under the laws and regulations in effect on such date shall continue in effect on and after September 15, 1981, as if such promotion had been delayed under section 624(d) of title 10, United States Code, as added by this Act.

94 Stat. 2857.

"(2) Any action to remove from a promotion list the name of an officer referred to in clause (2) or (3) of subsection (a) that was initiated before September 15, 1981, under the laws and regulations in effect before such date shall continue on and after such date as if such removal action had been initiated under section 629 of title 10, United States Code, as added by this Act.".

10 USC 611 note.

(b) Section 602 of such Act (94 Stat. 2940) is amended—

(1) by striking out clause (3) of subsection (b) and inserting in lieu thereof the following:

"(3) either holds a reserve grade higher than the temporary grade in which he is serving or is on a list of officers recommended for promotion to a reserve grade higher than the temporary grade in which he is serving,"; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Any delay of a promotion of an officer referred to in clause (B) of subsection (a)(1) that was in effect on September 14, 1981, under the laws and regulations in effect on such date shall continue in effect on and after September 15, 1981, as if such promotion has been delayed under section 624(d) of title 10, United States Code, as added by this Act.

"(2) Any action to remove from a promotion list the name of an officer referred to in clause (B) of subsection (a)(1) that was initiated before September 15, 1981, under the laws and regulations in effect before such date shall continue on and after such date as if such removal action had been initiated under section 629 of title 10, United States Code, as added by this Act.".

94 Stat. 2860.

10 USC 611 note.

(c) Section 608(a)(1) of such Act (94 Stat. 2943) is amended by inserting "or is on a list of officers recommended for promotion to" after "serving in".

94 Stat. 2945.

10 USC 611 note.

(d) Section 611 of such Act (94 Stat. 2943) is amended by adding at the end thereof the following new subsection:

"(c)(1) Any delay of a promotion of an officer referred to in clause (2) of subsection (a) that was in effect on September 14, 1981, under the laws and regulations in effect on such date, shall continue in effect on and after September 15, 1981, as if such promotion had been delayed under section 624(d) of title 10, United States Code, as added by this Act.

"(2) Any action to remove from a promotion list the name of an officer referred to in clause (2) of subsection (a) which was initiated before September 15, 1981, under the laws and regulations in effect

before such date shall continue on and after such date as if such removal action had been initiated under section 629 of title 10, United States Code, as added by this Act.". 94 Stat. 2860.

(e) Section 612 of such Act (94 Stat. 2945) is amended— 10 USC 611 note.

(1) by striking out "An" and inserting in lieu thereof "(a) Except as provided in subsection (b), an"; and

(2) by adding at the end thereof the following new subsection:

"(b) An officer who during fiscal year 1981—

"(1) failed twice of selection for promotion to the grade of either lieutenant or lieutenant commander, in the case of an officer in the Navy, or to either captain or major, in the case of an officer in the Marine Corps; and

"(2) had not previously failed of selection for promotion to that grade,

may not, because of such failures of selection, be involuntarily separated, involuntarily discharged, or retired under chapter 36 of title 10, United States Code, as added by this Act, before June 30, 1982, unless the officer so requests.". 94 Stat. 2850.

(f) Section 613 of such Act (94 Stat. 2945) is amended— 10 USC 611 note.

(1) by striking out the period in subsection (a)(1) and inserting in lieu thereof ", except that an officer for whom no means can be established under the laws in effect on September 14, 1981, for computing creditable service in determining whether the officer is subject to involuntary retirement shall be retired under chapter 573 of title 10, United States Code, as in effect on September 14, 1981, on the basis of the years of service of such officer as determined under regulations prescribed under section 624(b).";

10 USC 6371 *et seq.*

94 Stat. 2951.

(2) by striking out subsection (a)(2)(A) and inserting in lieu thereof the following: 10 USC 611 note.

"(A) removed from active duty under section 1184 of title 10, United States Code, as added by this Act;"; and

(3) by inserting "day before the" in subsections (b)(1) and (b)(2) after "who on the".

(g) Section 615(c) of such Act (94 Stat. 2948) is amended by striking out ", in lieu of being reappointed in the line of the Navy under subsection (a), be appointed in that staff corps" and inserting in lieu thereof "request appointment in a staff corps and, with the approval of the Secretary of the Navy, be appointed in that staff corps. Any appointment under this subsection shall be in lieu of the reappointment of the officer under subsection (a)". 10 USC 611 note.

(h) Section 616 of such Act (94 Stat. 2949) is amended— 10 USC 611 note.

(1) by inserting "(a)" before "An officer"; and

(2) by adding at the end thereof the following new subsection:

"(b) Any female member of the Navy who on April 2, 1981, was appointed under section 591 or 5590 of title 10, United States Code, in the grade of ensign as an officer designated for limited duty may after September 14, 1981, be reappointed as an officer designated for limited duty under section 5596 of title 10, United States Code, as amended by this Act. A member so reappointed shall have a date of rank as an ensign of April 2, 1981, and shall have the same permanent pay grade and status as that member held on April 1, 1981.".

(i) Part B of title VI of such Act (94 Stat. 2945), is amended by adding at the end thereof the following new sections:

"CONTINGENCY AUTHORITY FOR NAVY PROMOTIONS UNDER PRIOR LAW

10 USC 611 note.

"SEC. 619. If necessary because of unforeseen circumstances, the Secretary of the Navy, during fiscal year 1982, may convene boards to select officers for promotion under chapters 545 and 549 of title 10, United States Code, as in effect on September 14, 1981, and officers so selected may be promoted in accordance with such chapters. An officer promoted to a higher grade under the authority of this section shall be subject to sections 613 and 629 as if he held that grade on September 14, 1981, and shall have a date of rank to be determined under section 741 of title 10, United States Code, as amended by this Act.

10 USC 5751 *et seq.*, 5891 *et seq.*

94 Stat. 2945, 2953.

10 USC 611 note.

94 Stat. 2869.

"RETENTION ON ACTIVE DUTY OF CERTAIN RESERVE LIEUTENANT COMMANDERS

10 USC 611 note.

"SEC. 620. Notwithstanding section 6389 of title 10, United States Code, an officer who on September 14, 1981—

"(1) holds the grade of lieutenant commander in the Naval Reserve;

"(2) is on active duty as the result of recall orders accepted subsequent to a break in active commissioned service;

"(3) is subject to placement on the active-duty list; and

"(4) is considered—

"(A) to have failed of selection for promotion to the grade of commander one or more times under chapter 545 of title 10, United States Code, as in effect on September 14, 1981; or

"(B) to have been later considered to have failed of selection for promotion to the grade of commander one or more times under chapter 36 of title 10, United States Code, as added by this Act,

94 Stat. 2850.

may be retained on active duty by the Secretary of the Navy for such period as the Secretary considers appropriate.".

10 USC 611 note.

(j) Section 621(b) of such Act (94 Stat. 2950) is amended to read as follows:

"(b) Under regulations prescribed by the Secretary of Defense, which shall apply uniformly among the Army, Navy, Air Force, and Marine Corps, the Secretary of the military department concerned, in order to maintain the relative seniority among officers of the Army, Navy, Air Force, and Marine Corps as it existed on September 14, 1981, may adjust the date of rank of officers—

"(1) below the grade of brigadier general or commodore admiral during the one-year period beginning on September 15, 1981; and

"(2) above the grade of colonel or, in the case of the Navy, captain until there are no longer any officers to whom section 614(d) is applicable.".

10 USC 611 note.

(k) Section 624(b) of such Act (94 Stat. 2951) is amended—

(1) by inserting "subject to placement on the active-duty list on September 15, 1981," after "In the case of an officer"; and

(2) by striking out "Defense" and inserting in lieu thereof "the military department concerned".

10 USC 611 note.

(l) Section 626(b) of such Act (94 Stat. 2952) is amended by striking out "any provision of chapter 36" and inserting in lieu thereof "section 1251".

10 USC 611 note.

(m) Section 629 of such Act (94 Stat. 2953) is amended by adding at the end thereof the following new sentence: "The Secretary of the military department concerned may waive the requirements of this

section and of section 1370(a)(2) of title 10, United States Code, as added by this Act, with respect to any officer described in the preceding sentence.".

(n) Part C of title VI of such Act (94 Stat. 2950) is amended by adding at the end thereof the following new sections:

"SAVINGS PROVISION FOR RETIRED GRADE OF CERTAIN RESERVE OFFICERS

"SEC. 634. Unless entitled to a higher grade under any other provision of law, a member of the Army or Air Force who is a reserve officer and who— 10 USC 611 note.

"(1) is on active duty on September 14, 1981; and

"(2) after such date retires under section 3911 or 8911 of title 10, United States Code,

is entitled to retire in the reserve grade which he held or to which he had been selected for promotion on September 14, 1981.

"SAVINGS PROVISION FOR ORIGINAL APPOINTMENT IN CERTAIN GRADES UNDER EXISTING REGULATIONS

"SEC. 635. Any person who before September 15, 1981— 10 USC 611 note.

"(1) was selected for participation in a postbaccalaureate educational program leading to an appointment as a commissioned officer or had completed a postbaccalaureate program and was selected for appointment as a commissioned officer of the Army, Navy, Air Force, or Marine Corps;

"(2) under regulations of the Secretary of the military department concerned in effect on December 12, 1980, would have been appointed and ordered to active duty in a grade specified or determined in accordance with such regulations; and

"(3) had not been so appointed and ordered to active duty,

may be appointed and ordered to active duty in such grade with a date of rank and position on the active-duty list junior to that of all other officers of the same grade and competitive category serving on active duty.

"RETENTION IN GRADE OF CERTAIN RESERVE OFFICERS

"SEC. 636. A reserve officer of the Army, Navy, Air Force, or Marine Corps who on September 14, 1981— 10 USC 611 note.

"(1) is serving on active duty (A) under section 10(b)(2) of the Military Selective Service Act (50 U.S.C. App. 460(b)(2)) for the administration of the Selective Service System, or (B) under section 708 of title 32; and

"(2) is serving in a temporary grade or is selected for promotion to a temporary grade,

may continue to serve in or may be promoted to and serve in such grade until promoted to a higher grade, separated, or retired.

"SAVINGS PROVISION REGARDING DISCHARGE OF REGULAR OFFICERS

"SEC. 637. An officer of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps who on September 14, 1981, was serving on active duty may not be discharged under section 630(1)(A) of title 10, United States Code, as added by this Act, on or after the day on which that officer completes three years of continuous service as a regular commissioned officer. 10 USC 611 note.

89-194 O—82——11 : QL3

"REPAYMENT OF READJUSTMENT AND SEVERANCE PAY

10 USC 611 note.
94 Stat. 2870.

"SEC. 638. Notwithstanding section 1174(h) of title 10, United States Code, as added by this Act, a person who received readjustment or severance pay before September 15, 1981, and who, on or after September 15, 1981, becomes entitled to retired or retainer pay under any provision of title 10 or title 14, United States Code, shall be required to repay that readjustment pay or severance pay in accordance with the laws in effect on September 14, 1981.".

10 USC 101, 14 USC 1.

10 USC 611 note.

(o) Section 641 of such Act (94 Stat. 2954) is amended—

(1) by inserting "or Dental Corps" in clause (1) after "Medical Corps" both places it appears;

(2) by inserting "or dental officer" in clause (1) after "medical officer" both places it appears; and

(3) by inserting "or 302b" in clause (2) after "section 302".

(p) The table of contents in section 1(b) of such Act (94 Stat. 2835) is amended—

(1) by inserting after the item relating to section 618 the following new items:

"Sec. 619. Contingency authority for Navy promotions under prior law.
"Sec. 620. Retention on active duty of certain reserve lieutenant commanders.";

and

(2) by inserting after the item relating to section 633 the following new items:

"Sec. 634. Savings provision for retired grade of certain reserve officers.
"Sec. 635. Savings provision for original appointments in certain grades under existing regulations.
"Sec. 636. Retention in grade of certain reserve officers.
"Sec. 637. Savings provision regarding discharge of regular officers.
"Sec. 638. Repayment of readjustment and severance pay.".

Service in grade requirements for women.
10 USC 5752 note.

SEC. 9. Notwithstanding section 5752(a)(3) of title 10, United States Code, for selection boards convened on or after the date of enactment of this Act and before September 15, 1981, service in grade requirements shall be established under regulations prescribed by the Secretary of the Navy for eligibility for consideration for promotion of female officers in the line of the Navy to the grade of lieutenant commander and female officers in the Marine Corps to the grade of major.

SEC. 10. (a)(1) Section 501(10) of the Defense Officer Personnel Management Act (94 Stat. 2908) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) by striking out the item relating to section 741 and inserting in lieu thereof:

" '741. Rank: commissioned officers of the armed forces.'; and".

(2) Section 502 of such Act (94 Stat. 2908) is amended—

(A) by striking out subparagraph (B) of paragraph (9) and inserting in lieu thereof the following:

"(B) by adding at the end thereof the following new item:

" '3396. Exclusion of officers on the active-duty list.'.";

and

10 USC 3962.

(B) by striking out "8066" in the first quoted matter in paragraph (19)(A) and inserting in lieu thereof "3066".

10 USC 5444, 5455.

(3) Section 503 of such Act (94 Stat. 2911) is amended by striking out paragraphs (19), (23), and (24).

(4) Section 504(11) of such Act (94 Stat. 2916) is amended by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) by adding at the end thereof the following new item:

" '8396. Exclusion of officers on the active-duty list.'.".

(b) Effective September 15, 1981, title 10, United States Code, is amended as follows:

(1) Section 123(a) is amended by striking out "3494," and "8494,". 10 USC 123.

(2) Section 1075 is amended by inserting ", or an enlisted member of a uniformed service entitled to basic allowance for subsistence," after "uniformed service" in the first sentence.

(3) Section 2147(d)(1) is amended by striking out "section 1072(2)(E)" and inserting in lieu thereof "section 1072(2)(D)". 94 Stat. 1113.

(4) Section 3034(b) is amended by striking out the comma after "grade".

(5) The table of sections at the beginning of chapter 367 is amended by striking out the item relating to section 3922.

(6)(A) Section 5455 is repealed. Repeal.

(B) The table of sections at the beginning of chapter 533 is amended by striking out the item relating to section 5455.

(7) The table of sections at the beginning of chapter 539 is amended—

(A) by striking out the item relating to section 5573a; and

(B) by striking out the item relating to section 5596 and inserting in lieu thereof the following:

"5596. Navy and Marine Corps: temporary appointments of warrant officers and officers designated for limited duty.".

(8) Section 6325(b) is amended—

(A) by striking out "under section 5597" and inserting in lieu thereof "or promoted under section 603"; and

(B) by striking out "5787 or 5787d" and inserting in lieu thereof "602 or 5721".

(9) Section 8034(b) is amended by striking out the comma after "grade".

(10)(A) Section 1174(c) is amended by striking out "on or after the effective date of the Defense Officer Personnel Management Act" and inserting in lieu thereof "after September 14, 1981,". 94 Stat. 2870.

(B) Sections 5896, 5897, 5898(b), 5899, and 6403(a) are amended by striking out "the effective date of the Defense Officer Personnel Management Act" each place it appears and inserting in lieu thereof "September 15, 1981". 94 Stat. 2914, 2915.

(c) Effective September 15, 1981, section 415(a) of title 37, United States Code, is amended by striking out "subsections (b) and (c)" and inserting in lieu thereof "subsection (b)".

(d) Effective September 15, 1981, Public Law 93-397 (10 U.S.C. 8202 note) is repealed. Repeal.

SEC. 11. (a) Title 10, United States Code, is amended as follows:

(1) Section 977(a) is amended by striking out "on or after the date of the enactment of the Department of Defense Authorization Act, 1981" and inserting in lieu thereof "after September 7, 1980". 94 Stat. 1119.

(2) Section 1079(b)(4) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services". 94 Stat. 3254.

(3) Sections 1450(d) and 1452(e) are amended by striking out "Civil Service Commission" and inserting in lieu thereof "Office of Personnel Management".

(4) Section 1451(a)(4) is amended by striking out "the effective date of the Uniformed Services Survivor Benefits Amendments of 1980" and inserting in lieu thereof "December 1, 1980". 94 Stat. 1705.

(5) Section 1452(g)(4) is amended by striking out "section 1452 of this title" and inserting in lieu thereof "this section". 94 Stat. 1706.

10 USC 1489.
94 Stat. 1979.

(6) Section 1489(b)(3) is amended by striking out "section 14 of the Act of August 1, 1956 (22 U.S.C. 2679a)" and inserting in lieu thereof "section 413 of the Foreign Service Act of 1980 (22 U.S.C. 3973)".

94 Stat. 2092.
94 Stat. 2162.

(7) Section 2002(a) is amended—

(A) in the text preceding clause (1) by inserting "(22 U.S.C. 4021(b))" after "section 701(b) of the Foreign Service Act of 1980"; and

(B) in clause (2) by inserting "(22 U.S.C. 4021(a))" after "section 701(a) of the Foreign Service Act of 1980".

94 Stat. 1017, 1018.

(8) Sections 2324(b)(2)(B) and 2328 are amended by striking out "this Act" and inserting in lieu thereof "this chapter".

(9) Section 2688(a) is amended by striking out "the date of the enactment of the Military Construction Authorization Act, 1980" and inserting in lieu thereof "November 26, 1979".

(10) Section 7430(e) is amended by striking out "1969" each place it appears and inserting in lieu thereof "1979".

(11) Section 9621(f) is amended by striking out the comma in the second sentence.

(b)(1) Section 308c(e) of title 37, United States Code, is amended by striking out "Secretary of defense" and inserting in lieu thereof "Secretary of Defense".

(2) Effective as of October 1, 1980, the second sentence of section 403(b) of title 37, United States Code, is amended by striking out "who is in" and all that follows through "who is assigned" and inserting in lieu thereof "who is in a pay grade above pay grade E-6 and who is assigned".

(3)(A) The heading of section 406b of title 37, United States Code, is amended to read as follows:

"§406b. Travel and transportation allowances: members of the uniformed services attached to a ship overhauling or inactivating away from home port".

(B) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"406b. Travel and transportation allowances: members of the uniformed services attached to a ship overhauling or inactivating away from home port.".

(c) Section 806(b) of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1777), is amended by striking out "section 2662" and inserting in lieu thereof "section 2672".

Approved July 10, 1981.

LEGISLATIVE HISTORY—H.R. 3807:

HOUSE REPORT No. 97-141 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 16, considered and passed House.
June 25, considered and passed Senate.

Public Law 97-23
97th Congress

An Act

To amend the Clean Air Act to provide compliance date extensions for steelmaking facilities on a case-by-case basis to facilitate modernization.

July 17, 1981
[H.R. 3520]

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 "Steel Industry Compliance Extension Act of 1981".

Steel Industry Compliance Extension Act of 1981.
42 USC 7401 note.
42 USC 7413.

SEC. 2. Section 113 of the Clean Air Act is amended by adding the following new subsection at the end thereof:

"(e)(1) The Administrator may, in his discretion, in the case of any person which is the owner or operator of a stationary source in an iron- and steel-producing operation not in compliance with the emission limitation requirements of an applicable implementation plan, consent to entry of a Federal judicial decree, or to the modification of an existing Federal judicial decree, with such person establishing a schedule for compliance for such source extending beyond December 31, 1982, but ending not later than December 31, 1985, on the following conditions:

"(A) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that such extension of compliance is necessary to allow such person to make capital investments in its iron- and steel-producing operations to improve their efficiency and productivity;

"(B) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that an amount equal to the funds the expenditure of which would have been required to comply by December 31, 1982, with those requirements of an applicable implementation plan for which such extensions of compliance are granted and whose expenditure for such purposes are being deferred until after December 31, 1982, pursuant to such extensions will be invested prior to two years from the date of enactment of this subsection in additional capital investments in the iron- and steel-producing operations owned or operated by such person, and located in communities which already contain iron- and steel-producing operations, to improve their efficiency and productivity;

"(C) the Administrator and such person consent to entry of Federal judicial decree(s) establishing a phased program of compliance to bring each stationary source at all of such person's iron- and steel-producing operations into compliance with the emission limitation requirements of applicable implementation plans (or, with respect to existing stationary sources located in any nonattainment area for which no implementation plan has been approved as meeting the requirements of part D and subject to implementation plan(s) which do not require compliance with emission limitations which represent at least reasonably available control technology, compliance with emission limitations which represent reasonably available control technology) as expeditiously as practicable but no later than December 31, 1982,

42 USC 7501.

or, in the case of sources for which extensions of compliance have been granted, no later than December 31, 1985; such decree(s) shall also contain, at a minimum, (i) requirements for interim controls (which may include operation and maintenance procedures); (ii) increments of compliance sufficient to assure compliance by the final compliance deadlines; (iii) requirement(s) that the amount referred to in subparagraph (B) above, is to be invested in projects representing additional capital investments in the iron- and steel-producing operations owned or operated by such person for the purposes specified in such subparagraph and shall contain schedule(s) specifying when each such project (or specified alternative project) is to be commenced and completed, as well as increments of progress toward completion; (iv) stipulated monetary penalties covering completion of the air pollution control projects required by the decree, the projects referred to under (iii) above, and such other items as appropriate; (v) monitoring requirements; (vi) reporting requirements (including provision for periodic reports to be filed with the court); and (vii) provisions for preventing increases of emissions from each stationary source;

"(D) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that such person will have sufficient funds to comply with all applicable requirements by the times set forth in the judicial decree(s) entered into pursuant to subparagraph (C) of this subsection;

"(E) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that the applicant is in compliance with existing Federal judicial decrees (if any) entered under section 113 of this Act applicable to its iron- and steel-producing operations or that any violations of such decrees are de minimus in nature; and

42 USC 7413.

"(F) the Administrator finds, on the basis of information submitted by the applicant and other information available to him, that any extension of compliance granted pursuant to this subsection will not result in degradation of air quality during the term of the extension.

Definitions.

"(2) For the purpose of this subsection, 'iron- and steel-producing operations' include production facilities for iron and steel, as well as associated processing, coke making and sintering facilities. For the purpose of this subsection, 'phased program of compliance' means a program assuring, to the extent possible, that capital expenditures for achieving compliance at all sources owned or operated by such person in iron- and steel-producing operations must be made during the second and each succeeding year of the period covered by the decree(s) in an amount such that at the end of each such year the cumulative expenditures under the decree(s) will be at least equal to the amount which would have been spent if the total expenditures to be made under the decree(s) were made in equal increments during each year of the decree(s). For the purpose of this subsection, 'additional capital investments in iron- and steel-producing operations' means investments which the Administrator finds would not be made during the same time period if extension(s) of time for compliance with clean air requirements were not granted under this subsection. The decree entered into pursuant to subparagraph (C) of paragraph (1) of this subsection shall specify the projects which represent additional capital investment in iron- and steel-producing operations, but may also contain specified alternative projects. The

decree may also be modified to substitute equivalent projects for those specified. The owner or operator of iron- and steel-producing operations seeking an extension of compliance under this subsection has the burden of satisfying the Administrator with regard to the findings required in paragraphs (A), (B), (D), (E), and (F). A person which is subject to a judicial decree entered or modified pursuant to this subsection shall not be assessed a noncompliance penalty under section 120 of the Act for any source with an extension of compliance under such decree for the period of time covered by the decree only if such source remains in compliance with all provisions and requirements of such decree.

42 USC 7420.

"(3) Any records, reports, or information obtained by the Administrator under this subsection shall be available to the public, except that upon a showing satisfactory to the Administrator by any person that records, reports, or information, or particular part thereof (other than emission data) to which the Administrator has access under this section if made public, is likely to cause substantial harm to the person's competitive position, the Administrator shall consider such record, report, or information or particular portion thereof confidential in accordance with the purposes of section 1905 of title 18 of the United States Code, except that such record, report, or information may be disclosed to other officers, employees, or authorized representatives of the United States concerned with carrying out this Act or when relevant in any proceeding under this Act. Any regulations promulgated under section 114 of this Act apply with equal force to this subsection subject, however, to any changes that the Administrator shall determine are necessary. This paragraph does not constitute authority to withhold records, reports, or information from the Congress.

42 USC 7414.

"(4) Nothing in this subsection shall preclude or deny the right of any State or political subdivision to enforce any air pollution requirements in any State judicial or administrative forum.

"(5) The provisions of this subsection shall be self-executing, and no implementing regulations shall be required.

"(6) Upon receipt of an application for an extension of time under this subsection with respect to any stationary source the Administrator shall promptly—

"(i) publish notice of such receipt in the Federal Register;

Publication in Federal Register.

"(ii) notify the Governor of the State in which the stationary source is located; and

"(iii) notify the chief elected official of the political subdivision in which the source is located.

"(7)(A) The Administrator shall publish in the Federal Register notice of any finding made, or other action taken, by him in connection with the entry of any consent decree or modification of an existing consent decree pursuant to this subsection or in connection with the Administrator's failure or refusal to consent to such a decree.

Publication in Federal Register.

"(B)(i) Except as provided in clause (ii), any finding or other action of the Administrator under this subsection with respect to any stationary source, and any failure or refusal of the Administrator to make any such finding or to take any such action under this subsection, shall be reviewable only by a court in which a civil action under section 113 of this Act is brought against the owner or operator of such stationary source.

42 USC 7413.

"(ii) Where, before the date of the enactment of the Steel Industry Compliance Extension Act of 1981, a civil action was brought under this Act against the owner or operator of such stationary source, any

Ante, p. 139.

finding or other action of the Administrator under this subsection with respect to such stationary source, and any failure or refusal of the Administrator to make any such finding or to take any such action under this subsection, shall be reviewable only by the court in which the civil action was brought.

42 USC 7604.

"(8) The provisions of section 304(b)(1)(B) of this Act shall be applicable to this subsection.

"(9) For a source which receives an extension under this subsection, air pollution requirements specified in Federal judicial decrees entered into or modified under this subsection that involves such source may not be modified to extend beyond December 31, 1985.".

42 USC 7410.

SEC. 3. Section 110(a)(3)(C) of the Clean Air Act is amended to read as follows:

"(C) Neither the State, in the case of a plan (or portion thereof) approved under this subsection, nor the Administrator, in the case of a plan (or portion thereof) promulgated under subsection (c), shall be required to revise an applicable implementation plan because one or more exemptions under section 118 (relating to Federal facilities), enforcement orders under section 113(d), suspensions under section 110 (f) or (g) (relating to temporary energy or economic authority), orders under section 119 (relating to primary nonferrous smelters), or extensions of compliance in decrees entered under section 113(e) (relating to iron- and steel-producing operations) have been granted, if such plan would have met the requirements of this section if no such exemptions, orders, or extensions had been granted.".

42 USC 7418.

42 USC 7419.

Ante, p. 139.

Approved July 17, 1981.

LEGISLATIVE HISTORY—H.R. 3520 (S. 63):

HOUSE REPORTS: No. 97-121 (Comm. on Energy and Commerce) and No. 97-161 (Comm. of Conference).

SENATE REPORT No. 97-133 accompanying S. 63 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 127 (1981):
May 28, considered and passed House.
June 11, considered and passed Senate, amended, in lieu of S. 63.
June 25, Senate agreed to conference report.
June 26, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 29 (1981):
July 17, Presidential statement.

Public Law 97-24
97th Congress

An Act

To extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1982, and to eliminate the requirement that the Secretary of Agriculture waive interest on loans made on 1980 and 1981 crops of wheat and feed grains placed in the farmer-held grain reserve.

July 23, 1981
[S. 1395]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out the last sentence and inserting in lieu thereof a new sentence as follows: "Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1982, may be conducted not later than the earlier of the following: (1) thirty days after adjournment sine die of the first session of the Ninety-seventh Congress, or (2) October 15, 1981.".

Wheat.
Marketing quota referendum.

SEC. 2. Section 110(b) of the Agricultural Act of 1949 (7 U.S.C. 1445e(b)) is amended by deleting in clause (3) of the second sentence the phrase ", and the Secretary shall waive such interest on loans made on the 1980 and 1981 crops of wheat and feed grains".

Waiver.

Approved July 23, 1981.

LEGISLATIVE HISTORY—S. 1395:

CONGRESSIONAL RECORD, Vol. 127 (1981):
June 25, considered and passed Senate.
July 9, considered and passed House.

Public Law 97-25
97th Congress

An Act

July 27, 1981
[H.R. 31]

To amend the Truth in Lending Act to encourage cash discounts, and for other purposes.

Cash Discount Act.
15 USC 1601 note.

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 "Cash Discount Act".

TITLE I—CASH DISCOUNTS

SEC. 101. Section 167(b) of the Truth in Lending Act (15 U.S.C. 1666f(b)) is amended to read as follows:

"(b) With respect to any sales transaction, any discount from the regular price offered by the seller for the purpose of inducing payment by cash, checks, or other means not involving the use of an open-end credit plan or a credit card shall not constitute a finance charge as determined under section 106 if such discount is offered to all prospective buyers and its availability is disclosed clearly and conspicuously.".

15 USC 1605.

SEC. 102. (a) Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end thereof the following:

"Regular price."

"(z) As used in this section and section 167, the term 'regular price' means the tag or posted price charged for the property or service if a single price is tagged or posted, or the price charged for the property or service when payment is made by use of an open-end credit plan or a credit card if either (1) no price is tagged or posted, or (2) two prices are tagged or posted, one of which is charged when payment is made by use of an open-end credit plan or a credit card and the other when payment is made by use of cash, check, or similar means. For purposes of this definition, payment by check, draft, or other negotiable instrument which may result in the debiting of an open-end credit plan or a credit cardholder's open-end account shall not be considered payment made by use of the plan or the account.".

15 USC 1602 note.
94 Stat. 169.

(b) Effective April 10, 1982—

(1) subsections (x) and (y) of section 103 of the Truth in Lending Act (as redesignated by section 603(b) of Public Law 96-221) are redesignated as subsections (y) and (z), respectively; and

(2) subsection (z) of such section (as added by subsection (a)) is redesignated as subsection (x) and is inserted after subsection (w).

15 USC 1666f note.
Supra.

SEC. 103. Any rule or regulation of the Board of Governors of the Federal Reserve System pursuant to section 167(b) of the Truth in Lending Act, as such section was in effect on the day before the date of enactment of this Act, is null and void.

TITLE II—BAN ON CREDIT CARD SURCHARGES

SEC. 201. Section 3(c)(2) of Public Law 94-222 (15 U.S.C. 1666f note) is amended to read as follows:

"(2) The amendments made by paragraph (1) shall cease to be effective on February 27, 1984.".

SEC. 202. Not later than two years after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall prepare a study, on the basis of a review and analysis of such data and studies as it finds appropriate, and shall submit its findings to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of charge card transactions upon card issuers, merchants, and consumers, including to the extent possible—

Study findings, submittal to congressional committees.
15 USC 1601 note.

(1) the effects of charge card transactions on retail sales;

(2) the effect of charge card usage on consumers and on merchants, including the effects on merchant cost; and

(3) the effect of charge card usage on the pricing of goods and services, with a comparison of the costs resulting from payment by (A) currency and coin, (B) by personal check or similar instrument, (C) by in-house credit plans, and (D) by charge card.

TITLE III—MISCELLANEOUS

SEC. 301. Section 625(c) of Public Law 96-221 is amended by adding at the end thereof the following: "Any creditor who elects to comply with such amendments and any assignee of such a creditor shall be subject to the provisions of sections 130 and 131 of the Truth in Lending Act, as amended by sections 615 and 616, respectively, of this title.".

94 Stat. 185.
15 USC 1602 note.

SEC. 302. Section 5137 of the Revised Statutes (12 U.S.C. 29) is amended by adding at the end thereof the following new paragraph:

94 Stat. 180, 182.
15 USC 1640, 1641.

"Notwithstanding any other provision of this section, any national banking association which, on the date of enactment of this paragraph, held title to and possession of real estate which was carried on the association's books at a nominal value on December 31, 1979, may continue to hold such real estate until December 31, 1982, if the earnings from such real estate are separately disclosed in the financial statements of the association.".

94 Stat. 186.

SEC. 303. (a) Section 204 of the Public Health Service Act is amended by inserting after the first sentence the following new sentence: "The President may appoint to the office of Surgeon General an individual who is sixty-four years of age or older.".

Presidential appointee.
42 USC 205.

(b) Section 211(a)(1) of such Act is amended by adding at the end thereof the following new sentence: "This paragraph does not apply to the Surgeon General of the United States.".

42 USC 212.

Approved July 27, 1981.

LEGISLATIVE HISTORY—H.R. 31 (H.R. 3132) (S. 414):

HOUSE REPORT No. 97-159 (Comm. of Conference).
SENATE REPORT No. 97-23 accompanying S. 414 (Comm. on Banking, Housing, and Urban Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Feb. 24, considered and passed House.
Mar. 5, S. 414 considered in Senate.
Mar. 12, considered and passed Senate, amended, in lieu of S. 414.
May 4, H.R. 3132 considered and passed House.
May 20, June 24, House considered and agreed to conference report.
July 14, Senate agreed to conference report.

Public Law 97-26
97th Congress

July 29, 1981
[H.J. Res. 308]

Joint Resolution

Making an urgent supplemental appropriation for the Department of Health and Human Services for the fiscal year ending September 30, 1981.

Department of Health and Human Services. Supplemental appropriation.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1981, namely:**

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

For an additional amount for "Health Services", $16,800,000: *Provided,* That not more than $145,199,000 shall be available under this head for operation of Public Health Service hospitals and clinics.

Approved July 29, 1981.

LEGISLATIVE HISTORY—H.J. Res. 308:

HOUSE REPORT No. 97-192 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 23, considered and passed House and Senate.

Public Law 97-27
97th Congress

Joint Resolution

Designating the week of October 4 through October 10, 1981, as "National Diabetes Week".

Aug. 4, 1981
[H.J. Res. 84]

Whereas diabetes kills more Americans than all other diseases except cancer and cardiovascular diseases; and

Whereas ten million Americans suffer from diabetes and $5,300,000,000 annually are used for health care costs, disability payments, and lost wage costs due to diabetes; and

Whereas a national awareness of the diabetes problem may stimulate interest and concern leading to increased research and eventually a cure for diabetes: Now, therefore, be it

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of October 4 through October 10, 1981, is designated as "National Diabetes Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.**

National Diabetes Week. Designation.

Approved August 4, 1981.

LEGISLATIVE HISTORY—H.J. Res. 84 (S.J. Res. 74):

CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 26, considered and passed House.
July 24, considered and passed Senate in lieu of S.J. Res. 74.

Public Law 97-28
97th Congress

Joint Resolution

Aug. 4, 1981
[S.J. Res. 28]

Designating the week beginning March 7, 1982, as "Women's History Week".

Whereas American women of every race, class, and ethnic background helped found the Nation in countless recorded and unrecorded ways as servants, slaves, nurses, nuns, homemakers, industrial workers, teachers, reformers, soldiers, and pioneers;

Whereas American women have played and continue to play a critical economic, cultural, and social role in every sphere of our Nation's life by constituting a significant portion of the labor force working in and outside of the home;

Whereas American women have played a unique role throughout our history by providing the majority of the Nation's volunteer labor force and have been particularly important in the establishment of early charitable philanthropic and cultural institutions in the country;

Whereas American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement, not only to secure their own right of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor union movement, and the modern civil rights movement; and

Whereas despite these contributions, the role of American women in history has been consistently overlooked and undervalued in the body of American history: Now, therefore, be it

Women's History Week. Designation.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning March 7, 1982, is designated as "Women's History Week", and the President is requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Approved August 4, 1981.

LEGISLATIVE HISTORY—S.J. Res. 28:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Mar. 10, considered and passed Senate.
July 15, considered and passed House, amended.
July 24, Senate concurred in House amendments.

Public Law 97-29
97th Congress

Joint Resolution

Designating August 8, 1982, as "National Children's Day".

Aug. 6, 1981
[H.J. Res. 191]

Whereas America's children represent new life and new hope for the future of the Nation and the world;

Whereas children should be regarded as this Nation's most precious resource, and be assured of proper guidance and opportunity to be prepared to become productive citizens and responsible leaders of tomorrow;

Whereas children have a right to quality education, freedom from hunger, freedom from poverty, freedom from discrimination, and the legacy of a world at peace;

Whereas the Nation's adults have an obligation to create a better world which is conducive to the well-being of the children of the United States, a world in which children can feel secure in the knowledge that they will have the opportunity to achieve their maximum potential as adults; and

Whereas the Nation should affirm its commitment to focus on the joys, the rights, and the needs of children so as to create a better life for them: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 8, 1982, is designated as "National Children's Day" and the President is requested to issue a proclamation commemorating the occasion and calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

National Children's Day. Designation.

Approved August 6, 1981.

LEGISLATIVE HISTORY—H.J. Res. 191:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 23, considered and passed House.
July 24, considered and passed Senate.

Public Law 97-30
97th Congress

An Act

Aug. 6, 1981
[S. 1040]

To amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia.

District of Columbia Self-Government and Governmental Reorganization Act, amendment.
D.C. Code 47-2501d.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That section 502 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 2501d) is amended by striking out "for the fiscal year ending September 30, 1978, and for each fiscal year thereafter the sum of $300,000,000" in the first sentence and inserting in lieu thereof "for each of the fiscal years ending September 30, 1978, September 30, 1979, September 30, 1980, and September 30, 1981, the sum of $300,000,000; and for the fiscal year ending September 30, 1982, and for each fiscal year ending after September 30, 1982, the sum of $336,600,000".**

Approved August 6, 1981.

LEGISLATIVE HISTORY—S. 1040 (H.R. 2819):

HOUSE REPORT No. 97-31 accompanying H.R. 2819 (Comm. on the District of Columbia).
SENATE REPORT No. 97-80 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed Senate.
July 27, H.R. 2819 considered and passed House; proceedings vacated and S. 1040 passed in lieu.

Public Law 97-31
97th Congress

An Act

To revise the laws pertaining to the Maritime Administration.

Aug. 6, 1981
[H.R. 4074]

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 "Maritime Act of 1981".

Maritime Act of 1981.
46 USC 1601 note.

SEC. 2. The Maritime Administration of the Department of Commerce is transferred to the Department of Transportation.

Maritime Administration, transfer to Transportation Department.

SEC. 3. There are transferred to the Department of Transportation and vested in the Secretary of Transportation all functions, powers, and duties relating to the Maritime Administration of the Secretary of Commerce and of officers and offices of the Department of Commerce.

46 USC 1601.
46 USC 1602.

SEC. 4. There shall be at the head of the Maritime Administration an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate provided for level III of the Executive Schedule. The Maritime Administrator shall report directly to the Secretary of Transportation and shall perform such duties as the Secretary of Transportation shall prescribe.

Administrator.
46 USC 1603.
5 USC 5314.

SEC. 5. In carrying out any function transferred by this Act, the Secretary of Transportation may exercise any authority available by law to the Secretary of Commerce with respect to such function and the actions of the Secretary of Transportation in exercising such authority shall have the same force and effect as if exercised by the Secretary of Commerce on the day preceding the effective date of this Act.

46 USC 1604.

SEC. 6. The personnel employed in connection with, and the assets, liabilities, contracts, property, facilities, records, and unexpended balance of appropriations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof, transferred by this Act, including all Senior Executive Service positions, subject to section 202 of the Budget and Accounting Procedures Act of 1950, shall be transferred to the Secretary of Transportation for appropriate allocation. Personnel employed in connection with functions transferred by this Act shall be transferred in accordance with any applicable laws and regulations relating to transfer of functions. Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated, except that such funds may be used for the expenses associated with the transfer pursuant to this Act.

Personnel, assets, liabilities, and records.
46 USC 1605.
31 USC 581c.

SEC. 7. In order to facilitate the transfer effected by this Act, the Director of the Office of Management and Budget is authorized and directed to make such determinations as may be necessary with regard to functions, offices, or portions thereof transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, apportionments,

46 USC 1606.

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allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, or portions thereof, as may be necessary to resolve disputes between the Secretaries of Commerce and Transportation which may arise in connection with the transfer. This section does not vest in the Director of the Office of Management and Budget any of the functions, powers, or duties of the Maritime Administration, the Secretary of Commerce, or the Secretary of Transportation. The authority and direction given by this section to the Director of the Office of Management and Budget shall terminate sixty days after enactment.

46 USC 1607.

SEC. 8. With the consent of the Secretary of Commerce, the Secretary of Transportation may use the services of such officers, employees, and other personnel of the Department of Commerce as needed to implement this Act.

46 USC 1608.

SEC. 9. (a) All orders, determinations, rules, regulations, permits, grants, contracts, agreements, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, any Federal department or agency or official thereof, or by a court of competent jurisdiction, in the performance of functions which are transferred under this Act to the Secretary of Transportation or the Department of Transportation, and

(2) which are in effect at the time this Act takes effect shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary of Transportation, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b)(1) This Act does not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance, pending on the effective date of this Act, but such proceedings and applications, to the extent that they relate to functions so transferred and except as provided in paragraph (2), shall be continued at the Department of Transportation. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of Transportation, by a court of competent jurisdiction, or by operation of law. This subsection does not prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that the proceeding could have been discontinued or modified if this Act had not been enacted.

Maritime Subsidy Board, pending actions.

(2) Actions of the Maritime Subsidy Board pending on review before the Secretary of Commerce on the day preceding the effective date of this Act shall remain with the Secretary of Commerce, unless otherwise agreed between the Secretary of Commerce and the Secretary of Transportation, for final administrative disposition as though this Act had not been enacted.

(3) The Secretary of Transportation may promulgate regulations providing for the orderly transfer of proceedings continued under paragraph (1).

(c) Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect actions commenced prior to the effective date of this Act, and

(2) in all such actions, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) No action or other proceeding commenced by or against any officer of the Maritime Administration in his official capacity shall abate by reason of the enactment of this Act. No cause of action by or against the Maritime Administration or by or against any officer of the Maritime Administration in his official capacity shall abate by reason of the enactment of this Act.

(e) If, before the date on which this Act takes effect, the Secretary of Commerce is a party to an action, and under this Act any function of the Secretary of Commerce which is the subject of the action is transferred to the Secretary of Transportation, then such action shall be continued with the Secretary of Transportation substituted as a party.

(f) Orders and actions of the Secretary of Transportation in the exercise of functions transferred under this Act shall be subject to judicial review as if such orders and actions had been by the Secretary of Commerce exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by this Act shall apply to the exercise of such function by the Secretary of Transportation.

Judicial review and statutory requirements.

SEC. 10. With respect to any function or office transferred by this Act and exercised on or after the effective date of this Act, reference in any other Federal law to the Maritime Administration or any of its predecessor agencies or any officer or office the functions of which are so transferred shall be deemed to refer to the Secretary of Transportation, other official, or component of the Department of Transportation to which this Act transfers such functions.

46 USC 1609.

SEC. 11. If any provisions of this Act or the application thereof to any person or circumstance is held invalid, neither the remainder of this Act nor the application of such provision to other persons or circumstances shall be affected thereby.

46 USC 1610.

SEC. 12. CONFORMING AMENDMENTS.—(1) Title 5, United States Code, is amended as follows:

(A) Section 5314 is amended by inserting "Administrator, Maritime Administration", at the end thereof.

(B) Section 5315 is amended by striking "(8)" following the words "Assistant Secretaries of Commerce", and substituting "(7)".

(C) Section 5316 is amended by striking "Maritime Administration, Department of Commerce".

(2) Section 203 of the Act of August 14, 1946 (7 U.S.C. 1622), is amended by inserting ", or the Secretary of Transportation," after "regulatory body" in subsection (j).

(3) Title 10, United States Code, is amended as follows:

(A) Section 2664(a) is amended by—

(i) striking "Secretary of Commerce, and the Chairman of the Federal Maritime Board" in the introductory paragraph and substituting "Secretary of Transportation"; and

(ii) striking "Secretary of Commerce or the Federal Maritime Board by 1950 Reorganization Plan Numbered 21, effective May 24, 1950 (64 Stat. 1273)" in paragraph (3) and substituting "Secretary of Transportation".

(B) Section 2665 is amended by—

(i) striking "or the Federal Maritime Board" in subsections (a) and (b); and

(ii) striking "Federal Maritime Board" at the end of subsection (b) and substituting "Department of Transportation".

(C) Section 4745(a) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(D) Section 7361(b) is amended by—

(i) striking "Secretary of Commerce" and substituting "Secretary of Transportation"; and

(ii) striking "Department of Commerce" and substituting "Department of Transportation".

(4) Section 148 of title 14, United States Code, is amended by striking "United States Maritime Commission", and substituting "Maritime Administrator".

(5) Section 42(a) of Public Law 91-469 (15 U.S.C. 1507a) is repealed.

(6) The Act of February 14, 1903 (15 U.S.C. 1511), is amended by striking "(c) Maritime Administration;", and redesignating the paragraphs accordingly.

(7) Sections 3 and 8 of the Act of February 14, 1903 (15 U.S.C. 1512 and 1519), are amended by striking "shipping," and ", and the transportation facilities".

94 Stat. 1362.

(8) Section 2 of Public Law 96-371 (15 U.S.C. 1519a) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(9) Section 500 of the Act of February 28, 1920 (15 U.S.C. 1528), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(10) Section 3 of the Act of July 19, 1940 (16 U.S.C. 18b), is amended by striking "United States Maritime Commission" and substituting "Department of Transportation".

(11) Section 1 of the Act of March 4, 1915 (31 U.S.C. 686), is amended by striking "Federal Maritime Commission" in subsection (a) and substituting "Maritime Administration".

(12) Section 2 of the Act of April 29, 1941 (40 U.S.C. 270f), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(13) Section 602 (c) and (d) of the Act of June 30, 1949 (40 U.S.C. 474), is amended in paragraph (16) by—

(A) striking "United States Maritime Commission" wherever it appears and substituting "Maritime Administration"; and

(B) striking "Commission" and substituting "Administration".

(14) Section 516 of Public Law 90-580 (40 U.S.C. 483a) is amended by inserting "the Department of Transportation," immediately after "the Department of Commerce,".

(15) Section 203 of the Act of June 30, 1949 (40 U.S.C. 484), is amended in subsection (i) by—

(A) striking "United States Maritime Commission" and substituting "Maritime Administration"; and

(B) striking "Commission" and substituting "Administration".

(16) Section 2 of the Act of June 22, 1942 (41 U.S.C. 50), is amended by striking "United States Maritime Commission" and substituting "Secretary of Transportation".

(17) Section 5 of the Act of July 1, 1944 (41 U.S.C. 105), is amended by striking "Chairman of the Maritime Commission" and substituting "Secretary of Transportation".

(18) Section 12 of the Act of July 1, 1944 (41 U.S.C. 112), is amended by striking "Maritime Commission" in subsection (h) and substituting "the Department of Transportation".

(19) Section 102 of the Act of August 9, 1955 (42 U.S.C. 1973cc-1), is amended by striking "Secretary of Commerce" in clause (10) and substituting "Secretary of Transportation".

(20) Section 1 of the Home Port Act (46 U.S.C. 18) is amended by striking "Director of the Bureau of Marine Inspection and Navigation of the Department of Commerce" and substituting "Secretary of Transportation or the Secretary of the Treasury".

(21) The Act of July 24, 1956, is amended by—

(A) striking "Secretary of Commerce" wherever it appears in sections 1, 2, and 3 (46 U.S.C. 249, 249a, and 249b) and substituting "Secretary of Transportation"; and

(B) striking "with the concurrence of the Secretary of the Treasury" in sections 1 and 3 (46 U.S.C. 249 and 249b).

(22) The Act of June 30, 1961 (46 U.S.C. 289b), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(23) The Act of October 25, 1919 (46 U.S.C. 363), is amended by striking "United States Shipping Board" and substituting "Department of Commerce and the Maritime Administration".

(24) Section 6 of the Act of May 27, 1936 (46 U.S.C. 382b), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of the Department in which the Coast Guard is operating or the Secretary of the Treasury".

(25) The Suits in Admiralty Act is amended by—

(A) striking the last sentence of section 3 (46 U.S.C. 743);

(B) striking "United States Shipping Board" in section 7 (46 U.S.C. 747) and substituting "Maritime Administration";

(C) striking "or the United States Shipping Board" in section 9 (46 U.S.C. 749);

(D) striking "or of the United States Shipping Board" in sections 10 and 11 (46 U.S.C. 750 and 751); and

(E) striking "and the United States Shipping Board" in section 12 (46 U.S.C. 752).

(26) Section 9 of the Shipping Act, 1916 (46 U.S.C. 808) is amended by striking "United States Maritime Commission", "Commission", and "Secretary of Commerce" wherever they appear and substituting "Secretary of Transportation".

(27) Section 12 of the Shipping Act, 1916 (46 U.S.C. 811) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "It" wherever it appears and substituting "The Secretary";

(C) striking "it" wherever it appears and substituting "the Secretary"; and

(D) striking "its" wherever it appears and substituting "his".

(28) Section 14a of the Shipping Act, 1916 (46 U.S.C. 813) is amended by—

(A) striking "Commission" wherever it appears and substituting "Federal Maritime Commission"; and

(B) striking "Secretary of Commerce" and substituting "Secretary of Transportation or the Secretary of the Treasury".

(29) Section 21 of the Shipping Act, 1916 (46 U.S.C. 820) is amended in subsection (a) by—

(A) striking "Commission" in the first sentence and substituting "Federal Maritime Commission and Secretary of Transportation";

(B) striking "it" in the first sentence and substituting "it or him"; and

(C) striking "Commission" wherever it appears in the second sentence and substituting "Commission or Secretary".

(30) Section 37 of the Shipping Act, 1916 (46 U.S.C. 835) is amended by striking "Commission" and "Secretary of Commerce" wherever they appear and substituting "Secretary of Transportation".

(31) Sections 40 and 42 of the Shipping Act, 1916 (46 U.S.C. 838 and 840) are amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(32) Section 41 of the Shipping Act, 1916 (46 U.S.C. 839) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "its" and substituting "his".

(33) Section 1 of the Merchant Marine Act, 1920 (46 U.S.C. 861) is amended by striking "United States Maritime Commission" and substituting "Secretary of Transportation".

(34) Section 5 of the Merchant Marine Act, 1920 (46 U.S.C. 864) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(35) Section 101 of the Act of June 30, 1948 (46 U.S.C. 864a) is amended by striking "Commission" and substituting "Secretary of Transportation".

(36) Section 1 of the Act of June 29, 1949 (46 U.S.C. 864b) is amended by—

(A) striking "Maritime Commission" and substituting "Maritime Administration of the Department of Transportation"; and

(B) striking "Commission" and substituting "Maritime Administration".

(37) Section 6 of the Merchant Marine Act, 1920 (46 U.S.C. 865) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" wherever it appears and substituting "he";

(C) striking ", upon an affirmative vote of not less than five of its members, spread upon the minutes of the board,"; and

(D) striking "its" wherever it appears and substituting "his".

(38) Section 1 of the Act of May 16, 1972 (46 U.S.C. 865a), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(39) Section 7 of the Merchant Marine Act, 1920 (46 U.S.C. 866) is amended by—

(A) other than in the second proviso, striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "its" and substituting "his".

(40) Section 8 of the Merchant Marine Act, 1920 (46 U.S.C. 867) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" and substituting "he"; and

(C) striking "its" and substituting "his".

(41) Section 9 of the Merchant Marine Act, 1920 (46 U.S.C. 868) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" in the last sentence and substituting "he".

(42) Section 10 of the Merchant Marine Act, 1920 (46 U.S.C. 869) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" wherever it appears and substituting "he".

(43) Section 12 of the Merchant Marine Act, 1920 (46 U.S.C. 871) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" the first two times it appears and substituting "him"; and

(C) striking "its" and substituting "his".

(44) Section 13 of the Merchant Marine Act, 1920 (46 U.S.C. 872) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" and substituting "him".

(45) Section 17 of the Merchant Marine Act, 1920 (46 U.S.C. 875) is amended by—

(A) striking the first paragraph; and

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(46) Section 19 of the Merchant Marine Act, 1920, as amended, is amended by— 46 USC 876.

(A) striking "The Commission" the first time it appears and substituting "The Secretary of Transportation"; and

(B) inserting after subsection (a) the following undesignated paragraph:

"And the Federal Maritime Commission is authorized and directed in aid of the accomplishment of the purposes of this Act:".

(47) Section 21 of the Merchant Marine Act, 1920 (46 U.S.C. 877) is amended by striking "Commission" and substituting "Secretary of Transportation".

(48) Section 25 of the Merchant Marine Act, 1920 (46 U.S.C. 881) is amended by striking "Secretary of Commerce and the chairman of the Commission shall each appoint one representative" and substituting "Secretary of Transportation shall appoint one representative and the Secretary of the Department in which the Coast Guard is operating shall appoint one representative (except in a case where such Secretary is the Secretary of Transportation in which case he shall appoint both representatives)".

(49) Section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883) is amended by striking "Secretary of Commerce" in the fourth proviso and substituting "Secretary of Transportation".

(50) Section 28 of the Merchant Marine Act, 1920 (46 U.S.C. 884) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" in the second sentence and substituting "he".

(51) Section 202 of the Merchant Marine Act, 1928 (46 U.S.C. 891b) is amended by—

(A) striking "Commission" and substituting "Secretary of Transportation"; and

(B) striking "its" wherever it appears and substituting "his".

(52) Section 203 of the Merchant Marine Act, 1928 (46 U.S.C. 891c) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(53) Section 705 of the Merchant Marine Act, 1928 (46 U.S.C. 891w) is amended by striking "Maritime Commission" and substituting "Secretary of Transportation".

(54) Subsection B of the Ship Mortgage Act, 1920 (46 U.S.C. 911) is amended by striking "Commission" in paragraph (4) and substituting "Secretary of Transportation".

(55) Subsection O of the Ship Mortgage Act, 1936 (46 U.S.C. 961) is amended by—

(A) inserting a period after the word "Commission" in subsection (a);

(B) inserting "The Secretary" at the beginning of the second sentence of subsection (a);

(C) striking "Board" wherever it appears in subsections (a) and (d) and substituting "Secretary of Transportation"; and

(D) striking "Secretary of Commerce" wherever it appears in subsection (e) and substituting "Secretary of Transportation".

(56) Subsection V of the Ship Mortgage Act, 1920 (46 U.S.C. 982) is amended by striking "Secretary of Commerce is" and substituting "Secretary of Transportation or the Secretary of the Treasury are".

(57) Subsection W of the Ship Mortgage Act, 1920 (46 U.S.C. 983) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation or the Secretary of the Treasury".

(58) Section 201 of the Ship Mortgage Act, 1936 (46 U.S.C. 1111) is amended by—

(A) repealing subsection (a);

(B) in subsection (d)—

(i) inserting "and the Secretary of Transportation" after "The Commission";

(ii) striking "its" and substituting "their"; and

(iii) striking "it" and substituting "them";

(C) in subsection (e)—

(i) inserting "and the Secretary of Transportation" after "Commission" when it first appears and at the beginning of the second sentence;

(ii) striking "its" in the second sentence and substituting "their"; and

(iii) striking the proviso; and

(D) inserting "or the Secretary of Transportation" after "Commission" and "it" wherever they appear in subsection (f).

(59) The Act of June 25, 1938 (46 U.S.C. 1111a), is amended by striking "United States Maritime Commission" and substituting "Federal Maritime Commission and the Secretary of Transportation".

(60) Section 202 of the Merchant Marine Act, 1936 (46 U.S.C. 1112) is amended by—

(A) striking the first sentence;

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(C) striking "it" wherever it appears and substituting "he"; and

(D) striking "its" and substituting "his".

(61) Section 204 of the Merchant Marine Act, 1936 (46 U.S.C. 1114) is amended by—

(A) striking "United States Maritime Commission" wherever it appears and substituting "Federal Maritime Commission and the Secretary of Transportation";

(B) inserting "and the Secretary of Transportation" following "The Commission" in subsection (b);

(C) striking "is" in subsection (b) and substituting "are"; and

(D) striking "it" wherever it appears and substituting "them".

(62) Section 205 of the Merchant Marine Act, 1936 (46 U.S.C. 1115) is amended by striking "Commission" and substituting "Federal Maritime Commission and the Secretary of Transportation".

(63) Section 206 of the Merchant Marine Act, 1936 (46 U.S.C. 1116) is amended by—

(A) striking "Commission" where it appears for the first time in the first and second sentences and substituting "Department of Transportation"; and

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(64) Section 207 of the Merchant Marine Act, 1936 (46 U.S.C. 1117), is amended by—

(A) striking "Commission" where it appears the first time in the first sentence and substituting "Federal Maritime Commission and the Secretary of Transportation";

(B) inserting "or his" after "its" in the first sentence;

(C) inserting "or Secretary" after "Commission" where it appears for the second time in the first sentence and where it appears in the last sentence; and

(D) inserting "and Secretary's" after "Commission's" in the second sentence.

(65) Section 208 of the Merchant Marine Act, 1936 (46 U.S.C. 1118), is amended by—

(A) striking "Commission" and substituting "Federal Maritime Commission and the Secretary of Transportation"; and

(B) inserting "or his" after "its" wherever it appears.

(66) The proviso clause of section 209(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1119(b)) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(67) Sections 210 and 211 of the Merchant Marine Act, 1936 (46 U.S.C. 1120 and 1121) are amended by striking "Secretary of Commerce" where they appear and substituting "Secretary of Transportation".

(68) Section 5 of Public Law 96-387 (46 U.S.C. 1121-1) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation". 94 Stat. 1546.

(69) Section 212 of the Merchant Marine Act, 1936 (46 U.S.C. 1122), is amended by—

(A) striking "Commission" in the first line and substituting "Secretary of Transportation";

(B) inserting after subsection (d) the following undesignated paragraph:

"The Federal Maritime Commission is authorized and directed—";

(C) inserting after subsection (e) the following undesignated paragraph:

"The Secretary of Transportation is authorized and directed—"; and

(D) striking "it" in subsection (g) and substituting "he".

(70) Section 212(A) of the Merchant Marine Act, 1936 (46 U.S.C. 1122a) is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(71) Section 213 of the Merchant Marine Act, 1936 (46 U.S.C. 1123) is amended by striking "Commission" and substituting "Secretary of Transportation".

(72) Section 214 of the Merchant Marine Act, 1936 (46 U.S.C. 1124) is amended by—

(A) striking "Commission" where it appears the first time in subsection (a) and substituting "Federal Maritime Commission or the Secretary of Transportation";

(B) inserting "or the Secretary," after "designated by it" in subsection (a);

(C) inserting "or the Secretary," after "Commission" where it appears in the third sentence of subsection (a) and wherever it appears in subsection (b); and

(D) striking "it" in subsection (b) and substituting "it or he".

(73) Section 215 of the Merchant Marine Act, 1936 (46 U.S.C. 1125) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" and substituting "his"; and

(C) striking "its" in the first sentence and substituting "his".

(74) Section 4 of the Act of February 6, 1941 (46 U.S.C. 1125a), is amended by—

(A) striking "Commission" where it appears the first time and substituting "Secretary of Transportation"; and

(B) striking "Commission" where it appears the second and third time and substituting "Secretary".

(75) Section 216 of the Merchant Marine Act, 1936 (46 U.S.C. 1126), is amended by—

(A) striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" wherever it appears in subsection (c) and substituting "he"; and

(C) striking "itself" in subsection (d) and substituting "himself".

(76) Section 603 of the Department of Defense Appropriation Authorization Act, 1977 (46 U.S.C. 1126-1), is amended by striking "Assistant Secretary of Commerce for Maritime Affairs" and substituting "Maritime Administrator".

(77) Section 34 of the Act of August 10, 1956 (46 U.S.C. 1126a-1), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(78) The Act of August 9, 1946 (46 U.S.C. 1126b), is amended by striking "Chairman of the United States Maritime Commission" wherever it appears and substituting "Secretary of Transportation".

46 USC 1126b-1.

(79) The Act of September 14, 1961 (46 U.S.C. 1126a-1), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(80) The Act of May 11, 1944 (46 U.S.C. 1126c), is amended by striking "Chairman of the United States Maritime Commission" and substituting "Secretary of Transportation".

(81) The Act of July 22, 1947 (46 U.S.C. 1126d), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(82) Section 301 of the Merchant Marine Act, 1936 (46 U.S.C. 1131), is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(83) Section 302 of the Merchant Marine Act, 1936 (46 U.S.C. 1132), is amended by—

(A) striking "Secretary of Commerce" in subsection (f) and substituting "Secretary of the Department in which the Coast Guard is operating or the Secretary of the Treasury"; and

(B) striking "Commission's" in subsection (g) and substituting "Transportation Department's".

(84) Sections 501, 502, 503, 504, and 505 of the Merchant Marine Act, 1936 (46 U.S.C. 1151, 1152, 1153, 1154, and 1155), are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(85) Section 502 of the Merchant Marine Act, 1936 (46 U.S.C. 1152), is amended by striking "Secretary of Commerce's" in subsection (c) and substituting "Secretary of Transportation's".

(86) Section 402 of the Second Revenue Act of 1940 (46 U.S.C. 1155a), is amended by striking "United States Maritime Commission" and substituting "Secretary of Transportation".

(87) Section 506 of the Merchant Marine Act, 1936 (46 U.S.C. 1156), is amended by—

(A) striking "Commission" where it appears the first time and substituting "Secretary of Transportation"; and

(B) striking "Commission" where it appears the next four times and substituting "Secretary".

(88) Section 507 of the Merchant Marine Act, 1936 (46 U.S.C. 1157), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "its" and substituting "his".

(89) Section 508 of the Merchant Marine Act, 1936 (46 U.S.C. 1158), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" and substituting "the Maritime Administration of the Department of Transportation".

(90) Section 509 of the Merchant Marine Act, 1936 (46 U.S.C. 1159), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(91) Section 510 of the Merchant Marine Act, 1936 (46 U.S.C. 1160), is amended by—

(A) striking "Secretary of Commerce" wherever it appears other than the first time it appears in subsection (j) and substituting "Secretary of Transportation";

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(C) striking "its" in subsection (f) and substituting "his";

(D) striking "Commission's" wherever it appears in subsection (g) and substituting "Secretary's"; and

(E) striking "Secretary of Commerce" the first time it appears in subsection (j) and substituting "Maritime Administration of the Department of Transportation".

(92) Section 511 of the Merchant Marine Act, 1936 (46 U.S.C. 1161), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" in paragraphs (g)(1) (A) and (B) and substituting "him".

(93) Section 601 of the Merchant Marine Act, 1936 (46 U.S.C. 1171), is amended by striking "Secretary of Commerce" and "Commission" wherever they appear and substituting "Secretary of Transportation".

(94) Sections 602 and 603 of the Merchant Marine Act, 1936 (46 U.S.C. 1172 and 1173), are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(95) Section 604 of the Merchant Marine Act, 1936 (46 U.S.C. 1174), is amended by—

(A) striking "Commission" and substituting "Secretary of Transportation";

(B) striking "it" wherever it appears and substituting "he"; and

(C) striking the colon and the proviso.

(96) Sections 605 and 606 of the Merchant Marine Act, 1936 (46 U.S.C. 1175 and 1176), are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(97) Section 607 of the Merchant Marine Act, 1936 (46 U.S.C. 1177), is amended by—

(A) striking "Secretary of Commerce" whenever it appears and substituting "Secretary"; and

(B) adding at the end of subsection (k), a new paragraph (9) to read as follows:

"Secretary."

"(9) The term 'Secretary' means the Secretary of Commerce with respect to eligible or qualified vessels operated or to be operated in the fisheries of the United States, and the Secretary of Transportation with respect to all other vessels.".

(98) Section 608 of the Merchant Marine Act, 1936 (46 U.S.C. 1178), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" in the second sentence and substituting "he"; and

(C) striking "it" in the last sentence and substituting "him".

(99) Sections 609 and 610 of the Merchant Marine Act, 1936 (46 U.S.C. 1179 and 1180), are amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(100) Section 611 of the Merchant Marine Act, 1936 (46 U.S.C. 1181), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" in paragraph (a) and substituting "he"; and

(C) striking "any member of the Commission, or any officer thereof designated by the Commission for that purpose" and substituting "the Secretary of Transportation or any officer designated by him for that purpose".

(101) Section 612 of the Merchant Marine Act, 1936 (46 U.S.C. 1182), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "its" wherever it appears and substituting "his".

(102) Section 613 of the Merchant Marine Act, 1936 (46 U.S.C. 1183), is amended by—

(A) striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" in subsections (c) and (e) and substituting "he"; and

(C) striking "Board" and substituting "Secretary of Transportation".

(103) Section 701 of the Merchant Marine Act, 1936 (46 U.S.C. 1191), is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(104) Section 702 of the Merchant Marine Act, 1936 (46 U.S.C. 1192), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" and substituting "he".

(105) Section 703 of the Merchant Marine Act, 1936 (46 U.S.C. 1193), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "Commission's" in subsection (c) and substituting "Secretary's".

(106) Section 704 of the Merchant Marine Act, 1936 (46 U.S.C. 1194), is amended by—

(A) striking "Commission" the first time it appears in the first sentence and substituting "Department of Transportation";

(B) striking "Commission" the second time it appears in the first sentence and substituting "Secretary of Transportation"; and

(C) striking all after the first sentence.

(107) Section 705 of the Merchant Marine Act, 1936 (46 U.S.C. 1195), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "its" in the first sentence and substituting "the Department of Transportation's"; and

(C) striking "its" in the second sentence and substituting "his".

(108) Section 706 of the Merchant Marine Act, 1936 (46 U.S.C. 1196), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "its" in the first sentence and substituting "the Department of Transportation's";

(C) striking "Commission's" in the second sentence and substituting "the Department of Transportation's"; and

(D) striking "its" in subsection (b) and substituting "his".

(109) Section 707 of the Merchant Marine Act, 1936 (46 U.S.C. 1197) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "Commission's" in subsection (b) and substituting "Secretary's".

(110) Section 708 of the Merchant Marine Act, 1936 (46 U.S.C. 1198) is amended by—

(A) striking "Commission" and substituting "Secretary of Transportation"; and

(B) striking "its" and substituting "his".

(111) Section 709 of the Merchant Marine Act, 1936 (46 U.S.C. 1199) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(112) Section 710 of the Merchant Marine Act, 1936 (46 U.S.C. 1200) is amended by—

(A) striking "Commission's" and substituting "Secretary of Transportation's"; and

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(113) Section 711 of the Merchant Marine Act, 1936 (46 U.S.C. 1201) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(114) Section 712 of the Merchant Marine Act, 1936 (46 U.S.C. 1202) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "itself" in subsection (a) and substituting "himself";

(C) striking "its" in subsection (a) and substituting "his"; and

(D) striking "it" in subsection (a) and substituting "he".

(115) Section 713 of the Merchant Marine Act, 1936 (46 U.S.C. 1203) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "its" in subsection "the Department of Transportation's".

(116) Section 714 of the Merchant Marine Act, 1936 (46 U.S.C. 1204) is amended by—

(A) striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "Secretary of Commerce's" and substituting "Secretary of Transportation's".

(117) Section 715 of the Merchant Marine Act, 1936 (46 U.S.C. 1205) is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(118) Section 716 of the Merchant Marine Act, 1936 (46 U.S.C. 1206) is amended by—

(A) striking "Department of Commerce" and substituting "Department of Transportation"; and

(B) striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(119) Section 801 of the Merchant Marine Act, 1936 (46 U.S.C. 1211) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "it" the first time it appears in clause (3) and substituting "he".

(120) Section 802 of the Merchant Marine Act, 1936 (46 U.S.C. 1212) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(121) Sections 809 and 810 of the Merchant Marine Act, 1936 (46 U.S.C. 1213 and 1222) are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(122) Section 805 of the Merchant Marine Act, 1936 (46 U.S.C. 1223) is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(123) Section 806(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1224) is amended by striking "Commission" and substituting "Commission or the Secretary of Transportation".

(124) Section 807 of the Merchant Marine Act, 1936 (46 U.S.C. 1225) is amended by—

(A) striking "or before the Commission" in the first sentence and substituting "or before the Commission or the Secretary of Transportation"; and

(B) thereafter, striking the word "Commission" wherever it appears and substituting "Secretary of Transportation".

(125) Section 806 (c) and (d) of the Merchant Marine Act, 1936 (46 U.S.C. 1228) is amended by—

(A) striking "Commission" substituting "Commission or the Secretary of Transportation";

(B) striking "United States Maritime Commission" and substituting "Federal Maritime Commission or the Secretary of Transportation"; and

(C) inserting "or him" after "functions transferred to it" and after "vested in it" in the last paragraph.

(126) Section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) is amended by striking "Secretary of Commerce" wherever it appears in subsection (b)(2) and substituting "Secretary of Transportation".

(127) The Act of March 26, 1934 (46 U.S.C. 1241-1), is amended by striking "Commission" and substituting "Secretary of Transportation".

(128) Section 801 of the Act of June 2, 1951 (46 U.S.C. 1241a), is amended by—

(A) striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation"; and

(B) striking "Department of Commerce" and substituting "Department of Transportation".

(129) Section 101 of the Act of June 20, 1956 (46 U.S.C. 1241b), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(130) The Act of August 1, 1956 (46 U.S.C. 1241c), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(131) Section 902 of the Merchant Marine Act, 1936 (46 U.S.C. 1242), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "Commission's" wherever it appears and substituting "Secretary's";

(C) striking "United States Maritime Commission" wherever it appears and substituting "Secretary of Transportation";

(D) striking "its" the first time it appears and substituting "his"; and

(E) striking "its" the second time it appears and substituting "the Department of Transportation's".

(132) The Act of June 29, 1940 (46 U.S.C. 1242a), is amended by—

(A) striking "United States Maritime Commission" and substituting "Secretary of Transportation";

(B) striking "Commission" wherever it appears and substituting "Secretary of Transportation"; and

(C) striking "it" in subsection (b) and substituting "he".

(133) Section 905 of the Merchant Marine Act, 1936 (46 U.S.C. 1244), is amended by—

(A) striking "Secretary of Commerce" in subsection (a) and substituting "Secretary of Transportation"; and

(B) striking subsection (e).

(134) Section 908 of the Merchant Marine Act, 1936 (46 U.S.C. 1247), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(135) Section 1101 of the Merchant Marine Act, 1936 (46 U.S.C. 1271), is amended by—

(A) striking "Secretary of Commerce" wherever it appears and substituting "Secretary"; and

(B) adding a new subsection (n) to read as follows:

"(n) The term 'Secretary' means the Secretary of Commerce with respect to fishing vessels and fishing facilities as provided by this "Secretary."

title, and the Secretary of Transportation with respect to all other vessels.".

(136) Sections 1102, 1103, 1104, 1105, 1106, 1108, 1109, and 1110 of the Merchant Marine Act, 1936 (46 U.S.C. 1272, 1273, 1274, 1275, 1276, 1279a, 1279b, and 1279c), are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary".

(137) Section 101 of Public Law 85-469 (46 U.S.C. 1280), is amended by striking "Secretary of Commerce" and substituting "Secretary".

(138) Section 1201(e) of the Merchant Marine Act, 1936 (46 U.S.C. 1281), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(139) Section 1208 of the Merchant Marine Act, 1936 (46 U.S.C. 1288) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(140) Section 601 of the Act of November 1, 1951 (46 U.S.C. 1288a), is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(141) Section 1213 of the Merchant Marine Act, 1936 (46 U.S.C. 1293), is amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(142) Section 1301 of the Merchant Marine Act, 1936 (46 U.S.C. 1295), is amended by—

(A) striking "Secretary of Commerce" in paragraph (1) and substituting "Secretary of Transportation"; and

(B) striking "Assistant Secretary of Commerce for Maritime Affairs" in paragraph (2) and substituting "Maritime Administrator".

(143) Section 1302 of the Merchant Marine Act, 1936 (46 U.S.C. 1295a), is amended by striking "Secretary of Commerce" in paragraph (1) and substituting "Secretary of Transportation".

(144) Section 1303 of the Merchant Marine Act, 1936 (46 U.S.C. 1295b), is amended by—

(A) striking "and the Secretary of Transportation" in paragraph (e)(3);

(B) striking "the Secretary of the Department in which the United States Coast Guard is operating with respect to the United States Coast Guard and" in paragraph (e)(4); and

(C) striking "Assistant Secretary of Commerce for Maritime Affairs" in paragraph (i)(1) and substituting "Maritime Administrator".

(145) Section 1304 of the Merchant Marine Act, 1936 (46 U.S.C. 1295c), is amended by—

(A) striking "and the Secretary of Transportation" in paragraph (g)(5); and

(B) striking "the Secretary of the department in which the United States Coast Guard is operating with respect to the United States Coast Guard and" in paragraph (g)(6).

(146) Section 14 of the Carriage of Goods by Sea Act (46 U.S.C. 1313) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(147) Section 2 of the Civilian Nautical School Act (46 U.S.C. 1332) is amended by—

(A) striking "United States Maritime Commission" and substituting "Secretary of Transportation";

(B) striking "Commission" and substituting "Secretary"; and

(C) striking "it" and substituting "he".

(148) Section 3 of the Civilian Nautical School Act (46 U.S.C. 1333) is amended by—

(A) striking "Board of Supervising Inspectors, with the approval of the Secretary of Commerce," in subsection (a) and substituting "Secretary of the Department in which the Coast Guard is operating or Secretary of the Treasury"; and

(B) striking "Secretary of Commerce" in subsection (b) and substituting "Secretary of the Department in which the Coast Guard is operating or Secretary of the Treasury".

(149) Section 3 of the Maritime Academy Act of 1958 (46 U.S.C. 1382) is amended by striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(150) Section 305(b) of the Act of June 19, 1934 (47 U.S.C. 305(b)), is amended by striking "United States Shipping Board Bureau or the United States Shipping Board Merchant Fleet Corporation" and substituting "Maritime Administration of the Department of Transportation".

(151) Section 352(a)(2) of the Act of June 19, 1934 (47 U.S.C. 352(a)(2)), is amended by striking "United States Maritime Commission" and substituting "Maritime Administration of the Department of Transportation".

(152) Sections 1, 2, and 3 of the Act of August 9, 1954 (50 U.S.C. 196, 197, and 198), are amended by striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(153) Section 3 of the Merchant Ship Sales Act (50 U.S.C. App. 1736) is amended by—

(A) striking "'Commission'" and substituting "'Secretary'";

(B) striking "United States Maritime Commission" and substituting "Secretary of Transportation"; and

(C) striking "Commission" wherever it appears and substituting "Secretary".

(154) Sections 4, 6, 7, 8, 10, and 13 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1737, 1739, 1740, 1741, 1743, and 1746) are amended by striking "Commission" wherever it appears and substituting "Secretary".

(155) Section 5 of the Merchant Ship Sales Act (50 U.S.C. App. 1738), is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary";

(B) striking "its" wherever it appears in subsection (a) and substituting "his";

(C) striking "Maritime Commission" and substituting "Secretary of Transportation";

(D) striking "Federal Maritime Board" wherever it appears and substituting "Maritime Administration"; and

(E) striking "Secretary of Commerce" wherever it appears and substituting "Secretary of Transportation".

(156) Section 2 of the Act of June 29, 1949 (50 U.S.C. App. 1738a), is amended by striking "Commission" wherever it appears and substituting "Secretary of Transportation".

(157) Section 11 of the Merchant Ship Sales Act (50 U.S.C. App. 1744) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary of Transportation";

(B) striking "it" the first time it appears in subsection (a)(1) and where it appears in subsection (a)(2) and substituting "the Department of Transportation";

(C) striking "it" where it appears for the second time in subsection (a)(1) and substituting "he"; and

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(D) striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(158) Section 12 of the Merchant Ship Sales Act (50 U.S.C. App. 1745) is amended by—

(A) striking "Commission" wherever it appears and substituting "Secretary"; and

(B) striking "Secretary of Commerce" and substituting "Secretary of Transportation".

(159) Section 26 of the Merchant Marine Act, 1920 (46 U.S.C. 882) is amended by striking, the words "Secretary of Commerce", and substituting "Secretary of the Department in which the Coast Guard is operating."

Approved August 6, 1981.

LEGISLATIVE HISTORY—H.R. 4074:

HOUSE REPORT No. 97-199 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 27, considered and passed House.
July 29, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 32 (1981):
Aug. 6, Presidential statement.

Public Law 97-32
97th Congress

Joint Resolution

Designating August 13, 1981, as "National Blinded Veterans Recognition Day".

Aug. 6, 1981
[S.J. Res. 64]

Whereas there are thousands of Americans in the United States today who, as a result of service in the military forces of their country, incurred the catastrophic disability of blindness;

Whereas, despite the extreme severity of their disability, most of these veterans have received rehabilitation and have returned to and continue to lead useful and productive lives; and

Whereas the sacrifices and contributions that these veterans have made and the service rendered by the many veterans who later suffered blindness from nonservice related causes are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That August 13, 1981, is designated as "National Blinded Veterans Recognition Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside this day to honor the sacrifices and service of blinded veterans in an appropriate manner.

National Blinded Veterans Recognition Day. Designation.

Approved August 6, 1981.

LEGISLATIVE HISTORY—S.J. Res. 64:

CONGRESSIONAL RECORD, Vol. 127 (1981):
June 25, considered and passed Senate.
July 30, considered and passed House.

Public Law 97-33
97th Congress

An Act

Aug. 7, 1981
[S. 1104]

To amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes.

International Investment Survey Act of 1976, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(b) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(b)) is amended by striking all of such section before the words "among other things and to the extent he determines necessary and feasible—" and substituting the following:

Benchmark surveys.

"(b) With respect to foreign direct investment in the United States, the President shall conduct a benchmark survey covering calendar year 1980, a benchmark survey covering calendar year 1987, and benchmark surveys covering every fifth calendar year thereafter. With respect to United States direct investment abroad, the President shall conduct a benchmark survey covering calendar year 1982, a benchmark survey covering calendar year 1989, and benchmark surveys covering every fifth year thereafter. In conducting surveys pursuant to this subsection, the President shall,".

U.S. portfolio investments abroad.

SEC. 2. Section 4(c)(2) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(c)(2)) is amended to read as follows:

"(2) In addition to the benchmark surveys conducted pursuant to paragraph (1), the President shall annually compile currently available data on United States portfolio investment abroad including items such as data on the magnitude and aggregate value of portfolio investment, form of investments, types of investors, nationality of investors and recorded residence of private holders, diversification of holdings by economic sector, and holders of record. The President shall submit an analysis of such data to the Congress not later than the first day of July of each year.".

Data analysis, submittal to Congress.

SEC. 3. Section 4 of the International Investment Survey Act of 1976 (22 U.S.C. 3103) is amended by redesignating subsections (e) and (f), and all references thereto, as subsection (f) and (g), respectively, and by inserting the following new subsection after subsection (d):

Report.

"(e) The Secretary of Commerce shall prepare a report on the estimated cost of monitoring and compiling data on legislation enacted by the major trading partners of the United States, and such other foreign nations as the Secretary deems appropriate, which regulates or restricts foreign inward investment in such foreign nations.".

SEC. 4. Section 8 of the International Investment Survey Act of 1976 (22 U.S.C. 3107) is amended by striking "AND REVIEWS" in the section heading, by striking "(a)" immediately after "SEC. 8.", and by striking subsection (b).

SEC. 5. Section 9 of the International Investment Survey Act of 1976 (22 U.S.C. 3108) is amended by striking "and" immediately after "1980," and by inserting immediately before the period at the end thereof the following: ", $4,000,000 for the fiscal year ending September 30, 1982, and such sums as may be necessary for any subsequent fiscal years".

Approved August 7, 1981.

LEGISLATIVE HISTORY—S. 1104:

SENATE REPORT No. 97-68 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed Senate.
June 27, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 33 (1981):
Aug. 7, Presidential statement.

Public Law 97-34
97th Congress

An Act

Aug. 13, 1981
[H.R. 4242]

To amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers, acceleration of capital cost recovery of investment in plant, equipment, and real property, and incentives for savings, and for other purposes.

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

Economic Recovery Tax Act of 1981.
26 USC 1 note.

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Economic Recovery Tax Act of 1981".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents; amendment of 1954 Code.

TITLE I—INDIVIDUAL INCOME TAX PROVISIONS

Subtitle A—Tax Reductions

Sec. 101. Rate cuts; rate reduction credit.
Sec. 102. 20-percent maximum rate on net capital gain for portion of 1981.
Sec. 103. Deduction for two-earner married couples.
Sec. 104. Adjustment to prevent inflation-caused tax increase.

Subtitle B—Income Earned Abroad

Sec. 111. Partial exclusion for earned income from sources without the United States and foreign housing costs.
Sec. 112. Repeal of deduction for certain expenses of living abroad.
Sec. 113. Employees living in camps.
Sec. 114. Reports by Secretary.
Sec. 115. Effective date.

Subtitle C—Miscellaneous Provisions

Sec. 121. Deduction for charitable contributions to be allowed for individuals who do not itemize deductions.
Sec. 122. 18-month periods for rollover of principal residence increased to 2 years.
Sec. 123. One-time exclusion of gain increased to $125,000.
Sec. 124. Increases in credit allowable for expenses for household and dependent care services necessary for gainful employment.
Sec. 125. Deduction for adoption expenses paid by an individual.
Sec. 126. Maximum rate of imputed interest for sale of land between related persons.
Sec. 127. State legislators travel expenses away from home.
Sec. 128. Rates of tax for principal campaign committees.

TITLE II—BUSINESS INCENTIVE PROVISIONS

Subtitle A—Cost Recovery Provisions

Sec. 201. Accelerated cost recovery system.
Sec. 202. Election to expense certain depreciable business assets.
Sec. 203. Amendments related to depreciation.
Sec. 204. Recapture on disposition of recovery property.

Sec. 205. Minimum tax treatment.
Sec. 206. Earnings and profits.
Sec. 207. Extension of carryover period for net operating losses and certain credits.
Sec. 208. Carryover of recovery attribute in section 381 transactions.
Sec. 209. Effective dates.

Subtitle B—Investment Tax Credit Provisions

Sec. 211. Modification of investment tax credit to reflect accelerated cost recovery.
Sec. 212. Increase in investment tax credit for qualified rehabilitation expenditures.
Sec. 213. Investment credit for used property; increase in dollar limit.
Sec. 214. Investment tax credit allowed for certain rehabilitated buildings leased to tax-exempt organizations or to governmental units.

Subtitle C—Incentives for Research and Experimentation

Sec. 221. Credit for increasing research activities.
Sec. 222. Charitable contributions of scientific property used for research.
Sec. 223. Suspension of regulations relating to allocation under section 861 of research and experimental expenditures.

Subtitle D—Small Business Provisions

Sec. 231. Reduction in corporate rate taxes.
Sec. 232. Increase in accumulated earnings credit.
Sec. 233. Subchapter S shareholders.
Sec. 234. Treatment of trusts as subchapter S shareholders.
Sec. 235. Simplification of LIFO by use of Government indexes to be provided by regulations.
Sec. 236. Three-year averaging permitted for increases in inventory value.
Sec. 237. Election by small business to use one inventory pool when LIFO is elected.

Subtitle E—Savings and Loan Associations

Sec. 241. Reorganizations involving financially troubled thrift institutions.
Sec. 242. Limitations on carryovers of financial institutions.
Sec. 243. Reserves for losses on loans.
Sec. 244. FSLIC financial assistance.
Sec. 245. Mutual savings banks with capital stock.
Sec. 246. Effective dates.

Subtitle F—Stock Options, Etc.

Sec. 251. Stock options.
Sec. 252. Property transferred to employees subject to certain restrictions.

Subtitle G—Miscellaneous Provisions

Sec. 261. Adjustments to new jobs credit.
Sec. 262. Section 189 made inapplicable to low-income housing.
Sec. 263. Increase in deduction allowable to a corporation in any taxable year for charitable contributions.
Sec. 264. Amortization of low-income housing.
Sec. 265. Deductibility of gifts by employers to employees.
Sec. 266. Deduction for motor carrier operating authority.
Sec. 267. Limitation on additions to bank loss reserves.

TITLE III—SAVINGS PROVISIONS

Subtitle A—Interest Exclusion

Sec. 301. Exclusion of interest on certain savings certificates.
Sec. 302. Partial exclusion of interest.

Subtitle B—Retirement Savings Provisions

Sec. 311. Retirement savings.
Sec. 312. Increase in amount of self-employed retirement plan deduction.
Sec. 313. Rollovers under bond purchase plans.
Sec. 314. Miscellaneous provisions.

Subtitle C—Reinvestment of Dividends in Public Utilities

Sec. 321. Encouragement of reinvestment of dividends in the stock of public utilities.

Subtitle D—Employee Stock Ownership Provisions

Sec. 331. Payroll-based credit for establishing employee stock ownership plan.
Sec. 332. Termination of the portion of the investment credit attributable to employee plan percentage.
Sec. 333. Tax treatment of contributions attributable to principal and interest payments in connection with an employee stock ownership plan.
Sec. 334. Cash distributions from an employee stock ownership plan.
Sec. 335. Put option for stock bonus plans.
Sec. 336. Put option requirements for banks; put option period.
Sec. 337. Distribution of employer securities from a tax credit employee stock ownership plan in the case of a sale of employer assets or stock.
Sec. 338. Pass through of voting rights on employer securities.
Sec. 339. Effective date.

TITLE IV—ESTATE AND GIFT TAX PROVISIONS

Subtitle A—Increase in Unified Credit; Rate Reduction; Unlimited Marital Deduction

Sec. 401. Increase in unified credit.
Sec. 402. Reduction in maximum rates of tax.
Sec. 403. Unlimited marital deduction.

Subtitle B—Other Estate Tax Provisions

Sec. 421. Valuation of certain farm, etc., real property.
Sec. 422. Coordination of extensions of time for payment of estate tax where estate consists largely of interest in closely held business.
Sec. 423. Treatment of certain contributions of works of art, etc.
Sec. 424. Gifts made within 3 years of decedent's death not included in gross estate.
Sec. 425. Basis of certain appreciated property transferred to decedent by gift within one year of death.
Sec. 426. Disclaimers.
Sec. 427. Repeal of deduction for bequests, etc., to certain minor children.
Sec. 428. Postponement of generation-skipping tax effective date.
Sec. 429. Credit against estate tax for transfer to Smithsonian.

Subtitle C—Other Gift Tax Provisions

Sec. 441. Increase in annual gift tax exclusion; unlimited exclusion for certain transfers.
Sec. 442. Time for payment of gift taxes.

TITLE V—TAX STRADDLES

Sec. 501. Postponement of recognition of losses, etc.
Sec. 502. Capitalization of certain interest and carrying charges in the case of straddles.
Sec. 503. Regulated futures contracts marked to market.
Sec. 504. Carryback of losses from regulated futures contracts to offer prior gains from such contracts.
Sec. 505. Certain governmental obligations issued at discount treated as capital assets.
Sec. 506. Prompt identification of securities by dealers in securities.
Sec. 507. Treatment of gain or loss from certain terminations.
Sec. 508. Effective dates.
Sec. 509. Election for extension of time for payment and application of section 1256 for the taxable year including June 23, 1981.

TITLE VI—ENERGY PROVISIONS

Subtitle A—Changes in Windfall Profit Tax

Sec. 601. $2,500 royalty credit for 1981; exemption for 1982 and thereafter.
Sec. 602. Reduction in tax imposed on newly discovered oil.
Sec. 603. Exempt independent producer stripper well oil.
Sec. 604. Exemption from windfall profit tax of oil produced from interests held by or for the benefit of residential child care agencies.

Subtitle B—Miscellaneous Provision

Sec. 611. Application of credit for producing natural gas from a nonconventional source with the Natural Gas Policy Act of 1978.

TITLE VII—ADMINISTRATIVE PROVISIONS

Subtitle A—Prohibition of Disclosure of Audit Methods

Sec. 701. Prohibition of disclosure of methods for selection of tax returns for audits.

Subtitle B—Changes in Interest Rate for Overpayments and Underpayments

Sec. 711. Changes in rate of interest for overpayments and underpayments.

Subtitle C—Changes in Certain Penalties and in Requirements Relating to Returns

Sec. 721. Changes in penalties for false information with respect to withholding.
Sec. 722. Additions to tax in the case of valuation overstatements, increase in negligence penalty.
Sec. 723. Changes in requirements relating to information returns.
Sec. 724. Penalty for overstated deposit claims.
Sec. 725. Declaration of estimated tax not required in certain cases.

Subtitle D—Cash Management

Sec. 731. Cash management.

Subtitle E—Financing of Railroad Retirement System.

Sec. 741. Increases in employer and employee taxes.
Sec. 742. Advance transfer of amounts payable under social security financial interchange.
Sec. 743. Amendments to section 3231 clarifying definition of compensation.

Subtitle F—Filing Fees

Sec. 751. Fees for filing petitions.

TITLE VIII—MISCELLANEOUS PROVISIONS

Subtitle A—Extensions

Sec. 801. Fringe benefits.
Sec. 802. Exclusion for prepaid legal services 3 years.

Subtitle B—Tax-Exemption Obligations

Sec. 811. Tax-exempt financing for vehicles used for mass commuting.
Sec. 812. Obligations of certain volunteer fire departments.

Subtitle C—Excise Taxes

Sec. 821. Extension of telephone excise tax.
Sec. 822. Exclusion of certain services from Federal Unemployment Tax Act.
Sec. 823. Private foundation distributions.

Subtitle D—Other Provisions

Sec. 831. Technical amendments relating to dispositions of investment in United States real property.
Sec. 832. Modification of foreign investment company provisions.

(c) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INDIVIDUAL INCOME TAX PROVISIONS

Subtitle A—Tax Reductions

SEC. 101. RATE CUTS; RATE REDUCTION CREDIT.

26 USC 1.

(a) RATE REDUCTION.—Section 1 (relating to tax imposed) is amended to read as follows:

"SECTION 1. TAX IMPOSED.

"(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined in accordance with the following tables:

"(1) FOR TAXABLE YEARS BEGINNING IN 1982.—

"If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	12% of the excess over $3,400.
Over $5,500 but not over $7,600	$252, plus 14% of the excess over $5,500.
Over $7,600 but not over $11,900	$546, plus 16% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,234, plus 19% of the excess over $11,900.
Over $16,000 but not over $20,200	$2,013, plus 22% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,937, plus 25% of the excess over $20,200.
Over $24,600 but not over $29,900	$4,037, plus 29% of the excess over $24,600.
Over $29,900 but not over $35,200	$5,574, plus 33% of the excess over $29,900.
Over $35,200 but not over $45,800	$7,323, plus 39% of the excess over $35,200.
Over $45,800 but not over $60,000	$11,457, plus 44% of the excess over $45,800.
Over $60,000 but not over $85,600	$17,705, plus 49% of the excess over $60,000.
Over $85,600	$30,249, plus 50% of the excess over $85,600.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.—

"If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	11% of the excess over $3,400.
Over $5,500 but not over $7,600	$231, plus 13% of the excess over $5,500.
Over $7,600 but not over $11,900	$504, plus 15% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,149, plus 17% of the excess over $11,900.
Over $16,000 but not over $20,200	$1,846, plus 19% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,644, plus 23% of the excess over $20,200.
Over $24,600 but not over $29,900	$3,656, plus 26% of the excess over $24,600.

"If taxable income is:	The tax is:
Over $29,900 but not over $35,200	$5,034, plus 30% of the excess over $29,900.
Over $35,200 but not over $45,800	$6,624, plus 35% of the excess over $35,200.
Over $45,800 but not over $60,000	$10,334, plus 40% of the excess over $45,800.
Over $60,000 but not over $85,600	$16,014, plus 44% of the excess over $60,000.
Over $85,600 but not over $109,400	$27,278, plus 48% of the excess over $85,600.
Over $109,400	$38,702, plus 50% of the excess over $109,400.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

"If taxable income is:	The tax is:
Not over $3,400	No tax.
Over $3,400 but not over $5,500	11% of the excess over $3,400.
Over $5,500 but not over $7,600	$231, plus 12% of the excess over $5,500.
Over $7,600 but not over $11,900	$483, plus 14% of the excess over $7,600.
Over $11,900 but not over $16,000	$1,085, plus 16% of the excess over $11,900.
Over $16,000 but not over $20,200	$1,741, plus 18% of the excess over $16,000.
Over $20,200 but not over $24,600	$2,497, plus 22% of the excess over $20,200.
Over $24,600 but not over $29,900	$3,465, plus 25% of the excess over $24,600.
Over $29,900 but not over $35,200	$4,790, plus 28% of the excess over $29,900.
Over $35,200 but not over $45,800	$6,274, plus 33% of the excess over $35,200.
Over $45,800 but not over $60,000	$9,772, plus 38% of the excess over $45,800.
Over $60,000 but not over $85,600	$15,168, plus 42% of the excess over $60,000.
Over $85,600 but not over $109,400	$25,920, plus 45% of the excess over $85,600.
Over $109,400 but not over $162,400	$36,630, plus 49% of the excess over $109,400.
Over $162,400	$62,600, plus 50% of the excess over $162,400.

"(b) HEADS OF HOUSEHOLDS.—There is hereby imposed on the taxable income of every individual who is the head of a household (as defined in section 2(b)) a tax determined in accordance with the following tables: 26 USC 2.

"(1) FOR TAXABLE YEARS BEGINNING IN 1982.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	12% of the excess over $2,300.
Over $4,400 but not over $6,500	$252, plus 14% of the excess over $4,400.
Over $6,500 but not over $8,700	$546, plus 16% of the excess over $6,500.
Over $8,700 but not over $11,800	$898, plus 20% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,518, plus 22% of the excess over $11,800.
Over $15,000 but not over $18,200	$2,222, plus 23% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,958, plus 28% of the excess over $18,200.
Over $23,500 but not over $28,800	$4,442, plus 32% of the excess over $23,500.
Over $28,800 but not over $34,100	$6,138, plus 38% of the excess over $28,800.
Over $34,100 but not over $44,700	$8,152, plus 41% of the excess over $34,100.

"If taxable income is:	The tax is:
Over $44,700 but not over $60,600	$12,498, plus 49% of the excess over $44,700.
Over $60,600	$20,289, plus 50% of the excess over $60,600.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	11% of the excess over $2,300.
Over $4,400 but not over $6,500	$231, plus 13% of the excess over $4,400.
Over $6,500 but not over $8,700	$504, plus 15% of the excess over $6,500.
Over $8,700 but not over $11,800	$834, plus 18% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,392, plus 19% of the excess over $11,800.
Over $15,000 but not over $18,200	$2,000, plus 21% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,672, plus 25% of the excess over $18,200.
Over $23,500 but not over $28,800	$3,997, plus 29% of the excess over $23,500.
Over $28,800 but not over $34,100	$5,534, plus 34% of the excess over $28,800.
Over $34,100 but not over $44,700	$7,336, plus 37% of the excess over $34,100.
Over $44,700 but not over $60,600	$11,258, plus 44% of the excess over $44,700.
Over $60,600 but not over $81,800	$18,254, plus 48% of the excess over $60,600.
Over $81,800	$28,430, plus 50% of the excess over $81,800.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $4,400	11% of the excess over $2,300.
Over $4,400 but not over $6,500	$231, plus 12% of the excess over $4,400.
Over $6,500 but not over $8,700	$483, plus 14% of the excess over $6,500.
Over $8,700 but not over $11,800	$791, plus 17% of the excess over $8,700.
Over $11,800 but not over $15,000	$1,318, plus 18% of the excess over $11,800.
Over $15,000 but not over $18,200	$1,894, plus 20% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,534, plus 24% of the excess over $18,200.
Over $23,500 but not over $28,800	$3,806, plus 28% of the excess over $23,500.
Over $28,800 but not over $34,100	$5,290, plus 32% of the excess over $28,800.
Over $34,100 but not over $44,700	$6,986, plus 35% of the excess over $34,100.
Over $44,700 but not over $60,600	$10,696, plus 42% of the excess over $44,700.
Over $60,600 but not over $81,800	$17,374, plus 45% of the excess over $60,600.
Over $81,800 but not over $108,300	$26,914, plus 48% of the excess over $81,800.
Over $108,300	$39,634, plus 50% of the excess over $108,300.

"(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined in accordance with the following tables:

26 USC 2.

"(1) FOR TAXABLE YEARS BEGINNING IN 1982.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400	12% of the excess over $2,300.
Over $3,400 but not over $4,400	$132, plus 14% of the excess over $3,400.
Over $4,400 but not over $6,500	$272, plus 16% of the excess over $4,400.
Over $6,500 but not over $8,500	$608, plus 17% of the excess over $6,500.
Over $8,500 but not over $10,800	$948, plus 19% of the excess over $8,500.
Over $10,800 but not over $12,900	$1,385, plus 22% of the excess over $10,800.
Over $12,900 but not over $15,000	$1,847, plus 23% of the excess over $12,900.
Over $15,000 but not over $18,200	$2,330, plus 27% of the excess over $15,000.
Over $18,200 but not over $23,500	$3,194, plus 31% of the excess over $18,200.
Over $23,500 but not over $28,800	$4,837, plus 35% of the excess over $23,500.
Over $28,800 but not over $34,100	$6,692, plus 40% of the excess over $28,800.
Over $34,100 but not over $41,500	$8,812, plus 44% of the excess over $34,100.
Over $41,500	$12,068, plus 50% of the excess over $41,500.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400	11% of the excess over $2,300.
Over $3,400 but not over $4,400	$121, plus 13% of the excess over $3,400.
Over $4,400 but not over $8,500	$251, plus 15% of the excess over $4,400.
Over $8,500 but not over $10,800	$866, plus 17% of the excess over $8,500.
Over $10,800 but not over $12,900	$1,257, plus 19% of the excess over $10,800.
Over $12,900 but not over $15,000	$1,656, plus 21% of the excess over $12,900.
Over $15,000 but not over $18,200	$2,097, plus 24% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,865, plus 28% of the excess over $18,200.
Over $23,500 but not over $28,800	$4,349, plus 32% of the excess over $23,500.
Over $28,800 but not over $34,100	$6,045, plus 36% of the excess over $28,800.
Over $34,100 but not over $41,500	$7,953, plus 40% of the excess over $34,100.
Over $41,500 but not over $55,300	$10,913, plus 45% of the excess over $41,500.
Over $55,300	$17,123, plus 50% of the excess over $55,300.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

"If taxable income is:	The tax is:
Not over $2,300	No tax.
Over $2,300 but not over $3,400	11% of the excess over $2,300.
Over $3,400 but not over $4,400	$121, plus 12% of the excess over $3,400.
Over $4,400 but not over $6,500	$241, plus 14% of the excess over $4,400.
Over $6,500 but not over $8,500	$535, plus 15% of the excess over $6,500.
Over $8,500 but not over $10,800	$835, plus 16% of the excess over $8,500.
Over $10,800 but not over $12,900	$1,203, plus 18% of the excess over $10,800.

"If taxable income is:	The tax is:
Over $12,900 but not over $15,000	$1,581, plus 20% of the excess over $12,900.
Over $15,000 but not over $18,200	$2,001, plus 23% of the excess over $15,000.
Over $18,200 but not over $23,500	$2,737, plus 26% of the excess over $18,200.
Over $23,500 but not over $28,800	$4,115, plus 30% of the excess over $23,500.
Over $28,800 but not over $34,100	$5,705, plus 34% of the excess over $28,800.
Over $34,100 but not over $41,500	$7,507, plus 38% of the excess over $34,100.
Over $41,500 but not over $55,300	$10,319, plus 42% of the excess over $41,500.
Over $55,300 but not over $81,800	$16,115, plus 48% of the excess over $55,300.
Over $81,800	$28,835, plus 50% of the excess over $81,800.

"(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—There is hereby imposed on the taxable income of every married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax determined in accordance with the following tables:

26 USC 143.

"(1) FOR TAXABLE YEARS BEGINNING IN 1982.—

"If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750	12% of the excess over $1,700.
Over $2,750 but not over $3,800	$126, plus 14% of the excess over $2,750.
Over $3,800 but not over $5,950	$273, plus 16% of the excess over $3,800.
Over $5,950 but not over $8,000	$617, plus 19% of the excess over $5,950.
Over $8,000 but not over $10,100	$1,006, plus 22% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,468, plus 25% of the excess over $10,100.
Over $12,300 but not over $14,950	$2,018, plus 29% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,787, plus 33% of the excess over $14,950.
Over $17,600 but not over $22,900	$3,661, plus 39% of the excess over $17,600.
Over $22,900 but not over $30,000	$5,728, plus 44% of the excess over $22,900.
Over $30,000 but not over $42,800	$8,852, plus 49% of the excess over $30,000.
Over $42,800	$15,124, plus 50% of the excess over $42,800.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.—

"If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750	11% of the excess over $1,700.
Over $2,750 but not over $3,800	$115, plus 13% of the excess over $2,750.
Over $3,800 but not over $5,950	$252, plus 15% of the excess over $3,800.
Over $5,950 but not over $8,000	$574, plus 17% of the excess over $5,950.
Over $8,000 but not over $10,100	$923, plus 19% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,322, plus 23% of the excess over $10,100.
Over $12,300 but not over $14,950	$1,828, plus 26% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,517, plus 30% of the excess over $14,950.

"If taxable income is:	The tax is:
Over $17,600 but not over $22,900	$3,312, plus 35% of the excess over $17,600.
Over $22,900 but not over $30,000	$5,167, plus 40% of the excess over $22,900.
Over $30,000 but not over $42,800	$8,007, plus 44% of the excess over $30,000.
Over $42,800 but not over $54,700	$13,639, plus 48% of the excess over $42,800.
Over $54,700	$19,351, plus 50% of the excess over $54,700.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

"If taxable income is:	The tax is:
Not over $1,700	No tax.
Over $1,700 but not over $2,750	11% of the excess over $1,700.
Over $2,750 but not over $3,800	$115, plus 12% of the excess over $2,750.
Over $3,800 but not over $5,950	$241, plus 14% of the excess over $3,800.
Over $5,950 but not over $8,000	$542, plus 16% of the excess over $5,950.
Over $8,000 but not over $10,100	$870, plus 18% of the excess over $8,000.
Over $10,100 but not over $12,300	$1,248, plus 22% of the excess over $10,100.
Over $12,300 but not over $14,950	$1,732, plus 25% of the excess over $12,300.
Over $14,950 but not over $17,600	$2,395, plus 28% of the excess over $14,950.
Over $17,600 but not over $22,900	$3,137, plus 33% of the excess over $17,600.
Over $22,900 but not over $30,000	$4,886, plus 38% of the excess over $22,900.
Over $30,000 but not over $42,800	$7,584, plus 42% of the excess over $30,000.
Over $42,800 but not over $54,700	$12,960, plus 45% of the excess over $42,800.
Over $54,700 but not over $81,200	$18,315, plus 49% of the excess over $54,700.
Over $81,200	$31,300, plus 50% of the excess over $81,200.

"(e) ESTATES AND TRUSTS.—There is hereby imposed on the taxable income of every estate and trust taxable under this subsection a tax determined in accordance with the following tables:

"(1) FOR TAXABLE YEARS BEGINNING IN 1982.—

"If taxable income is:	The tax is:
Not over $1,050	12% of taxable income.
Over $1,050 but not over $2,100	$126, plus 14% of the excess over $1,050.
Over $2,100 but not over $4,250	$273, plus 16% of the excess over $2,100.
Over $4,250 but not over $6,300	$617, plus 19% of the excess over $4,250.
Over $6,300 but not over $8,400	$1,006, plus 22% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,468, plus 25% of the excess over $8,400.
Over $10,600 but not over $13,250	$2,018, plus 29% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,787, plus 33% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,661, plus 39% of the excess over $15,900.
Over $21,200 but not over $28,300	$5,728, plus 44% of the excess over $21,200.
Over $28,300 but not over $41,100	$8,852, plus 49% of the excess over $28,300.
Over $41,100	$15,124, plus 50% of the excess over $41,100.

"(2) FOR TAXABLE YEARS BEGINNING IN 1983.—

"If taxable income is:	The tax is:
Not over $1,050	11% of taxable income.
Over $1,050 but not over $2,100	$115, plus 13% of the excess over $1,050.
Over $2,100 but not over $4,250	$252, plus 15% of the excess over $2,100.
Over $4,250 but not over $6,300	$574, plus 17% of the excess over $4,250.
Over $6,300 but not over $8,400	$923, plus 19% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,322, plus 23% of the excess over $8,400.
Over $10,600 but not over $13,250	$1,828, plus 26% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,517, plus 30% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,312, plus 35% of the excess over $15,900.
Over $21,200 but not over $28,300	$5,167, plus 40% of the excess over $21,200.
Over $28,300 but not over $41,100	$8,007, plus 44% of the excess over $28,300.
Over $41,100 but not over $53,000	$13,639, plus 48% of the excess over $41,100.
Over $53,000	$19,351, plus 50% of the excess over $53,000.

"(3) FOR TAXABLE YEARS BEGINNING AFTER 1983.—

"If taxable income is:	The tax is:
Not over $1,050	11% of taxable income.
Over $1,050 but not over $2,100	$115, plus 12% of the excess over $1,050.
Over $2,100 but not over $4,250	$241, plus 14% of the excess over $2,100.
Over $4,250 but not over $6,300	$542, plus 16% of the excess over $4,250.
Over $6,300 but not over $8,400	$870, plus 18% of the excess over $6,300.
Over $8,400 but not over $10,600	$1,248, plus 22% of the excess over $8,400.
Over $10,600 but not over $13,250	$1,732, plus 25% of the excess over $10,600.
Over $13,250 but not over $15,900	$2,395, plus 28% of the excess over $13,250.
Over $15,900 but not over $21,200	$3,137, plus 33% of the excess over $15,900.
Over $21,200 but not over $28,300	$4,886, plus 38% of the excess over $21,200.
Over $28,300 but not over $41,100	$7,584, plus 42% of the excess over $28,300.
Over $41,100 but not over $53,000	$12,960, plus 45% of the excess over $41,100.
Over $53,000 but not over $79,500	$18,315, plus 49% of the excess over $53,000.
Over $79,500	$31,300, plus 50% of the excess over $79,500."

(b) CREDIT TO REFLECT EQUIVALENT 1981 RATE REDUCTION.—

26 USC 6428.

(1) IN GENERAL.—Section 6428 (relating to refund of 1974 individual income taxes) is amended to read as follows:

"SEC. 6428. 1981 RATE REDUCTION TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by section 1, or against a tax imposed in lieu of the tax imposed by section 1, for any taxable year beginning in 1981, an amount equal to the product of—

"(1) 1.25 percent, multiplied by

"(2) the amount of tax imposed by section 1 (or in lieu thereof) for such taxable year.

"(b) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—

"(1) APPLICATION WITH OTHER CREDITS.—In determining any credit allowed under subpart A of part IV of subchapter A of chapter 1 (other than under sections 31, 39, and 43), the tax imposed by chapter 1 shall (before any other reductions) be reduced by the credit allowed under subsection (a).

"(2) CREDIT TREATED AS SUBPART A CREDIT.—For purposes of this title, the credit allowed under subsection (a) shall be treated as a credit allowed under subpart A of part IV of subchapter A of chapter 1.

"(c) TABLES TO REFLECT CREDIT.—

"(1) SECTION 3 TABLES.—The tables prescribed by the Secretary under section 3 shall reflect the credit allowed under subsection (a).

"(2) OTHER TABLES.—In order to reflect the amount of the credit under subsection (a) for different levels of tax or taxable income, the Secretary may—

"(A) modify the tables under section 1, or

"(B) prescribe such other tables as he determines necessary."

(2) CONFORMING AMENDMENTS.—

(A) The table of sections for subchapter B of chapter 65 is amended by striking out the item relating to section 6428 and inserting in lieu thereof the following new item:

"Sec. 6428. 1981 rate reduction tax credit."

(B) Paragraph (1) of section 3(a) (relating to imposition of tax table tax) is amended by inserting "and which shall be in such form as he determines appropriate" after "Secretary". 26 USC 3.

(C) Subsection (a) of section 3 (relating to tax tables for individuals) is amended by adding at the end thereof the following new paragraph:

"(5) SECTION MAY BE APPLIED ON THE BASIS OF TAXABLE INCOME.—The Secretary may provide that this section shall be applied for any taxable year on the basis of taxable income in lieu of tax table income."

(c) REPEAL OF MAXIMUM TAX ON PERSONAL SERVICE INCOME.—

(1) IN GENERAL.—Part VI of subchapter Q of chapter 1 (relating to maximum rate on personal service income) is repealed. Repeal. 26 USC 1348.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 3(b) (relating to tax tables for individuals) is amended to read as follows:

"(1) an individual to whom section 1301 (relating to income averaging) applies for the taxable year,".

(B) Subsection (b) of section 1304 (relating to special rules for income averaging) is amended— 26 USC 1304.

(i) by inserting "and" at the end of paragraph (1),

(ii) by striking out ", and" at the end of paragraph (2) and inserting in lieu thereof a period, and

(iii) by striking out paragraph (3).

(C) The table of parts for subchapter Q of chapter 1 is amended by striking out the item relating to part VI.

(d) CONFORMING AMENDMENTS.—

(1) ALTERNATIVE MINIMUM TAX.—Paragraph (1) of section 55(a) (relating to alternative minimum tax) is amended— 26 USC 55.

(A) by striking out all that follows "$60,000" in subparagraph (B) and inserting in lieu thereof ", exceeds", and

(B) by striking out subparagraph (C).

26 USC 541.

(2) PERSONAL HOLDING COMPANY TAX.—Section 541 (relating to personal holding company tax) is amended by striking out "70 percent" and inserting in lieu thereof "50 percent".

26 USC 21.

(3) AMENDMENT TO SECTION 21.—Section 21 (relating to effect of changes in rates during taxable year) is amended by striking out subsections (d), (e), and (f) and inserting in lieu thereof the following:

"(d) SECTION NOT TO APPLY TO SECTION 1 RATE CHANGES MADE BY ECONOMIC RECOVERY TAX ACT OF 1981.—This section shall not apply to any change in rates under section 1 attributable to the amendments made by section 101 of the Economic Recovery Tax Act of 1981 or subsection (f) of section 1 (relating to adjustments in tax tables so that inflation will not result in tax increases)."

Ante, p. 176.

(e) WITHHOLDING TABLES.—

26 USC 3402.

(1) DETERMINATION OF WITHHOLDING.—Section 3402(a) (relating to requirement of withholding income tax at source) is amended to read as follows:

"(a) REQUIREMENT OF WITHHOLDING.—

"(1) IN GENERAL.—Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. Any tables or procedures prescribed under this paragraph shall—

"(A) apply with respect to the amount of wages paid during such periods as the Secretary may prescribe, and

"(B) be in such form, and provide for such amounts to be deducted and withheld, as the Secretary determines to be most appropriate to carry out the purposes of this chapter and to reflect the provisions of chapter 1 applicable to such periods.

"(2) AMOUNT OF WAGES.—For purposes of applying tables or procedures prescribed under paragraph (1), the term 'the amount of wages' means the amount by which the wages exceed the number of withholding exemptions claimed multiplied by the amount of one such exemption. The amount of each withholding exemption shall be equal to the amount of one personal exemption provided in section 151(b), prorated to the payroll period. The maximum number of withholding exemptions permitted shall be calculated in accordance with regulations prescribed by the Secretary under this section, taking into account any reduction in withholding to which an employee is entitled under this section.

"(3) CHANGES MADE BY SECTION 101 OF THE ECONOMIC RECOVERY TAX ACT OF 1981.—Notwithstanding the provisions of this subsection, the Secretary shall modify the tables and procedures under paragraph (1) to reflect—

"(A) the amendments made by section 101(b) of the Economic Recovery Tax Act of 1981, and such modification shall take effect on October 1, 1981, as if such amendments made a 5-percent reduction effective on such date, and

"(B) the amendments made by section 101(a) of such Act, and such modifications shall take effect—

"(i) on July 1, 1982, as if the reductions in the rate of tax under section 1 (as amended by such section) were attributable to a 10-percent reduction effective on such date, and

"(ii) on July 1, 1983, as if such reductions were attributable to a 10-percent reduction effective on such date."

(2) WAGES PAID FOR PERIOD LESS THAN 1 WEEK.—Section 3402(b) (relating to the percentage method of withholding) is amended— 26 USC 3402.

(A) by striking out paragraph (1), and redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively; and

(B) by striking out paragraph (3), as redesignated by subparagraph (A), and inserting in lieu thereof the following:

"(3) In any case in which the period, or the time described in paragraph (2), in respect of any wages is less than one week, the Secretary, under regulations prescribed by him, may authorize an employer to compute the tax to be deducted and withheld as if the aggregate of the wages paid to the employee during the calendar week were paid for a weekly payroll period."

(3) ZERO BRACKET AMOUNT.—Paragraph (1)(G) of section 3402(f) (relating to withholding exemptions) is amended by inserting "(or more than one exemption if so prescribed by the Secretary)" after "one exemption".

(4) CHANGES IN WITHHOLDING.—Section 3402(i) (relating to additional withholding) is amended to read as follows:

"(i) CHANGES IN WITHHOLDING.—

"(1) IN GENERAL.—The Secretary may by regulations provide for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests such changes.

"(2) TREATMENT AS TAX.—Any increased withholding under paragraph (1) shall for all purposes be considered tax required to be deducted and withheld under this chapter."

(5) WITHHOLDING ALLOWANCES.—Subsection (m) of section 3402 (relating to withholding allowances based on itemized deductions) is amended to read as follows:

"(m) WITHHOLDING ALLOWANCES.—Under regulations prescribed by the Secretary, an employee shall be entitled to additional withholding allowances or additional reductions in withholding under this subsection. In determining the number of additional withholding allowances or the amount of additional reductions in withholding under this subsection, the employee may take into account (to the extent and in the manner provided by such regulations)—

"(1) estimated itemized deductions allowable under chapter 1 (other than the deductions referred to in section 151 and other than the deductions required to be taken into account in determining adjusted gross income under section 62) (other than paragraph (13) thereof),

"(2) estimated tax credits allowable under chapter 1, and

"(3) such additional deductions and other items as may be specified by the Secretary in regulations."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a), (c), and (d) shall apply to taxable years beginning after December 31, 1981. 26 USC 1 note.

(2) WITHHOLDING AMENDMENTS.—The amendments made by subsection (e) shall apply to remuneration paid after September 30, 1981; except that the amendment made by subsection (e)(5) shall apply to remuneration paid after December 31, 1981. 26 USC 3402 note.

SEC. 102. 20-PERCENT MAXIMUM RATE ON NET CAPITAL GAIN FOR PORTION OF 1981.

26 USC 1201 note.

26 USC 1.

(a) IN GENERAL.—If for any taxable year ending after June 9, 1981, and beginning before January 1, 1982, a taxpayer other than a corporation has qualified net capital gain, then the tax imposed under section 1 of the Internal Revenue Code of 1954 for such taxable year shall be equal to the lesser of—

(1) the tax imposed under such section determined without regard to this subsection, or

(2) the sum of—

(A) the tax imposed under such section on the excess of—

(i) the taxable income of the taxpayer, over

(ii) 40 percent of the qualified net capital gain of the taxpayer, and

(B) 20 percent of the qualified net capital gain.

(b) APPLICATION WITH ALTERNATIVE MINIMUM TAX.—

(1) IN GENERAL.—If subsection (a) applies to any taxpayer for any taxable year, then the amount determined under section 55(a)(1) of the Internal Revenue Code of 1954 for such taxable year shall be equal to the lesser of—

(A) the amount determined under such section 55(a)(1) determined without regard to this subsection, or

(B) the sum of—

(i) the amount which would be determined under such section 55(a)(1) if the alternative minimum taxable income was the excess of—

(I) the alternative minimum taxable income (within the meaning of section 55(b)(1) of such Code) of the taxpayer, over

(II) the qualified net capital gain of the taxpayer, and

(ii) 20 percent of the qualified net capital gain.

(2) NO CREDITS ALLOWABLE.—For purposes of section 55(c) of such Code, no credit allowable under subpart A of part IV of subchapter A of chapter 1 of such Code (other than section 33(a) of such Code) shall be allowable against the amount described in paragraph (1)(B)(ii).

(c) QUALIFIED NET CAPITAL GAIN.—

(1) IN GENERAL.—For purposes of this section, the term "qualified net capital gain" means the lesser of—

(A) the net capital gain for the taxable year, or

(B) the net capital gain for the taxable year taking into account only gain or loss from sales or exchanges occurring after June 9, 1981.

(2) NET CAPITAL GAIN.—For purposes of this subsection, the term "net capital gain" has the meaning given such term by section 1222(11) of the Internal Revenue Code of 1954.

(d) SPECIAL RULE FOR PASS-THRU ENTITIES.—

(1) IN GENERAL.—In applying subsections (a), (b), and (c) with respect to any pass-thru entity, the determination of when a sale or exchange has occurred shall be made at the entity level.

(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term "pass-thru entity" means—

(A) a regulated investment company,

(B) a real estate investment trust,

(C) an electing small business corporation,

(D) a partnership,

(E) an estate or trust, and

(F) a common trust fund.

SEC. 103. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

Post, p. 201.

"SEC. 221. DEDUCTION FOR TWO-EARNER MARRIED COUPLES.

26 USC 221.

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—In the case of a joint return under section 6013 for the taxable year, there shall be allowed as a deduction an amount equal to 10 percent of the lesser of—

"(A) $30,000, or

"(B) the qualified earned income of the spouse with the lower qualified earned income for such taxable year.

"(2) SPECIAL RULE FOR 1982.—In the case of a taxable year beginning during 1982, paragraph (1) shall be applied by substituting '5 percent' for '10 percent'.

"(b) QUALIFIED EARNED INCOME DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified earned income' means an amount equal to the excess of—

"(A) the earned income of the spouse for the taxable year, over

"(B) an amount equal to the sum of the deductions described in paragraphs (1), (2), (7), (9), (10), and (15) of section 62 to the extent such deductions are properly allocable to or chargeable against earned income described in subparagraph (A).

The amount of qualified earned income shall be determined without regard to any community property laws.

"(2) EARNED INCOME.—For purposes of paragraph (1), the term 'earned income' means income which is earned income within the meaning of section 911(d)(2) or 401(c)(2)(C), except that—

Post, p. 190.

"(A) such term shall not include any amount—

"(i) not includible in gross income,

"(ii) received as a pension or annuity,

"(iii) paid or distributed out of an individual retirement plan (within the meaning of section 7701(a)(37)),

"(iv) received as deferred compensation, or

"(v) received for services performed by an individual in the employ of his spouse (within the meaning of section 3121(b)(3)(A)), and

"(B) section 911(d)(2)(B) shall be applied without regard to the phrase 'not in excess of 30 percent of his share of net profits of such trade or business'.

"(c) DEDUCTION DISALLOWED FOR INDIVIDUAL CLAIMING BENEFITS OF SECTION 911 OR 931.—No deduction shall be allowed under this section for any taxable year if either spouse claims the benefits of section 911 or 931 for such taxable year.".

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62 (defining adjusted gross income), as amended by section 112(b)(2) of this Act, is amended by inserting after paragraph (15) the following new paragraph:

26 USC 62.

Post, p. 194.

"(16) DEDUCTION FOR TWO-EARNER MARRIED COUPLES.—The deduction allowed by section 221."

(c) OTHER CONFORMING AMENDMENTS.—

26 USC 85.

(1) Subsection (a) of section 85 (relating to unemployment compensation) is amended by striking out "and without regard to section 105(d)" and inserting in lieu thereof ", section 105(d), and section 221".

26 USC 105.

(2) Subsection (d)(3) of section 105 (relating to amounts received under accident and health plans) is amended by inserting "and section 221" after "subsection" the first place it appears.

(3) The table of sections for such part VII is amended by striking out the item relating to section 221 and inserting in lieu thereof the following new items:

"Sec. 221. Deduction for two-earner married couples.
"Sec. 222. Cross references."

26 USC 221 note.

(d) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 104. ADJUSTMENT TO PREVENT INFLATION-CAUSED TAX INCREASE.

26 USC 1.

(a) ADJUSTMENTS TO INDIVIDUAL INCOME TAX BRACKETS.—Section 1 (relating to tax imposed) is amended by adding at the end thereof the following new subsection:

"(f) ADJUSTMENTS IN TAX TABLES SO THAT INFLATION WILL NOT RESULT IN TAX INCREASES.—

"(1) IN GENERAL.—Not later than December 15 of 1984 and each subsequent calendar year, the Secretary shall prescribe tables which shall apply in lieu of the tables contained in paragraph (3) of subsections (a), (b), (c), (d), and (e) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING TABLES.—The table which under paragraph (1) is to apply in lieu of the table contained in paragraph (3) of subsection (a), (b), (c), (d), or (e), as the case may be, with respect to taxable years beginning in any calendar year shall be prescribed—

"(A) by increasing—

"(i) the maximum dollar amount on which no tax is imposed under such table, and

"(ii) the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed under such table,

by the cost-of-living adjustment for such calendar year,

"(B) by not changing the rate applicable to any rate bracket as adjusted under subparagraph (A)(ii), and

"(C) by adjusting the amounts setting forth the tax to the extent necessary to reflect the adjustments in the rate brackets.

If any increase determined under subparagraph (A) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or if such increase is a multiple of $5, such increase shall be increased to the next highest multiple of $10).

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (2), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(A) the CPI for the preceding calendar year, exceeds

"(B) the CPI for the calendar year 1983.

"(4) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

"(5) CONSUMER PRICE INDEX.—For purposes of paragraph (4), the term 'Consumer Price Index' means the last Consumer Price

Index for all-urban consumers published by the Department of Labor."

(b) DEFINITION OF ZERO BRACKET AMOUNT.—Subsection (d) of section 63 (defining zero bracket amount) is amended to read as follows: 26 USC 63.

"(d) ZERO BRACKET AMOUNT.—For purposes of this subtitle, the term 'zero bracket amount' means—

"(1) in the case of an individual to whom subsection (a), (b), (c), or (d) of section 1 applies, the maximum amount of taxable income on which no tax is imposed by the applicable subsection of section 1, or

"(2) zero in any other case."

(c) PERSONAL EXEMPTIONS.—

(1) GENERAL RULE.—Section 151 (relating to allowance of deductions for personal exemptions) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount". 26 USC 151.

(2) EXEMPTION AMOUNT.—Section 151 is amended by adding at the end thereof the following new subsection:

"(f) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means, with respect to any taxable year, $1,000 increased by an amount equal to $1,000 multiplied by the cost-of-living adjustment (as defined in section 1(f)(3)) for the calendar year in which the taxable year begins. If the amount determined under the preceding sentence is not a multiple of $10, such amount shall be rounded to the nearest multiple of $10 (or if such amount is a multiple of $5, such amount shall be increased to the next highest multiple of $10)."

(d) RETURN REQUIREMENTS.—

(1) AMENDMENTS TO SECTION 6012.— 26 USC 6012.

(A) Clause (i) of section 6012(a)(1)(A) is amended by striking out "$3,300" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(B) Clause (ii) of section 6012(a)(1)(A) is amended by striking out "$4,400" and inserting in lieu thereof "the sum of the exemption amount plus the zero bracket amount applicable to such an individual".

(C) Clause (iii) of section 6012(a)(1)(A) is amended by striking out "$5,400" and inserting in lieu thereof "the sum of twice the exemption amount plus the zero bracket amount applicable to a joint return".

(D) Paragraph (1) of section 6012(a) is amended by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount".

(E) Paragraph (1) of section 6012(a) is amended by adding at the end thereof the following new subparagraph:

"(D) For purposes of this paragraph—

"(i) The term 'zero bracket amount' has the meaning given to such term by section 63(d). "Zero bracket amount."

"(ii) The term 'exemption amount' has the meaning given to such term by section 151(f)." "Exemption amount."

(2) AMENDMENTS TO SECTION 6013.—Subparagraph (A) of section 6013(b)(3) is amended— 26 USC 6013.

(A) by striking out "$1,000" each place it appears and inserting in lieu thereof "the exemption amount",

(B) by striking out "$2,000" each place it appears and inserting in lieu thereof "twice the exemption amount", and

"Exemption amount."

(C) by adding at the end thereof the following new sentence: "For purposes of this subparagraph, the term 'exemption amount' has the meaning given to such term by section 151(f)."

26 USC 1 note.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1984.

Subtitle B—Income Earned Abroad

SEC. 111. PARTIAL EXCLUSION FOR EARNED INCOME FROM SOURCES WITHOUT THE UNITED STATES AND FOREIGN HOUSING COSTS.

26 USC 911.

(a) IN GENERAL.—Section 911 (relating to income earned by individuals in certain camps) is amended to read as follows:

"SEC. 911. CITIZENS OR RESIDENTS OF THE UNITED STATES LIVING ABROAD.

"(a) EXCLUSION FROM GROSS INCOME.—At the election of a qualified individual (made separately with respect to paragraphs (1) and (2)), there shall be excluded from the gross income of such individual, and exempt from taxation under this subtitle, for any taxable year—

"(1) the foreign earned income of such individual, and

"(2) the housing cost amount of such individual.

"(b) FOREIGN EARNED INCOME.—

"(1) DEFINITION.—For purposes of this section—

"(A) IN GENERAL.—The term 'foreign earned income' with respect to any individual means the amount received by such individual from sources within a foreign country or countries which constitute earned income attributable to services performed by such individual during the period described in subparagraph (A) or (B) of subsection (d)(1), whichever is applicable.

"(B) CERTAIN AMOUNTS NOT INCLUDED IN FOREIGN EARNED INCOME.—The foreign earned income for an individual shall not include amounts—

"(i) received as a pension or annuity,

"(ii) paid by the United States or an agency thereof to an employee of the United States or an agency thereof,

"(iii) included in gross income by reason of section 402(b) (relating to taxability of beneficiary of nonexempt trust) or section 403(c) (relating to taxability of beneficiary under a nonqualified annuity), or

"(iv) received after the close of the taxable year following the taxable year in which the services to which the amounts are attributable are performed.

"(2) LIMITATION ON FOREIGN EARNED INCOME.—

"(A) IN GENERAL.—The foreign earned income of an individual which may be excluded under subsection (a)(1) for any taxable year shall not exceed the amount of foreign earned income computed on a daily basis at the annual rate set forth in the following table for each day of the taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1):

"In the case of taxable years beginning in:	The annual rate is:
1982	$75,000
1983	80,000

"In the case of taxable years beginning in:	The annual rate is:
1984	$85,000
1985	90,000
1986 and thereafter	95,000.

"(B) ATTRIBUTION TO YEAR IN WHICH SERVICES ARE PERFORMED.—For purposes of applying subparagraph (A), amounts received shall be considered received in the taxable year in which the services to which the amounts are attributable are performed.

"(C) TREATMENT OF COMMUNITY INCOME.—In applying subparagraph (A) with respect to amounts received from services performed by a husband or wife which are community income under community property laws applicable to such income, the aggregate amount which may be excludable from the gross income of such husband and wife under subsection (a)(1) for any taxable year shall equal the amount which would be so excludable if such amounts did not constitute community income.

"(c) HOUSING COST AMOUNT.—For purposes of this section—

"(1) IN GENERAL.—The term 'housing cost amount' means an amount equal to the excess of—

"(A) the housing expenses of an individual for the taxable year, over

"(B) an amount equal to the product of—

"(i) 16 percent of the salary (computed on a daily basis) of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS-14, multiplied by

"(ii) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).

"(2) HOUSING EXPENSES.—

"(A) IN GENERAL.—The term 'housing expenses' means the reasonable expenses paid or incurred during the taxable year by or on behalf of an individual for housing for the individual (and, if they reside with him, for his spouse and dependents) in a foreign country. The term—

"(i) includes expenses attributable to the housing (such as utilities and insurance), but

"(ii) does not include interest and taxes of the kind deductible under section 163 or 164 or any amount allowable as a deduction under section 216(a). 26 USC 163, 164.

Housing expenses shall not be treated as reasonable to the extent such expenses are lavish or extravagant under the circumstances.

"(B) SECOND FOREIGN HOUSEHOLD.—

"(i) IN GENERAL.—Except as provided in clause (ii), only housing expenses incurred with respect to that abode which bears the closest relationship to the tax home of the individual shall be taken into account under paragraph (1).

"(ii) SEPARATE HOUSEHOLD FOR SPOUSE AND DEPENDENTS.—If an individual maintains a separate abode outside the United States for his spouse and dependents and they do not reside with him because of living conditions which are dangerous, unhealthful, or otherwise adverse, then—

"(I) the words 'if they reside with him' in subparagraph (A) shall be disregarded, and

"(II) the housing expenses incurred with respect to such abode shall be taken into account under paragraph (1).

"(3) SPECIAL RULES WHERE HOUSING EXPENSES NOT PROVIDED BY EMPLOYER.—

"(A) IN GENERAL.—To the extent the housing cost amount of any individual for any taxable year is not attributable to employer provided amounts, such amount shall be treated as a deduction allowable in computing adjusted gross income to the extent of the limitation of subparagraph (B).

"(B) LIMITATION.—For purposes of subparagraph (A), the limitation of this subparagraph is the excess of—

"(i) the foreign earned income of the individual for the taxable year, over

"(ii) the amount of such income excluded from gross income under subsection (a)(1) for the taxable year.

"(C) 1-YEAR CARRYOVER OF HOUSING AMOUNTS NOT ALLOWED BY REASON OF SUBPARAGRAPH (B).—

"(i) IN GENERAL.—The amount not allowable as a deduction for any taxable year under subparagraph (A) by reason of the limitation of subparagraph (B) shall be treated as a deduction allowable in computing adjusted gross income for the succeeding taxable year (and only for the succeeding taxable year) to the extent of the limitation of clause (ii) for such succeeding taxable year.

"(ii) LIMITATION.—For purposes of clause (i), the limitation of this clause for any taxable year is the excess of—

"(I) the limitation of subparagraph (B) for such taxable year, over

"(II) amounts treated as a deduction under subparagraph (A) for such taxable year.

"(D) EMPLOYER PROVIDED AMOUNTS.—For purposes of this paragraph, the term 'employer provided amounts' means any amount paid or incurred on behalf of the individual by the individual's employer which is foreign earned income included in the individual's gross income for the taxable year (without regard to this section).

"(E) FOREIGN EARNED INCOME.—For purposes of this paragraph, an individual's foreign earned income for any taxable year shall be determined without regard to the limitation of subparagraph (A) of subsection (b)(2).

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) QUALIFIED INDIVIDUAL.—The term 'qualified individual' means an individual whose tax home is in a foreign country and who is—

"(A) a citizen of the United States and establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

"(B) a citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period.

"(2) EARNED INCOME.—

"(A) IN GENERAL.—The term 'earned income' means wages, salaries, or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

"(B) TAXPAYER ENGAGED IN TRADE OR BUSINESS.—In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of his share of the net profits of such trade or business, shall be considered as earned income.

"(3) TAX HOME.—The term 'tax home' means, with respect to any individual, such individual's home for purposes of section 162(a)(2) (relating to traveling expenses while away from home). 26 USC 162.
An individual shall not be treated as having a tax home in a foreign country for any period for which his abode is within the United States.

"(4) WAIVER OF PERIOD OF STAY IN FOREIGN COUNTRY.—Notwithstanding paragraph (1), an individual who—

"(A) is a bona fide resident of, or is present in, a foreign country for any period,

"(B) leaves such foreign country after August 31, 1978—

"(i) during any period during which the Secretary determines, after consultation with the Secretary of State or his delegate, that individuals were required to leave such foreign country because of war, civil unrest, or similar adverse conditions in such foreign country which precluded the normal conduct of business by such individuals, and

"(ii) before meeting the requirements of such paragraph (1), and

"(C) establishes to the satisfaction of the Secretary that such individual could reasonably have been expected to have met such requirements but for the conditions referred to in clause (i) of subparagraph (B),

shall be treated as a qualified individual with respect to the period described in subparagraph (A) during which he was a bona fide resident of, or was present in, the foreign country, and in applying subsections (b)(2)(A) and (c)(1)(B)(ii) with respect to such individual, only the days within such period shall be taken into account.

"(5) TEST OF BONA FIDE RESIDENCE.—If—

"(A) an individual who has earned income from sources within a foreign country submits a statement to the authorities of that country that he is not a resident of that country, and

"(B) such individual is held not subject as a resident of that country to the income tax of that country by its authorities with respect to such earnings,

then such individual shall not be considered a bona fide resident of that country for purposes of paragraph (1)(A).

"(6) DENIAL OF DOUBLE BENEFITS.—No deduction or exclusion from gross income under this subtitle or credit against the tax

imposed by this chapter (including any credit or deduction for the amount of taxes paid or accrued to a foreign country or possession of the United States) shall be allowed to the extent such deduction, exclusion, or credit is properly allocable to or chargeable against amounts excluded from gross income under subsection (a).

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations providing rules—

"(A) for cases where a husband and wife each have earned income from sources outside the United States, and

"(B) for married individuals filing separate returns.

"(e) ELECTION.—

"(1) IN GENERAL.—An election under subsection (a) shall apply to the taxable year for which made and to all subsequent taxable years unless revoked under paragraph (2).

"(2) REVOCATION.—A taxpayer may revoke an election made under paragraph (1) for any taxable year after the taxable year for which such election was made. Except with the consent of the Secretary, any taxpayer who makes such a revocation for any taxable year may not make another election under this section for any subsequent taxable year before the 6th taxable year after the taxable year for which such revocation was made.

"(f) CROSS REFERENCES.—

"For administrative and penal provisions relating to the exclusions provided for in this section, see sections 6001, 6011, 6012(c), and the other provisions of subtitle F."

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 911 and inserting in lieu thereof the following:

"Sec. 911. Citizens or residents of the United States living abroad."

26 USC 43.

(2) Section 43(c)(1)(C)(i) is amended by striking out "relating to income earned by individuals in certain camps outside the United States" and inserting in lieu thereof "relating to citizens or residents of the United States living abroad".

26 USC 1302, 1304, 1402, 6012, 6091.

(3) Sections 1302(b)(2)(A)(i), 1304(b)(1), 1402(a)(8), 6012(c), and 6091(b)(1)(B)(iii) are each amended by striking out "relating to income earned by employees in certain camps" and inserting in lieu thereof "relating to citizens or residents of the United States living abroad".

26 USC 37, 63, 105, 410, 879, 1303, 1304.

Ante, p. 190.

(4) Sections 37(e)(9)(B), 63(e)(2), 105(h)(3)(B)(v), 410(b)(3)(C), 879(a)(1), 1303(c)(2), and 1304(c)(3) are each amended by striking out "section 911(b)" each place it appears and inserting in lieu thereof "section 911(d)(2)".

(5) Paragraph (11) of section 1402(a) is amended to read as follows:

"(11) in the case of an individual described in section 911(d)(1)(B), the exclusion from gross income provided by section 911(a)(1) shall not apply; and".

SEC. 112. REPEAL OF DEDUCTION FOR CERTAIN EXPENSES OF LIVING ABROAD.

26 USC 913.

(a) IN GENERAL.—Section 913 (relating to deduction for certain expenses of living abroad) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart B of part III of subchapter N of chapter 1 is amended by striking out the item relating to section 913.

(2) Section 62 (relating to definition of adjusted gross income) is amended by striking out paragraph (14) and redesignating paragraphs (15) and (16) as paragraphs (14) and (15), respectively. 26 USC 62.

(3) Subparagraph (C) of section 43(c)(1) (relating to earned income) is amended— 26 USC 43.

(A) by striking out "913," in the caption thereof,

(B) by striking out clause (ii), and

(C) by redesignating clause (iii) as clause (ii).

(4) Subsection (k) of section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking out "section 913(j)(1)(B)" and inserting in lieu thereof "section 911(d)(3)". 26 USC 1034.

(5) Section 3401 (relating to the definition of wages) is amended by striking out paragraph (18) and redesignating paragraphs (19) and (20) as paragraphs (18) and (19), respectively. 26 USC 3401.

(6) Subparagraph (B) of section 6091(b)(1) (relating to place for filing returns and other documents) is amended by striking out "section 913 (relating to deduction for certain expenses of living abroad)". 26 USC 6091.

SEC. 113. EMPLOYEES LIVING IN CAMPS.

Section 119 (relating to meals or lodging furnished for the convenience of the employer) is amended by adding at the end thereof the following new subsection: 26 USC 119.

"(c) EMPLOYEES LIVING IN CERTAIN CAMPS.—

"(1) IN GENERAL.—In the case of an individual who is furnished lodging in a camp located in a foreign country by or on behalf of his employer, such camp shall be considered to be part of the business premises of the employer.

"(2) CAMP.—For purposes of this section, a camp constitutes lodging which is—

"(A) provided by or on behalf of the employer for the convenience of the employer because the place at which such individual renders services is in a remote area where satisfactory housing is not available on the open market,

"(B) located, as near as practicable, in the vicinity of the place at which such individual renders services, and

"(C) furnished in a common area (or enclave) which is not available to the public and which normally accommodates 10 or more employees."

SEC. 114. REPORTS BY SECRETARY.

Section 208 of the Foreign Earned Income Act of 1978 is amended to read as follows: 26 USC 911 note.

"SEC. 208. REPORTS BY SECRETARY.

"(a) GENERAL RULE.—As soon as practicable after the date of the enactment of the Economic Recovery Tax Act of 1981, and as soon as practicable after the close of each fourth calendar year thereafter, the Secretary of the Treasury shall transmit a report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on the operation and effects of sections 911 and 912 of the Internal Revenue Code of 1954. *Ante*, p. 172.

"(b) INFORMATION FROM FEDERAL AGENCIES.—Each agency of the Federal Government which pays allowances excludable from gross income under section 912 of such Code shall furnish to the Secretary

of the Treasury such information as he determines to be necessary to carry out his responsibility under subsection (a)."

26 USC 911 note.

SEC. 115. EFFECTIVE DATE.

The amendments made by this subtitle (other than section 114) shall apply with respect to taxable years beginning after December 31, 1981.

Subtitle C—Miscellaneous Provisions

SEC. 121. DEDUCTION FOR CHARITABLE CONTRIBUTIONS TO BE ALLOWED FOR INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

26 USC 170.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsections (i) and (j) as subsections (j) and (k), respectively, and by inserting after subsection (h) the following new subsection:

"(i) RULE FOR NONITEMIZATION OF DEDUCTIONS.—

"(1) IN GENERAL.—In the case of an individual who does not itemize his deductions for the taxable year, the applicable percentage of the amount allowable under subsection (a) for the taxable year shall be taken into account as a direct charitable deduction under section 63.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage shall be determined under the following table:

"For taxable years beginning in—	The applicable percentage is—
1982, 1983 or 1984	25
1985	50
1986 or thereafter	100.

"(3) LIMITATION FOR TAXABLE YEARS BEGINNING BEFORE 1985.—In the case of a taxable year beginning before 1985, the portion of the amount allowable under subsection (a) to which the applicable percentage shall be applied—

"(A) shall not exceed $100 for taxable years beginning in 1982 or 1983, and

"(B) shall not exceed $300 for taxable years beginning in 1984.

In the case of a married individual filing a separate return, the limit under subparagraph (A) shall be $50, and the limit under subparagraph (B) shall be $150.

"(4) TERMINATION.—The provisions of this subsection shall not apply to contributions made after December 31, 1986."

(b) DEFINITION OF TAXABLE INCOME.—

26 USC 63.

(1) IN GENERAL.—Paragraph (1) of section 63(b) (relating to individuals) is amended—

(A) by striking out "and" at the end of subparagraph (A), and

(B) by inserting after subparagraph (B) the following new subparagraph:

"(C) the direct charitable deduction, and".

(2) DIRECT CHARITABLE DEDUCTION DEFINED.—Section 63 (defining taxable income) is amended by adding at the end thereof the following new subsection:

"(i) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the

amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(i)."

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 57(b) (relating to adjusted itemized deductions) is amended by inserting "without regard to paragraph (3) thereof" after "section 63(f)". 26 USC 57.

(2) Subsection (f) of section 63 (relating to itemized deductions) is amended— 26 USC 63.

(A) by striking out "and" at the end of paragraph (1),

(B) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and

(C) by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction."

(3) Subparagraph (A) of section 3(a)(4) (relating to imposition of tax table tax) is amended to read as follows: 26 USC 3.

"(A) reduced by the sum of—

"(i) the excess itemized deductions, and

"(ii) the direct charitable deduction, and".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 1981, in taxable years beginning after such date. 26 USC 170 note.

SEC. 122. 18-MONTH PERIODS FOR ROLLOVER OF PRINCIPAL RESIDENCE INCREASED TO 2 YEARS.

(a) IN GENERAL.—Section 1034 (relating to rollover of gain on sale of principal residence) is amended by striking out "18 months" each place it appears and inserting in lieu thereof "2 years". 26 USC 1034.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 1034(c) is amended by striking out "18-month" and inserting in lieu thereof "2-year".

(2) Paragraph (5) of section 1034(c) is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to old residences (within the meaning of section 1034 of the Internal Revenue Code of 1954) sold or exchanged— 26 USC 1034 note.

(1) after July 20, 1981, or

(2) on or before such date, if the rollover period under such section (determined without regard to the amendments made by this section) expires on or after such date.

SEC. 123. ONE-TIME EXCLUSION OF GAIN INCREASED TO $125,000.

(a) IN GENERAL.—Paragraph (1) of section 121(b) (relating to one-time exclusion of gain from sale of principal residence by individual who has attained age 55) is amended by striking out "$100,000 ($50,000" and inserting in lieu thereof "$125,000 ($62,500". 26 USC 121.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to residences sold or exchanged after July 20, 1981. 26 USC 121 note.

SEC. 124. INCREASES IN CREDIT ALLOWABLE FOR EXPENSES FOR HOUSEHOLD AND DEPENDENT CARE SERVICES NECESSARY FOR GAINFUL EMPLOYMENT.

(a) INCREASE IN PERCENTAGE OF EXPENSES ALLOWED AS CREDIT.—Subsection (a) of section 44A (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows: 26 USC 44A.

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an individual who maintains a household which includes as a member one or more qualifying individuals (as defined in subsection (c)(1)), there shall be allowed

as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of the employment-related expenses (as defined in subsection (c)(2)) paid by such individual during the taxable year.

"(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $10,000."

(b) INCREASES IN DOLLAR LIMITS ON AMOUNT CREDITABLE.—

26 USC 44A.

(1) IN GENERAL.—Subsection (d) of section 44A (relating to dollar limit on amount creditable) is amended—

(A) by striking out "$2,000" and inserting in lieu thereof "$2,400", and

(B) by striking out "$4,000" and inserting in lieu thereof "$4,800".

(2) CONFORMING AMENDMENTS.—Paragraph (2) of section 44A(e) (relating to earned income limitation) is amended—

(A) by striking out "$166" and inserting in lieu thereof "$200", and

(B) by striking out "$333" and inserting in lieu thereof "$400".

(c) CREDIT ALLOWED FOR CERTAIN SERVICES OUTSIDE THE TAXPAYER'S HOUSEHOLD.—Subparagraph (B) of section 44A(c)(2) is amended to read as follows:

"(B) EXCEPTION.—Employment-related expenses described in subparagraph (A) which are incurred for services outside the taxpayer's household shall be taken into account only if incurred for the care of—

"(i) a qualifying individual described in paragraph (1)(A), or

"(ii) a qualifying individual (not described in paragraph (1)(A)) who regularly spends at least 8 hours each day in the taxpayer's household."

(d) DAY CARE CENTERS MUST MEET STATE LAW REQUIREMENTS.—Paragraph (2) of section 44A(c) (defining employment-related expenses) is amended by adding at the end thereof the following new subparagraphs:

"(C) DEPENDENT CARE CENTERS.—Employment-related expenses described in subparagraph (A) which are incurred for services provided outside the taxpayer's household by a dependent care center (as defined in subparagraph (D)) shall be taken into account only if—

"(i) such center complies with all applicable laws and regulations of a State or unit of local government, and

"(ii) the requirements of subparagraph (B) are met.

"(D) DEPENDENT CARE CENTER DEFINED.—For purposes of this paragraph, the term 'dependent care center' means any facility which—

"(i) provides care for more than six individuals (other than individuals who reside at the facility), and

"(ii) receives a fee, payment, or grant for providing services for any of the individuals (regardless of whether such facility is operated for profit)."

(e) EXCLUSION OF DEPENDENT CARE ASSISTANCE FROM THE INCOME OF EMPLOYEES.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 (as amended by section 301) is amended by redesignating section 129

Post, p. 267.

as section 130 and inserting after section 128 the following new section:

"SEC. 129. DEPENDENT CARE ASSISTANCE PROGRAMS. 26 USC 129.

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or incurred by the employer for dependent care assistance provided to such employee if the assistance is furnished pursuant to a program which is described in subsection (d).

"(b) EARNED INCOME LIMITATION.—

"(1) IN GENERAL.—The amount excluded from the income of an employee under subsection (a) for any taxable year shall not exceed—

"(A) in the case of an employee who is not married at the close of such taxable year, the earned income of such employee for such taxable year, or

"(B) in the case of an employee who is married at the close of such taxable year, the lesser of—

"(i) the earned income of such employee for such taxable year, or

"(ii) the earned income of the spouse of such employee for such taxable year.

"(2) SPECIAL RULE FOR CERTAIN SPOUSES.—For purposes of paragraph (1), the provisions of section 44A(e)(2) shall apply in determining the earned income of a spouse who is a student or incapable of caring for himself.

"(c) PAYMENTS TO RELATED INDIVIDUALS.—No amount paid or incurred during the taxable year of an employee by an employer in providing dependent care assistance to such employee shall be excluded under subsection (a) if such amount was paid or incurred to an individual—

"(1) with respect to whom, for such taxable year, a deduction is allowable under section 151(e) (relating to personal exemptions for dependents) to such employee or the spouse of such employee, or

"(2) who is a child of such employee (within the meaning of section 151(e)(3)) under the age of 19 at the close of such taxable year.

"(d) DEPENDENT CARE ASSISTANCE PROGRAM.—

"(1) IN GENERAL.—For purposes of this section a dependent care assistance program is a separate written plan of an employer for the exclusive benefit of his employees to provide such employees with dependent care assistance which meets the requirements of paragraphs (2) through (6) of this subsection.

"(2) ELIGIBILITY.—The program shall benefit employees who qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of employees who are officers, owners, or highly compensated, or their dependents. For purposes of this paragraph, there shall be excluded from consideration employees not included in the program who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that dependent care benefits were the subject of good faith bargaining between such employee representatives and such employer or employers.

"(3) PRINCIPAL SHAREHOLDERS OR OWNERS.—Not more than 25 percent of the amounts paid or incurred by the employer for dependent care assistance during the year may be provided for

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the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5 percent of the stock or of the capital or profits interest in the employer.

"(4) NO FUNDING REQUIRED.—A program referred to in paragraph (1) is not required to be funded.

"(5) NOTIFICATION OF ELIGIBLE EMPLOYEES.—Reasonable notification of the availability and terms of the program shall be provided to eligible employees.

"(6) STATEMENT OF EXPENSES.—The plan shall furnish to an employee, on or before January 31, a written statement showing the amounts paid or expenses incurred by the employer in providing dependent care assistance to such employee during the previous calendar year.

"(e) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 44A(c)(2) (relating to expenses for household and dependent care services necessary for gainful employment).

"(2) EARNED INCOME.—The term 'earned income' shall have the meaning given such term in section 43(c)(2), but such term shall not include any amounts paid or incurred by an employer for dependent care assistance to an employee.

"(3) EMPLOYEE.—The term 'employee' includes, for any year, an individual who is an employee within the meaning of section 401(c)(1) (relating to self-employed individuals).

"(4) EMPLOYER.—An individual who owns the entire interest in an unincorporated trade or business shall be treated as his own employer. A partnership shall be treated as the employer of each partner who is an employee within the meaning of paragraph (3).

"(5) ATTRIBUTION RULES.—

"(A) OWNERSHIP OF STOCK.—Ownership of stock in a corporation shall be determined in accordance with the rules provided under subsections (d) and (e) of section 1563 (without regard to section 1563(e)(3)(C)).

"(B) INTEREST IN UNINCORPORATED TRADE OR BUSINESS.—The interest of an employee in a trade or business which is not incorporated shall be determined in accordance with regulations prescribed by the Secretary, which shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(6) UTILIZATION TEST NOT APPLICABLE.—A dependent care assistance program shall not be held or considered to fail to meet any requirements of subsection (d) merely because of utilization rates for the different types of assistance made available under the program.

"(7) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any amount excluded from income by reason of this section."

(2) EXCLUSION FROM WAGES.—

(A) EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX.—Subtitle C is amended by striking out "section 127" in section 3121(a)(18) (relating to the Federal Insurance Contributions Act), section 3306(b)(13) (relating to the Federal

26 USC 3121, 3306.

Unemployment Tax Act), and section 3401(a)(19) (relating to collection of income tax at source on wages) and inserting in lieu thereof "section 127 or 129". 26 USC 3401.

(B) SOCIAL SECURITY ACT.—Subsection (q) of section 209 of the Social Security Act (defining wages) is amended by striking out "section 127" and inserting in lieu thereof "section 127 or 129". 42 USC 409.

(f) EFFECTIVE DATE.— 26 USC 44A note.

(1) Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) The amendments made by subsection (e)(2) shall apply to remuneration paid after December 31, 1981.

SEC. 125. DEDUCTION FOR ADOPTION EXPENSES PAID BY AN INDIVIDUAL.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals), as amended by section 103, is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section: *Ante*, p. 187.

"SEC. 222. ADOPTION EXPENSES. 26 USC 222.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The aggregate amount of adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $1,500.

"(2) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No deduction shall be allowable under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No deduction shall be allowable under subsection (a) for any expenses paid from any funds received under any Federal, State, or local program.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child with special needs by the taxpayer and which are not incurred in violation of State or Federal law.

"(2) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means a child with respect to whom adoption assistance payments are made under section 473 of the Social Security Act."

(b) CONFORMING AMENDMENT.—The table of sections for such part VII is amended by striking out the item relating to section 222 and inserting in lieu thereof the following:

"Sec. 222. Adoption expenses.
"Sec. 223. Cross references."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1980. 26 USC 222 note.

SEC. 126. MAXIMUM RATE OF IMPUTED INTEREST FOR SALE OF LAND BETWEEN RELATED PERSONS.

26 USC 483.

(a) GENERAL RULE.—Section 483 (relating to interest on certain deferred payments) is amended by adding at the end thereof the following new subsection:

"(g) MAXIMUM RATE OF INTEREST ON CERTAIN TRANSFERS OF LAND BETWEEN RELATED PARTIES.—

"(1) IN GENERAL.—In the case of any qualified sale, the maximum interest rate used in determining the total unstated interest rate under the regulations under subsection (b) shall not exceed 7 percent, compounded semiannually.

"(2) QUALIFIED SALE.—For purposes of this subsection, the term 'qualified sale' means any sale or exchange of land by an individual to a member of such individual's family (within the meaning of section 267(c)(4)).

"(3) $500,000 LIMITATION.—Paragraph (1) shall not apply to any qualified sale between individuals made during any calendar year to the extent that the sales price for such sale (when added to the aggregate sales price for prior qualified sales between such individuals during the calendar year) exceeds $500,000.

"(4) NONRESIDENT ALIEN INDIVIDUALS.—This section shall not apply to any sale or exchange if any party to such sale or exchange is a nonresident alien individual."

26 USC 483 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to payments made after June 30, 1981, pursuant to sales or exchanges after such date.

SEC. 127. STATE LEGISLATORS TRAVEL EXPENSES AWAY FROM HOME.

26 USC 162.

(a) IN GENERAL.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.—

"(1) IN GENERAL.—For purposes of subsection (a), in the case of any individual who is a State legislator at any time during the taxable year and who makes an election under this subsection for the taxable year—

"(A) the place of residence of such individual within the legislative district which he represented shall be considered his home,

"(B) he shall be deemed to have expended for living expenses (in connection with his trade or business as a legislator) an amount equal to the sum of the amounts determined by multiplying each legislative day of such individual during the taxable year by the greater of—

"(i) the amount generally allowable with respect to such day to employees of the State of which he is a legislator for per diem while away from home, to the extent such amount does not exceed 110 percent of the amount described in clause (ii) with respect to such day, or

"(ii) the amount generally allowable with respect to such day to employees of the executive branch of the Federal Government for per diem while away from home but serving in the United States, and

"(C) he shall be deemed to be away from home in the pursuit of a trade or business on each legislative day.

"(2) LEGISLATIVE DAYS.—For purposes of paragraph (1), a legislative day during any taxable year for any individual shall be any day during such year on which—

"(A) the legislature was in session (including any day in which the legislature was not in session for a period of 4 consecutive days or less), or

"(B) the legislature was not in session but the physical presence of the individual was formally recorded at a meeting of a committee of such legislature.

"(3) ELECTION.—An election under this subsection for any taxable year shall be made at such time and in such manner as the Secretary shall by regulations prescribe.

"(4) SECTION NOT TO APPLY TO LEGISLATORS WHO RESIDE NEAR CAPITOL.—For taxable years beginning after December 31, 1980, this subsection shall not apply to any legislator whose place of residence within the legislative district which he represents is 50 or fewer miles from the capitol building of the State."

(b) The amendment made by subsection (a) shall apply to taxable years beginning on or after January 1, 1976.

Effective date. 26 USC 162 note.

SEC. 128. RATES OF TAX FOR PRINCIPAL CAMPAIGN COMMITTEES.

(a) IN GENERAL.—Section 527 (relating to political organizations) is amended by adding at the end thereof the following new subsection:

26 USC 527.

"(h) SPECIAL RULE FOR PRINCIPAL CAMPAIGN COMMITTEES.—

"(1) IN GENERAL.—In the case of a political organization which is a principal campaign committee, paragraph (1) of subsection (b) shall be applied by substituting 'the appropriate rates' for 'the highest rate'.

"(2) PRINCIPAL CAMPAIGN COMMITTEE DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'principal campaign committee' means the political committee designated by a candidate for Congress as his principal campaign committee for purposes of—

"(i) section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)), and

"(ii) this subsection.

"(B) DESIGNATION.—A candidate may have only 1 designation in effect under subparagraph (A)(ii) at any time and such designation—

"(i) shall be made at such time and in such manner as the Secretary may prescribe by regulations, and

"(ii) once made, may be revoked only with the consent of the Secretary."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

26 USC 527 note.

TITLE II—BUSINESS INCENTIVE PROVISIONS

Subtitle A—Cost Recovery Provisions

SEC. 201. ACCELERATED COST RECOVERY SYSTEM.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by inserting after section 167 the following new section:

26 USC 168.

"SEC. 168. ACCELERATED COST RECOVERY SYSTEM.

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction for any taxable year the amount determined under this section with respect to recovery property.

"(b) AMOUNT OF DEDUCTION.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the amount of the deduction allowable by subsection (a) for any taxable year shall be the aggregate amount determined by applying to the unadjusted basis of recovery property the applicable percentage determined in accordance with the following tables:

"(A) FOR PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1980, AND BEFORE JANUARY 1, 1985.—

"If the recovery year is:	The applicable percentage for the class of property is:			
	3-year	5-year	10-year	15-year public utility
1	25	15	8	5
2	38	22	14	10
3	37	21	12	9
4		21	10	8
5		21	10	7
6			10	7
7			9	6
8			9	6
9			9	6
10			9	6
11				6
12				6
13				6
14				6
15				6.

"(B) FOR PROPERTY PLACED IN SERVICE IN 1985.—

"If the recovery year is:	The applicable percentage for the class of property is:			
	3-year	5-year	10-year	15-year public utility
1	29	18	9	6
2	47	33	19	12
3	24	25	16	12
4		16	14	11
5		8	12	10
6			10	9
7			8	8
8			6	7
9			4	6
10			2	5
11				4
12				4
13				3
14				2
15				1.

"(C) FOR PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1985.—

"If the recovery year is:	The applicable percentage for the class of property is:			
	3-year	5-year	10-year	15-year public utility
1	33	20	10	7
2	45	32	18	12
3	22	24	16	12
4		16	14	11
5		8	12	10
6			10	9
7			8	8
8			6	7
9			4	6
10			2	5
11				4
12				3
13				3
14				2
15				1.

"(2) 15-YEAR REAL PROPERTY.—

"(A) IN GENERAL.—In the case of 15-year real property, the applicable percentage shall be determined in accordance with a table prescribed by the Secretary. In prescribing such table, the Secretary shall—

"(i) assign to the property a 15-year recovery period, and

"(ii) assign percentages generally determined in accordance with use of the 175 percent declining balance method (200 percent declining balance method in the case of low-income housing), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a). 26 USC 167.

For purposes of this subparagraph, the applicable percentage in the taxable year in which the property is placed in

"Low income housing."
26 USC 1250.

service shall be determined on the basis of the number of months in such year during which the property was in service. For purposes of this subparagraph, the term 'low-income housing' means property described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B).

"(B) SPECIAL RULE FOR YEAR OF DISPOSITION.—In the case of a disposition of 15-year real property, the deduction allowable under subsection (a) for the taxable year in which the disposition occurs shall reflect only the months during such year the property was in service.

"(3) ELECTION OF DIFFERENT RECOVERY PERCENTAGE.—

"(A) IN GENERAL.—Except as provided in subsection (f)(2), in lieu of any applicable percentage under paragraphs (1) and (2), the taxpayer may elect, with respect to one or more classes of recovery property placed in service during the taxable year, the applicable percentage determined by use of the straight line method over the recovery period elected by the taxpayer in accordance with the following table:

"In the case of:	The taxpayer may elect a recovery period of:
3-year property	3, 5, or 12 years.
5-year property	5, 12, or 25 years.
10-year property	10, 25, or 35 years.
15-year real property	15, 35, or 45 years.
15-year public utility property	15, 35, or 45 years.

"(B) OPERATING RULES.—

"(i) IN GENERAL.—Except as provided in clause (ii), the taxpayer may elect under subparagraph (A) only a single percentage for property in any class of recovery property placed in service during the taxable year. The percentage so elected shall apply to all property in such class placed in service during such taxable year and shall apply throughout the recovery period elected for such property.

"(ii) REAL PROPERTY.—In the case of 15-year real property the taxpayer shall make the election under subparagraph (A) on a property-by-property basis.

"(iii) CONVENTION.—Under regulations prescribed by the Secretary, the half-year convention shall apply to any election with respect to any recovery property (other than 15-year real property) with respect to which an election is made under this paragraph.

"(c) RECOVERY PROPERTY.—For purposes of this title—

"(1) RECOVERY PROPERTY DEFINED.—Except as provided in subsection (e), the term 'recovery property' means tangible property of a character subject to the allowance for depreciation—

"(A) used in a trade or business, or

"(B) held for the production of income.

"(2) CLASSES OF RECOVERY PROPERTY.—Each item of recovery property shall be assigned to one of the following classes of property:

"(A) 3-YEAR PROPERTY.—The term '3-year property' means section 1245 class property—

"(i) with a present class life of 4 years or less; or

"(ii) used in connection with research and experimentation.

"(B) 5-YEAR PROPERTY.—The term '5-year property' means recovery property which is section 1245 class property and

which is not 3-year property, 10-year property, or 15-year public utility property.

"(C) 10-YEAR PROPERTY.—The term '10-year property' means—

"(i) public utility property (other than section 1250 class property or 3-year property) with a present class life of more than 18 years but not more than 25 years; and 26 USC 1250.

"(ii) section 1250 class property with a present class life of 12.5 years or less.

"(D) 15-YEAR REAL PROPERTY.—The term '15-year real property' means section 1250 class property which does not have a present class life of 12.5 years or less.

"(E) 15-YEAR PUBLIC UTILITY PROPERTY.—The term '15-year public utility property' means public utility property (other than section 1250 class property or 3-year property) with a present class life of more than 25 years.

"(d) UNADJUSTED BASIS; ADJUSTMENTS.—

"(1) UNADJUSTED BASIS DEFINED.—

"(A) IN GENERAL.—For purposes of this section, the term 'unadjusted basis' means the excess of—

"(i) the basis of the property determined under part II of subchapter O of chapter 1 for purposes of determining gain (determined without regard to the adjustments described in paragraph (2) or (3) of section 1016(a)), over

"(ii) the sum of—

"(I) that portion of the basis for which the taxpayer properly elects amortization (including the deduction allowed under section 167(k)) in lieu of depreciation, and

"(II) that portion of the basis which the taxpayer properly elects to treat as an expense under section 179.

"(B) TIME FOR TAKING BASIS INTO ACCOUNT.—

"(i) IN GENERAL.—The unadjusted basis of property shall be first taken into account under subsection (b) for the taxable year in which the property is placed in service.

"(ii) REDETERMINATIONS.—The Secretary shall by regulation provide for the method of determining the deduction allowable under subsection (a) for any taxable year (and succeeding taxable years) in which the basis is redetermined (including any reduction under section 1017).

"(2) DISPOSITIONS.—

"(A) MASS ASSET ACCOUNTS.—In lieu of recognizing gain or loss under this chapter, a taxpayer who maintains one or more mass asset accounts of recovery property may, under regulations prescribed by the Secretary, elect to include in income all proceeds realized on the disposition of such property.

"(B) ADJUSTMENT TO BASIS.—Except as provided under regulations prescribed by the Secretary under subsection (f)(7), if any recovery property (other than 15-year real property or property with respect to which an election under subparagraph (A) is made) is disposed of, the unadjusted basis of such property shall cease to be taken into account in determining any recovery deduction allowable under subsec-

tion (a) as of the beginning of the taxable year in which such disposition occurs.

"(C) DISPOSITION INCLUDES RETIREMENT.—For purposes of this subparagraph, the term 'disposition' includes retirement.

"(e) PROPERTY EXCLUDED FROM APPLICATION OF SECTION.—For purposes of this section—

"(1) PROPERTY PLACED IN SERVICE BEFORE JANUARY 1, 1981.—The term 'recovery property' does not include property placed in service by the taxpayer before January 1, 1981.

"(2) CERTAIN METHODS OF DEPRECIATION.—The term 'recovery property' does not include property if—

"(A) the taxpayer elects to exclude such property from the application of this section, and

"(B) for the first taxable year for which a deduction would (but for this election) be allowable under this section with respect to such property in the hands of the taxpayer, the property is properly depreciated under the unit-of-production method or any method of depreciation not expressed in a term of years (other than the retirement-replacement-betterment method).

"(3) SPECIAL RULE FOR CERTAIN PUBLIC UTILITY PROPERTY.—

"(A) IN GENERAL.—The term 'recovery property' does not include public utility property (within the meaning of section 167(l)(3)(A)) if the taxpayer does not use a normalization method of accounting.

26 USC 167.

"(B) USE OF NORMALIZATION METHOD DEFINED.—For purposes of subparagraph (A), in order to use a normalization method of accounting with respect to any public utility property—

"(i) the taxpayer must, in computing its tax expense for purposes of establishing its cost of service for rate-making purposes and reflecting operating results in its regulated books of account, use a method of depreciation with respect to such property that is the same as, and a depreciation period for such property that is no shorter than, the method and period used to compute its depreciation expense for such purposes; and

"(ii) if the amount allowable as a deduction under this section with respect to such property differs from the amount that would be allowable as a deduction under section 167 (determined without regard to section 167(l)) using the method (including the period, first and last year convention, and salvage value) used to compute regulated tax expense under subparagraph (B)(i), the taxpayer must make adjustments to a reserve to reflect the deferral of taxes resulting from such difference.

"(C) PUBLIC UTILITY PROPERTY WHICH IS NOT RECOVERY PROPERTY.—In the case of public utility property which, by reason of this paragraph, is not treated as recovery property, the allowance for depreciation under section 167(a) shall be an amount computed using the method and period referred to in subparagraph (B)(i).

"(4) CERTAIN TRANSACTIONS IN PROPERTY PLACED IN SERVICE BEFORE 1986.—

"(A) SECTION 1245 CLASS PROPERTY.—The term 'recovery property' does not include section 1245 class property acquired by the taxpayer after December 31, 1980, if—

"(i) the property was owned or used at any time during 1980 by the taxpayer or a related person,

"(ii) the property is acquired from a person who owned such property at any time during 1980, and, as part of the transaction, the user of such property does not change,

"(iii) the taxpayer leases such property to a person (or a person related to such person) who owned or used such property at any time during 1980, or

"(iv) the property is acquired in a transaction as part of which the user of such property does not change and the property is not recovery property in the hands of the person from which the property is so acquired by reason of clause (ii) or (iii).

For purposes of this subparagraph and subparagraph (B), property shall not be treated as owned before it is placed in service. For purposes of this subparagraph, whether the user of property changes as part of a transaction shall be determined in accordance with regulations prescribed by the Secretary.

"(B) SECTION 1250 CLASS PROPERTY.—The term 'recovery property' does not include section 1250 class property acquired by the taxpayer after December 31, 1980, if— 26 USC 1250.

"(i) such property was owned by the taxpayer or by a related person at any time during 1980;

"(ii) the taxpayer leases such property to a person (or a person related to such person) who owned such property at any time during 1980; or

"(iii) such property is acquired in an exchange described in section 1031, 1033, 1038, or 1039 to the extent that the basis of such property includes an amount representing the adjusted basis of other property owned by the taxpayer or a related person during 1980.

"(C) CERTAIN NONRECOGNITION TRANSACTIONS.—The term 'recovery property' does not include property placed in service by the transferor or distributor before January 1, 1981, which is acquired by the taxpayer after December 31, 1980, in a transaction described in section 332, 351, 361, 371(a), 374(a), 721, or 731 (or such property acquired from the transferee or acquiring corporation in a transaction described in such section), to the extent that the basis of the property is determined by reference to the basis of the property in the hands of the transferor or distributor. In the case of property to which this subparagraph applies, rules similar to the rules described in section 381(c)(6) shall apply.

"(D) RELATED PERSON DEFINED.—Except as provided in subparagraph (E), for purposes of this paragraph a person (hereinafter referred to as the related person) is related to any person if—

"(i) the related person bears a relationship to such person specified in section 267(b) or section 707(b)(1), or

"(ii) the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of clause (i), in applying section 267(b) and section 707(b)(1) '10 percent' shall be substituted for '50 percent'. The determination of whether a person is related to

another person shall be made as of the time the taxpayer acquires the property involved.

"(E) LIQUIDATION OF SUBSIDIARY, ETC.—For purposes of this paragraph, a corporation is not a related person to the taxpayer—

"(i) if such corporation is a distributing corporation in a transaction to which section 334(b)(2)(B) applies and the stock of such corporation referred to in such subparagraph (B) was acquired by the taxpayer by purchase after December 31, 1980, or

26 USC 334.

"(ii) if such corporation is liquidated in a liquidation to which section 331(a) applies and the taxpayer (or a related person) by himself or together with 1 or more other persons acquires the stock of the liquidated corporation by purchase (meeting the requirements of section 334(b)(2)(B)) after December 31, 1980.

"(F) ANTIAVOIDANCE RULE.—The term 'recovery property' does not include property acquired by the taxpayer after December 31, 1980, which, under regulations prescribed by the Secretary, is acquired in a transaction one of the principal purposes of which is to avoid the principles of paragraph (1) and this paragraph.

"(G) REDUCTION IN UNADJUSTED BASIS.—In the case of an acquisition of property described in subparagraph (B) or (C), the unadjusted basis of the property under subsection (d) shall be reduced to the extent that such property acquired is not recovery property.

"(H) SPECIAL RULES FOR PROPERTY PLACED IN SERVICE BEFORE CERTAIN PERCENTAGES TAKE EFFECT.—Under regulations prescribed by the Secretary—

"(i) rules similar to the rules of this paragraph shall be applied in determining whether the tables contained in subparagraph (B) or (C) of subsection (b)(1) apply with respect to recovery property, and

"(ii) if the tables contained in subparagraph (B) or (C) of subsection (b)(1) do not apply to such property by reason of clause (i), the deduction allowable under subsection (a) shall be computed—

"(I) In the case of a transaction described in subparagraph (C), under rules similar to the rules described in section 381(c)(6); and

"(II) in the case of a transaction otherwise described in this paragraph, under the recovery period and method (including rates prescribed under subsection (b)(1)) used by the person from whom the taxpayer acquired such property (or, where such person had no recovery method and period for such property, under the recovery period and method (including rates prescribed under subsection (b)(1)) used by the person which transferred such property to such person).

"(f) SPECIAL RULES FOR APPLICATION OF THIS SECTION.—For purposes of this section—

"(1) COMPONENTS OF SECTION 1250 CLASS PROPERTY.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph—

"(i) the deduction allowable under subsection (a) with respect to any component (which is section 1250 class

property) of a building shall be computed in the same manner as the deduction allowable with respect to such building, and

"(ii) the recovery period for such component shall begin on the later of—

"(I) the date such component is placed in service, or

"(II) the date on which the building is placed in service.

"(B) TRANSITIONAL RULE.—In the case of any building placed in service by the taxpayer before January 1, 1981, for purposes of applying subparagraph (A) to components of such buildings placed in service after December 31, 1980, the deduction allowable under subsection (a) with respect to such components shall be computed in the same manner as the deduction allowable with respect to the first such component placed in service after December 31, 1980. For purposes of the preceding sentence, the method of computing the deduction allowable with respect to such first component shall be determined as if it were a separate building.

"(C) EXCEPTION FOR SUBSTANTIAL IMPROVEMENTS.—

"(i) IN GENERAL.—For purposes of this paragraph, a substantial improvement shall be treated as a separate building.

"(ii) SUBSTANTIAL IMPROVEMENT.—For purposes of clause (i), the term 'substantial improvement' means the improvements added to capital account with respect to any building during any 24-month period, but only if the sum of the amounts added to such account during such period equals or exceeds 25 percent of the adjusted basis of the building (determined without regard to the adjustments provided in paragraphs (2) and (3) of section 1016(a)) as of the first day of such period. 26 USC 1016.

"(iii) IMPROVEMENTS MUST BE MADE AFTER BUILDING IN SERVICE FOR 3 YEARS.—For purposes of this paragraph, the term 'substantial improvement' shall not include any improvement made before the date 3 years after the building was placed in service.

"(2) RECOVERY PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in the case of recovery property which, during the taxable year, is used predominantly outside the United States, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence, in prescribing such tables, the Secretary shall—

"(i) assign the property described in this subparagraph to classes in accordance with the present class life (or 12 years in the case of personal property with no present class life) of such property; and

"(ii) assign percentages (taking into account the half-year convention) determined in accordance with use of the method of depreciation described in section 167(b)(2), switching to the method described in section 167(b)(1) at

a time to maximize the deduction allowable under subsection (a).

"(B) REAL PROPERTY.—

"(i) IN GENERAL.—Except as provided in subparagraph (C), in the case of 15-year real property which, during the taxable year, is predominantly used outside the United States, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence in prescribing such tables, the Secretary shall—

"(I) assign to the property described in this subparagraph a 35-year recovery period; and

"(II) assign percentages (taking into account the next to the last sentence of subsection (b)(2)(A)) determined in accordance with use of the method of depreciation described in section 167(j)(1)(B), switching to the method described in section 167(b)(1) at a time to maximize the deduction allowable under subsection (a).

26 USC 167.

"(ii) SPECIAL RULE FOR DISPOSITION.—In the case of a disposition of 15-year real property described in clause (i), subsection (b)(2)(B) shall apply.

"(C) ELECTION OF DIFFERENT RECOVERY PERCENTAGE.—

"(i) GENERAL RULE.—The taxpayer may elect, with respect to one or more classes of recovery property described in this paragraph, to determine the applicable percentage under this paragraph by use of the straight-line method over the recovery period determined in accordance with the following table:

"In the case of:	The taxpayer may elect a recovery period of:
3-year property	The present class life, 5 or 12 years.
5-year property	The present class life, 12 or 25 years.
10-year property	The present class life, 25 or 35 years.
15-year real property	35 or 45 years.
15-year public utility property.	The present class life, 35 or 45 years.

"(ii) OPERATING RULES.—

"(I) PERIOD ELECTED BY TAXPAYER.—Except as provided in subclause (II), the taxpayer may elect under clause (i) for any taxable year only a single recovery period for recovery property described in this paragraph which is placed in service during such taxable year, which has the same present class life, and which is in the same class under subsection (c)(2). The period so elected shall not be shorter than such present class life.

"(II) REAL PROPERTY.—In the case of 15-year real property, the election under clause (i) shall be made on a property-by-property basis.

"(D) DETERMINATION OF PROPERTY USED PREDOMINANTLY OUTSIDE THE UNITED STATES.—For purposes of this paragraph, under regulations prescribed by the Secretary, rules similar to the rules under section 48(a)(2) (including the exceptions under subparagraph (B)) shall be applied in determining whether property is used predominantly outside the United States. 26 USC 48.

"(E) CONVENTION.—Under regulations prescribed by the Secretary, the half year convention shall apply for purposes of any determination under subparagraph (C) (other than any determination with respect to 15-year real property).

"(3) RRB REPLACEMENT PROPERTY.—

"(A) IN GENERAL.—In the case of RRB replacement property placed in service before January 1, 1985, the recovery deduction for the taxable year shall be, in lieu of the amount determined under subsection (b), the amount determined by applying to the unadjusted basis of such property the applicable percentage determined under tables prescribed by the Secretary. For purposes of the preceding sentence, in prescribing such tables, the Secretary shall—

"(i) use the recovery period determined in accordance with the following table:

"If the year property is placed in service is:	The recovery period is:
1981	1
1982	2
1983	3
1984	4

and

"(ii) assign percentages determined in accordance with use of the method of depreciation described in section 167(b)(2), switching to the method described in section 167(b)(3) at a time to maximize the deduction allowable under subsection (a) (taking into account the half-year convention).

"(B) RRB REPLACEMENT PROPERTY DEFINED.—For purposes of this section, the term 'RRB replacement property' means replacement track material (including rail, ties, other track material, and ballast) installed by a railroad (including a railroad switching or terminal company) if—

"(i) the replacement is made pursuant to a scheduled program for replacement,

"(ii) the replacement is made pursuant to observations by maintenance-of-way personnel of specific track material needing replacement,

"(iii) the replacement is made pursuant to the detection by a rail-test car of specific track material needing replacement, or

"(iv) the replacement is made as a result of a casualty. Replacements made as a result of a casualty shall be RRB replacement property only to the extent that, in the case of each casualty, the replacement cost with respect to the replacement track material exceeds $50,000.

"(4) MANNER AND TIME FOR MAKING ELECTIONS.—

"(A) IN GENERAL.—Any election under this section shall be made for the taxable year in which the property is placed in service.

"(B) MADE ON RETURN.—Any election under this section shall be made on the taxpayer's return of the tax imposed by this chapter for the taxable year concerned.

"(C) REVOCATION ONLY WITH CONSENT.—Any election under this section, once made, may be revoked only with the consent of the Secretary.

"(5) SHORT TAXABLE YEARS.—In the case of a taxable year that is less than 12 months, the amount of the deduction under this section shall be an amount which bears the same relationship to the amount of the deduction, determined without regard to this paragraph, as the number of months in the short taxable year bears to 12. In such case, the amount of the deduction for subsequent taxable years shall be appropriately adjusted in accordance with regulations prescribed by the Secretary. The determination of when a taxable year begins shall be made in accordance with regulations prescribed by the Secretary. This paragraph shall not apply to any deduction with respect to any property for the first taxable year of the lessor for which an election under paragraph (8) is in effect with respect to such property.

"(6) LEASEHOLD IMPROVEMENTS.—For purposes of determining whether a leasehold improvement which is recovery property shall be amortized over the term of the lease, the recovery period (taking into account any election under paragraph (2)(C) of this subsection or under subsection (b)(3) with respect to such property) of such property shall be taken into account in lieu of its useful life.

"(7) SPECIAL RULE FOR ACQUISITIONS AND DISPOSITIONS IN NONRECOGNITION TRANSACTIONS.—Notwithstanding any other provision of this section, the deduction allowed under this section in the taxable year in which recovery property is acquired or is disposed of in a transaction in which gain or loss is not recognized in whole or in part shall be determined in accordance with regulations prescribed by the Secretary.

"(8) SPECIAL RULE FOR LEASES.—

"(A) IN GENERAL.—In the case of an agreement with respect to qualified leased property, if all of the parties to the agreement characterize such agreement as a lease and elect to have the provisions of this paragraph apply with respect to such agreement, and if the requirements of subparagraph (B) are met, then, for purposes of this subtitle—

"(i) such agreement shall be treated as a lease entered into by the parties (and any party which is a corporation

described in subparagraph (B)(i)(I) shall be deemed to have entered into the lease in the course of carrying on a trade or business), and

"(ii) the lessor shall be treated as the owner of the property and the lessee shall be treated as the lessee of the property.

"(B) CERTAIN REQUIREMENTS MUST BE MET.—The requirements of this subparagraph are met if—

"(i) the lessor is—

"(I) a corporation (other than an electing small business corporation (within the meaning of section 1371(b)) or a personal holding company (within the meaning of section 542(a))), 26 USC 1371.

"(II) a partnership all of the partners of which are corporations described in subclause (I), or

"(III) a grantor trust with respect to which the grantor and all beneficiaries of the trust are described in subclause (I) or (II),

"(ii) the minimum investment of the lessor—

"(I) at the time the property is first placed in service under the lease, and

"(II) at all times during the term of the lease, is not less than 10 percent of the adjusted basis of such property, and

"(iii) the term of the lease (including any extensions) does not exceed the greater of—

"(I) 90 percent of the useful life of such property for purposes of section 167, or

"(II) 150 percent of the present class life of such property.

"(C) NO OTHER FACTORS TAKEN INTO ACCOUNT.—If the requirements of subparagraphs (A) and (B) are met with respect to any transaction described in subparagraph (A), no other factors shall be taken into account in making a determination as to whether subparagraph (A) (i) or (ii) applies with respect to such transaction.

"(D) QUALIFIED LEASED PROPERTY DEFINED.—For purposes of subparagraph (A), the term 'qualified leased property' means recovery property (other than a qualified rehabilitated building within the meaning of section 48(g)(1)) which is— *Post*, p. 236.

"(i) new section 38 property (as defined in section 48(b)) of the lessor which is leased within 3 months after such property was placed in service and which, if acquired by the lessee, would have been new section 38 property of the lessee,

"(ii) property—

"(I) which was new section 38 property of the lessee,

"(II) which was leased within 3 months after such property was placed in service by the lessee, and

"(III) with respect to which the adjusted basis of the lessor does not exceed the adjusted basis of the lessee at the time of the lease, or

"(iii) property which is a qualified mass commuting vehicle (as defined in section 103(b)(9)) and which is financed in whole or in part by obligations the interest *Post*, p. 349.

on which is excludable from income under section 103(a).

For purposes of this title (other than this subparagraph), any property described in clause (i) or (ii) to which subparagraph (A) applies shall be deemed originally placed in service not earlier than the date such property is used under the lease. In the case of property placed in service after December 31, 1980, and before the date of the enactment of this subparagraph, this subparagraph shall be applied by submitting 'the date of the enactment of this subparagraph' for 'such property was placed in service'.

"(E) MINIMUM INVESTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the term 'minimum investment' means the amount the lessor has at risk with respect to the property (other than financing from the lessee or a related party of the lessee).

"(ii) SPECIAL RULE FOR PURCHASE REQUIREMENT.—For purposes of clause (i), an agreement between the lessor and lessee requiring either or both parties to purchase or sell the qualified leased property at some price (whether or not fixed in the agreement) at the end of the lease term shall not affect the amount the lessor is treated as having at risk with respect to the property.

"(F) CHARACTERIZATION BY PARTIES.—For purposes of this paragraph, any determination as to whether a person is a lessor or lessee or property is leased shall be made on the basis of the characterization of such person or property under the agreement described in subparagraph (A).

"(G) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this paragraph, including (but not limited to) regulations consistent with such purposes which limit the aggregate amount of (and timing of) deductions and credits in respect of qualified leased property to the aggregate amount (and the timing) allowable without regard to this paragraph.

"(H) CROSS REFERENCE.—

"For special recapture in cases where lessee acquires qualified leased property, see section 1245.

"(9) SALVAGE VALUE.—No salvage value shall be taken into account in determining the deduction allowable under subsection (a).

"(10) TRANSFEREE BOUND BY TRANSFEROR'S PERIOD AND METHOD IN CERTAIN CASES.—

"(A) IN GENERAL.—In the case of recovery property transferred in a transaction described in subparagraph (B), the transferee shall be treated as the transferor for purposes of computing the deduction allowable under subsection (a) with respect to so much of the basis in the hands of the transferee as does not exceed the adjusted basis in the hands of the transferor.

"(B) TRANSFERS COVERED.—The transactions described in this subparagraph are—

26 USC 332.

"(i) a transaction described in section 332 (other than a transaction with respect to which the basis is determined under section 334(b)(2)), 351, 361, 371(a), 374(a), 721, or 731;

"(ii) an acquisition (other than described in clause (i)) from a related person (as defined in subparagraph (D) of subsection (e)(4)); and

"(iii) an acquisition followed by a leaseback to the person from whom the property is acquired.

"(C) PROPERTY REACQUIRED BY THE TAXPAYER.—Under regulations prescribed by the Secretary, recovery property which is disposed of and then reacquired by the taxpayer shall be treated for purposes of computing the deduction allowable under subsection (a) as if such property had not been disposed of.

"(D) EXCEPTION.—This paragraph shall not apply to any transaction to which subsection (e)(4) applies.

"(11) SPECIAL RULES FOR COOPERATIVES.—In the case of a cooperative organization described in section 1381(a), the Secretary may by regulations provide— 26 USC 1381.

"(A) for allowing allocation units to make separate elections under this section with respect to recovery property, and

"(B) for the allocation of the deduction allowable under subsection (a) among allocation units.

"(g) DEFINITIONS.—For purposes of this section—

"(1) PUBLIC UTILITY PROPERTY.—The term 'public utility property' means property described in section 167(l)(3)(A).

"(2) PRESENT CLASS LIFE.—The term 'present class life' means the class life (if any) which would be applicable with respect to any property as of January 1, 1981, under subsection (m) of section 167 (determined without regard to paragraph (4) thereof and as if the taxpayer had made an election under such subsection). *Post*, p. 221.

"(3) SECTION 1245 CLASS PROPERTY.—The term 'section 1245 class property' means tangible property described in section 1245(a)(3) other than subparagraphs (C) and (D).

"(4) SECTION 1250 CLASS PROPERTY.—The term 'section 1250 class property' means property described in section 1250(c) and property described in section 1245(a)(3)(C).

"(5) RESEARCH AND EXPERIMENTATION.—The term 'research and experimentation' has the same meaning as the term research or experimental has under section 174.

"(6) RRB PROPERTY DEFINED.—For purposes of this section, the term 'RRB property' means property which under the taxpayer's method of depreciation before January 1, 1981, would have been depreciated using the retirement-replacement-betterment method.

"(7) MANUFACTURED HOMES.—The term 'manufactured home' has the same meaning as in section 603(6) of the Housing and Community Development Act of 1974, which is 1250 class property used as a dwelling unit. 42 USC 5402.

"(8) QUALIFIED COAL UTILIZATION PROPERTY.—

"(A) IN GENERAL.—The term 'qualified coal utilization property' means that portion of the unadjusted basis of coal utilization property which bears the same ratio (but not greater than 1) to such unadjusted basis as—

"(i) the Btu's of energy produced by the powerplant or major fuel-burning installation before the conversion or replacement involving coal utilization property, bears to

"(ii) the Btu's of energy produced by such powerplant or installation after such conversion or replacement.

"Coal utilization property."

"(B) IN GENERAL.—The term 'coal utilization property' means—

"(i) a boiler or burner—

"(I) the primary fuel for which is coal (including lignite), and

"(II) which replaces an existing boiler or burner which is part of a powerplant or major fuel-burning installation and the primary fuel for which is oil or natural gas or any product thereof, and

"(ii) equipment for converting an existing boiler or burner described in clause (i)(II) to a boiler or burner the primary fuel for which will be coal.

"(C) POWERPLANT AND MAJOR FUEL-BURNING INSTALLATION.—The terms 'powerplant' and 'major fuel-burning installation' have the meanings given such terms by paragraphs (7) and (10) of section 103(a) of the Powerplant and Industrial Fuel Use Act of 1978, respectively.

42 USC 8302.

"(D) EXISTING BOILER OR BURNER.—The term 'existing boiler or burner' means a boiler or burner which was placed in service before January 1, 1981.

"(E) REPLACEMENT OF EXISTING BOILER OR BURNER.—A boiler or burner shall be treated as replacing a boiler or burner if the taxpayer certifies that the boiler or burner which is to be replaced—

"(i) was used during calendar year 1980 for more than 2,000 hours of full load peak use (or equivalent thereof), and

"(ii) will not be used for more than 2,000 hours of such use during any 12-month period after the boiler or burner which is to replace such boiler or burner is placed in service.

"(h) SPECIAL RULES FOR RECOVERY PROPERTY CLASSES.—For purposes of this section—

"(1) CERTAIN HORSES.—The term '3-year property' includes—

"(A) any race horse which is more than 2 years old at the time such horse is placed in service; or

"(B) any other horse which is more than 12 years old at such time.

"(2) RAILROAD TANK CARS.—The term '10-year property' includes railroad tank cars.

"(3) MANUFACTURED HOMES.—The term '10-year property' includes manufactured homes.

"(4) QUALIFIED COAL UTILIZATION PROPERTY.—The term '10-year property' includes qualified coal utilization property which is not 3-year property, 5-year property, or 10-year property (determined without regard to this paragraph).

"(5) APPLICATION WITH OTHER CLASSES.—Any property which is treated as included in a class or property by reason of this subsection shall not be treated as property included in any other class.

"(i) CROSS REFERENCE.—

"For special rules with respect to certain gain derived from disposition of recovery property, see sections 1245 and 1250."

(b) SINGLE PURPOSE AGRICULTURAL OR HORTICULTURAL STRUCTURES AND PETROLEUM PRODUCT STORAGE FACILITIES TREATED AS SECTION 1245 PROPERTY.—Paragraph (3) of section 1245(a) (defining section 1245 property) is amended by striking out "or" at the end of

26 USC 1245.

subparagraph (C), by striking out the period at the end of subparagraph (D), and by adding at the end thereof the following new subparagraphs:

"(E) a single purpose agricultural or horticultural structure (as defined in section 48(p)), or

"(F) a storage facility used in connection with the distribution of petroleum or any primary product of petroleum."

(c) REPEAL OF SECTION 263(e).—Subsection (e) of section 263 is hereby repealed. 26 USC 263.

(d) CLERICAL AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by inserting after the item relating to section 167 the following new item:

"Sec. 168. Accelerated cost recovery system."

SEC. 202. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

(a) IN GENERAL.—Section 179 (relating to additional first-year depreciation allowance for small business) is amended to read as follows: 26 USC 179.

"SEC. 179. ELECTION TO EXPENSE CERTAIN DEPRECIABLE BUSINESS ASSETS.

"(a) TREATMENT AS EXPENSES.—A taxpayer may elect to treat the cost of any section 179 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the section 179 property is placed in service.

"(b) DOLLAR LIMITATION.—

"(1) IN GENERAL.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed the following applicable amount:

"If the taxable year begins in:	The applicable amount is:
1981	$0
1982	5,000
1983	5,000
1984	7,500
1985	7,500
1986 or thereafter	10,000.

"(2) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of a husband and wife filing separate returns for a taxable year, the applicable amount under paragraph (1) shall be equal to 50 percent of the amount otherwise determined under paragraph (1).

"(c) ELECTION.—

"(1) IN GENERAL.—An election under this section for any taxable year shall—

"(A) specify the items of section 179 property to which the election applies and the portion of the cost of each of such items which is to be taken into account under subsection (a), and

"(B) be made on the taxpayer's return of the tax imposed by this chapter for the taxable year.

Such election shall be made in such manner as the Secretary may by regulations prescribe.

"(2) ELECTION IRREVOCABLE.—Any election made under this section, and any specification contained in any such election, may not be revoked except with the consent of the Secretary.

"(d) DEFINITIONS AND SPECIAL RULES.—

"(1) SECTION 179 PROPERTY.—For purposes of this section, the term 'section 179 property' means any recovery property which is section 38 property and which is acquired by purchase for use in a trade or business.

"(2) PURCHASE DEFINED.—For purposes of paragraph (1), the term 'purchase' means any acquisition of property, but only if—

"(A) the property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this section, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(B) the property is not acquired by one component member of a controlled group from another component member of the same controlled group, and

"(C) the basis of the property in the hands of the person acquiring it is not determined—

"(i) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(ii) under section 1014(a) (relating to property acquired from a decedent).

"(3) COST.—For purposes of this section, the cost of property does not include so much of the basis of such property as is determined by reference to the basis of other property held at any time by the person acquiring such property.

"(4) SECTION NOT TO APPLY TO ESTATES AND TRUSTS.—This section shall not apply to estates and trusts.

"(5) SECTION NOT TO APPLY TO CERTAIN NONCORPORATE LESSORS.—This section shall not apply to any section 179 property purchased by any person described in section 46(e)(3) unless the credit under section 38 is allowable with respect to such person for such property (determined without regard to this section).

Post, p. 228.

"(6) DOLLAR LIMITATION OF CONTROLLED GROUP.—For purposes of subsection (b) of this section—

"(A) all component members of a controlled group shall be treated as one taxpayer, and

"(B) the Secretary shall apportion the dollar limitation contained in subsection (b)(1) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(7) CONTROLLED GROUP DEFINED.—For purposes of paragraphs (2) and (6), the term 'controlled group' has the meaning assigned to it by section 1563(a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a)(1).

"(8) DOLLAR LIMITATION IN CASE OF PARTNERSHIPS.—In the case of a partnership, the dollar limitation contained in subsection (b)(1) shall apply with respect to the partnership and with respect to each partner.

"(9) COORDINATION WITH SECTION 38.—No credit shall be allowed under section 38 with respect to any amount for which a deduction is allowed under subsection (a)."

26 USC 1245.

(b) RECAPTURE RULE.—Subsection (a) of section 1245 (relating to gains from dispositions from certain depreciable property) is amended—

(1) by striking out "169, 184" each place it appears in paragraph (2) and inserting in lieu thereof "169, 179, 184",

(2) by striking out "section 190" in paragraph (2) and inserting in lieu thereof "section 179, 190", and

(3) by striking out "169, 185" in paragraphs (2)(D) and (3)(D) and inserting in lieu thereof "169, 179, 185".

(c) INSTALLMENT SALES.—Section 453 (relating to the installment method) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection: 26 USC 453.

"(i) APPLICATION WITH SECTION 179.—

"(1) IN GENERAL.—In the case of an installment sale of section 179 property, subsection (a) shall not apply, and for purposes of this title, all payments to be received shall be deemed received in the year of disposition.

"(2) LIMITATION.—Paragraph (1) shall apply only to the extent of the amount allowed as a deduction under section 179 with respect to the section 179 property."

(d) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 263(a) (relating to capital expenditures) is amended— 26 USC 263.

(A) by striking "or" at the end of subparagraph (F);

(B) by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a semicolon and "or", and

(C) by adding at the end thereof the following new subparagraph:

"(H) expenditures for which a deduction is allowed under section 179."

(2) Subparagraph (A) of section 1033(g)(3) (relating to condemnation of real property held for productive use in trade or business or for investment) is amended by striking out "(relating to additional first-year depreciation allowance for small business)" and inserting in lieu thereof "(relating to election to expense certain depreciable business assets)". 26 USC 1033.

(3) The table of sections for part VI of subchapter B of chapter 1 is amended by striking out the item relating to section 179 and inserting in lieu thereof the following:

"Sec. 179. Election to expense certain depreciable business assets."

SEC. 203. AMENDMENTS RELATED TO DEPRECIATION.

(a) RECOVERY DEDUCTION TREATED AS DEPRECIATION.—Subsection (a) of section 167 (relating to depreciation) is amended by adding at the end thereof the following new sentence: "In the case of recovery property (within the meaning of section 168), the deduction allowable under section 168 shall be deemed to constitute the reasonable allowance provided by this section, except with respect to that portion of the basis of such property to which subsection (k) applies." 26 USC 167. *Ante*, p. 204.

(b) TERMINATION OF CLASS LIFE SYSTEM.—Subsection (m) of section 167 (relating to class lives) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—This subsection shall not apply with respect to recovery property (within the meaning of section 168) placed in service after December 31, 1980."

(c) RETIREMENT—REPLACEMENT—BETTERMENT METHOD OF DEPRECIATION.—

(1) REPEAL OF SECTION 167(r).—Section 167 (relating to depreciation) is amended by striking out subsection (r) and redesignating subsection (s) as subsection (r).

26 USC 167 note.

(2) CHANGE IN METHOD OF ACCOUNTING.—Sections 446 and 481 of the Internal Revenue Code of 1954 shall not apply to the change in the method of depreciation to comply with the provisions of this subsection.

26 USC 167 note.
Ante, p. 203.

(3) TRANSITIONAL RULE.—The adjusted basis of RRB property (as defined in section 168(g)(6) of such Code) as of December 31, 1980, shall be depreciated using a useful life of no less than 5 years and no more than 50 years and a method described in section 167(b) of such Code, including the method described in section 167(b)(2) of such Code, switching to the method described in section 167(b)(3) of such Code at a time to maximize the deduction.

26 USC 167.

(d) AGREEMENT AS TO USEFUL LIFE ON WHICH DEPRECIATION RATE IS BASED.—Subsection (d) of section 167 is amended by adding at the end thereof the following: "This subsection shall not apply with respect to recovery property defined in section 168."

26 USC 167 note.

(e) CONFORMING AMENDMENT.—The Secretary of Health and Human Services is not required to apply any provision of the Internal Revenue Code of 1954, as amended, in calculating depreciation (for the purpose of determining any cost under a program administered by the Secretary), unless a provision of law requires so expressly.

26 USC 1 *et seq.*

SEC. 204. RECAPTURE ON DISPOSITION OF RECOVERY PROPERTY.

26 USC 1245.

(a) GENERAL RULE.—Paragraph (1) of section 1245(a) (relating to ordinary income) is amended by inserting after "December 31, 1962," the following "or section 1245 recovery property is disposed of after December 31, 1980,".

(b) RECOMPUTED BASIS.—Paragraph (2) of section 1245(a) (relating to recomputed basis) is amended—

(1) by striking out "or" at the end of subparagraph (C),

(2) by inserting ", or" at the end of subparagraph (D), and

(3) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) with respect to any section 1245 recovery property, the adjusted basis of such property recomputed by adding thereto all adjustments attributable to periods for which a deduction is allowed under section 168(a) (as added by the Economic Recovery Tax Act of 1981) with respect to such property,".

(c) SECTION 1245 RECOVERY PROPERTY DEFINED.—Subsection (a) of section 1245 is amended by adding at the end thereof the following new paragraph:

"(5) SECTION 1245 RECOVERY PROPERTY.—For purposes of this section, the term 'section 1245 recovery property' means recovery property (within the meaning of section 168) other than—

"(A) 15-year real property which is residential rental property (as defined in section 167(j)(2)(B)),

"(B) 15-year real property which is described in section 168(f)(2),

"(C) 15-year real property with respect to which an election under subsection (b)(3) of section 168 to use a different recovery percentage is in effect, and

"(D) 15-year real property which is described in clause (i), (ii), (iii), or (iv) of section 1250(a)(1)(B).

If only a portion of a building (or other structure) is section 1245 recovery property, gain from any disposition of such building (or other structure) shall be allocated first to the portion of the building (or other structure) which is section 1245 recovery

property (to the extent of the amount which may be treated as ordinary income under this section) and then to the portion of the building or other structure which is not section 1245 recovery property."

(d) QUALIFIED LEASED PROPERTY.—Subsection (a) of section 1245 (relating to recomputed basis) is amended by adding at the end thereof the following new paragraph: 26 USC 1245.

"(6) SPECIAL RULE FOR QUALIFIED LEASED PROPERTY.—In any case in which—

"(A) the lessor of qualified leased property (within the meaning of section 168(f)(8)(D)) is treated as the owner of such property for purposes of this subtitle under section 168(f)(8), and *Ante*, p. 203.

"(B) the lessee acquires such property,

the recomputed basis of the lessee under this subsection shall be determined by taking into account any adjustments which would be taken into account in determining the recomputed basis of the lessor."

(e) APPLICATION WITH SECTION 1250.—Subsection (d) of section 1250 (relating to exceptions and limitations) is amended by adding at the end thereof the following new paragraph: 26 USC 1250.

"(11) SECTION 1245 RECOVERY PROPERTY.—Subsection (a) shall not apply to the disposition of property which is section 1245 recovery property (as defined in section 1245(a)(5))." *Ante*, p. 222.

SEC. 205. MINIMUM TAX TREATMENT.

(a) IN GENERAL.—Subsection (a) of section 57 (defining items of tax preference) is amended by inserting immediately after paragraph (11) the following new paragraph: 26 USC 57.

"(12) ACCELERATED COST RECOVERY DEDUCTION.—

"(A) IN GENERAL.—With respect to each recovery property (other than 15-year real property) which is subject to a lease, the amount (if any) by which the deduction allowed under section 168(a) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using the straight-line method (with a half-year convention and without regard to salvage value) and a recovery period determined in accordance with the following table:

"In the case of:	The recovery period is:
3-year property	5 years.
5-year property	8 years.
10-year property	15 years.
15-year public utility property	22 years.

"(B) 15-YEAR REAL PROPERTY.—With respect to each recovery property which is 15-year real property, the amount (if any) by which the deduction allowed under section 168(a) for the taxable year exceeds the deduction which would have been allowable for the taxable year had the property been depreciated using a 15-year period and the straight-line method (without regard to salvage value).

"(C) PARAGRAPHS (2) AND (3) SHALL NOT APPLY.—Paragraphs (2) and (3) shall not apply to recovery property.

"(D) DEFINITIONS.—For purposes of this paragraph, the terms '3-year property', '5-year property', '10-year property', '15-year public utility property', '15-year real property', and 'recovery property', shall have the same meanings given such terms under section 168."

Ante, p. 203.

(b) CONFORMING AMENDMENT.—The next to the last sentence of section 57(a) is amended by striking out "and (11)" and inserting in lieu thereof ", (11), and (12)".

26 USC 57.

SEC. 206. EARNINGS AND PROFITS.

26 USC 312.

(a) IN GENERAL.—Subsection (k) of section 312 (relating to earnings and profits) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) EXCEPTION FOR RECOVERY AND SECTION 179 PROPERTY.—

"(A) RECOVERY PROPERTY.—Except as provided in subparagraphs (B) and (C), in the case of recovery property (within the meaning of section 168), the adjustment to earnings and profits for depreciation for any taxable year shall be the amount determined under the straight-line method (using a half year convention in the case of property other than the 15-year real property and without regard to salvage value) and using a recovery period determined in accordance with the following table:

"In the case of:	The applicable recovery period is:
3-year property	5 years.
5-year property	12 years.
10-year property	25 years.
15-year real property	35 years.
15-year public utility property	35 years.

For purposes of this subparagraph, no adjustment shall be allowed in the year of disposition (except with respect to 15-year real property), and rules similar to the rules under the next to the last sentence of section 168(b)(2)(A) and section 168(b)(2)(B) shall apply.

"(B) TREATMENT OF AMOUNTS DEDUCTIBLE UNDER SECTION 179.—For purposes of computing the earnings and profits of a corporation, any amount deductible under section 179 shall be allowed as a deduction ratably over the period of 5 years (beginning with the year for which such amount is deductible under section 179).

Ante, p. 219.

"(C) FLEXIBILITY.—In any case where a different recovery percentage is elected under section 168(b)(3) or (f)(2)(C) based on a recovery period longer than the recovery period provided in subparagraph (A), the adjustment to earnings and profits shall be based on such longer period under rules similar to those provided in subparagraph (A)."

(b) FOREIGN CORPORATIONS.—Paragraph (4) of section 312(k), as redesignated by subsection (a), is amended—

(1) by striking out "paragraph (1)" and inserting in lieu thereof "paragraphs (1) and (3)", and

(2) by adding at the end thereof the following new sentence: "In determining the earnings and profits of such corporation in the case of recovery property (within the meaning of section 168), the rules of section 168(f)(2) shall apply."

(c) CONFORMING AMENDMENT.—Subsection (a) of section 964 (relating to miscellaneous provisions involving controlled foreign corporations) is amended by striking out "section 312(k)(3)" and inserting in lieu thereof "section 312(k)(4)". 26 USC 964.

SEC. 207. EXTENSION OF CARRYOVER PERIOD FOR NET OPERATING LOSSES AND CERTAIN CREDITS.

(a) NET OPERATING LOSS.—

(1) IN GENERAL.—Subparagraph (B) of section 172(b)(1) (relating to net operating loss carryovers) is amended by striking out "7" and inserting in lieu thereof "15". 26 USC 172.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (C) of section 172(b)(1) is amended—

(i) by inserting "and before January 1, 1976," after "1955,", and

(ii) by striking out the last sentence thereof.

(B)(i) Subparagraph (E)(i)(II) of section 172(b)(1) is amended by striking out "8" and inserting in lieu thereof "15". 94 Stat. 3464.

(ii) Clause (ii) of section 172(b)(1)(E) is amended to read as follows:

"(ii) In the case of any net operating loss for a taxable year which is not a REIT year, such loss shall not be carried back to any taxable year which is a REIT year."

(C) Paragraph (3) of section 172(g) (relating to certain regulated transportation corporations) is amended—

(i) by inserting "and" at the end of subparagraph (A),

(ii) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(iii) by striking out subparagraph (C).

(b) CERTAIN LOSSES OF LIFE INSURANCE COMPANIES.—Paragraph (1) of section 812(b) (relating to operations loss carrybacks and carryovers of life insurance companies) and paragraph (1) of section 825(d) (relating to unused loss carrybacks and carryovers of mutual life insurance companies) are each amended by striking out "7" and inserting in lieu thereof "15". 26 USC 812. 26 USC 825.

(c) CARRYOVER OF TAX CREDITS.—

(1) INVESTMENT CREDIT AND WIN CREDIT.—Paragraph (1) of section 46(b) (relating to carryback and carryovers of unused investment credits) and paragraph (1) of section 50A(b) (relating to carryback and carryover of unused work incentive program credit) are each amended by adding at the end thereof the following new sentence: "In the case of an unused credit for an unused credit year ending after December 31, 1973, this paragraph shall be applied by substituting '15' for '7' in subparagraph (B), and by substituting '18' for '10', and '17' for '9' in the second sentence." 26 USC 46. 26 USC 50A.

(2) NEW EMPLOYEE CREDIT.—Paragraph (1) of section 53(c) (relating to carrybacks and carryovers of new employee credit) is amended— 26 USC 53.

(A) by striking out "7" in subparagraph (B) and inserting in lieu thereof "15",

(B) by striking out "10" and inserting in lieu thereof "18", and

(C) by striking out "9" and inserting in lieu thereof "17".

(3) ALCOHOL FUELS CREDIT.—Subparagraph (A) of section 44E(e)(2) (relating to carryover of unused credit) is amended— 26 USC 44E.

(A) by striking out "7" each place it appears and inserting in lieu thereof "15", and

(B) by striking out "6" and inserting in lieu thereof "14".

SEC. 208. CARRYOVER OF RECOVERY ATTRIBUTE IN SECTION 381 TRANSACTIONS.

Post, p. 246.
26 USC 381.

Subsection (c) of section 381 is amended by adding at the end thereof the following new paragraph:

"(28) METHOD OF COMPUTING RECOVERY ALLOWANCE FOR RECOVERY PROPERTY.—The acquiring corporation shall be treated as the distributor or transferor corporation for purposes of computing the deduction allowable under section 168(a) on property acquired in a distribution or transfer with respect to so much of the basis in the hands of the acquiring corporation as does not exceed the adjusted basis in the hands of the distributor or transferor corporation."

Ante, p. 203.

26 USC 168 note.

SEC. 209. EFFECTIVE DATES.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amendments made by this subtitle shall apply to property placed in service after December 31, 1980, in taxable years ending after such date.

(b) SPECIAL RULE FOR RRB PROPERTY.—The amendment made by subsection (c) of section 203 shall take effect on January 1, 1981, and shall apply with respect to taxable years ending after such date.

(c) SPECIAL RULE FOR CARRYOVERS.—

(1)(A) Except as provided in subparagraph (B), the amendments made by subsections (a) and (b) of section 207 shall apply to net operating losses in taxable years ending after December 31, 1975.

(B) The amendments made by subparagraph (B)(i) of section 207(a)(2) shall take effect as if they had been included in the amendments made by section 1(a) of Public Law 96-595; except that the amendments made by such subparagraph shall apply only to net operating losses in taxable years ending after December 31, 1972.

94 Stat. 3464.
26 USC 172.

(2)(A) The amendments made by subsection (c)(1) of section 207 shall apply to unused credit years ending after December 31, 1973.

(B) The amendment made by subsection (c)(2) of section 207 shall apply to unused credit years beginning after December 31, 1976.

(C) The amendments made by subsection (c)(3) of section 207 shall apply to unused credit years ending after September 30, 1980.

26 USC 168 note.

(d) SPECIAL RULE FOR PUBLIC UTILITIES.—

(1) TRANSITIONAL RULE FOR NORMALIZATION REQUIREMENTS.—If, by the terms of the applicable rate order last entered before the date of the enactment of this Act by a regulatory commission having appropriate jurisdiction, a regulated public utility would (but for this provision) fail to meet the requirements of section 168(e)(3) of the Internal Revenue Code of 1954 with respect to property because, for an accounting period ending after December 31, 1980, such public utility used a method of accounting other than a normalization method of accounting, such regulated public utility shall not fail to meet such requirements if, by the terms of its first rate order determining cost of service with respect to such property which becomes effective after the date of the enactment of this Act and on or before January 1, 1983, such regulated public utility uses a normalization method of account-

ing. This provision shall not apply to any rate order which, under the rules in effect before the date of the enactment of this Act, required a regulated public utility to use a method of accounting with respect to the deduction allowable by section 167 which, under section 167(l), it was not permitted to use.

(2) TRANSITIONAL RULE FOR REQUIREMENTS OF SECTION 46(f).—If, by the terms of the applicable rate order last entered before the date of the enactment of this Act by a regulatory commission having appropriate jurisdiction, a regulated public utility would (but for this provision) fail to meet the requirements of paragraph (1) or (2) of section 46(f) of the Internal Revenue Code of 1954 with respect to property for an accounting period ending after December 31, 1980, such regulated public utility shall not fail to meet such requirements if, by the terms of its first rate order determining cost of service with respect to such property which becomes effective after the date of the enactment of this Act and on or before January 1, 1983, such regulated public utility meets such requirements. This provision shall not apply to any rate order which, under the rules in effect before the date of the enactment of this Act, was inconsistent with the requirements of paragraph (1) or (2) of section 46(f) of such Code (whichever would have been applicable). 26 USC 46 note.

(3) CLARIFICATION.—Subparagraph (C) of section 167(l)(3) is amended by inserting "and which is placed in service before January 1, 1981" immediately before the period at the end thereof. 26 USC 167.

(4) AUTHORITY TO PRESCRIBE INTERIM REGULATIONS WITH RESPECT TO NORMALIZATION.—Until Congress acts further, the Secretary of the Treasury or his delegate may prescribe such interim regulations as may be necessary or appropriate to determine whether the requirements of section 168(e)(3)(B) of the Internal Revenue Code of 1954 have been met with respect to property placed in service after December 31, 1980. 26 USC 168 note. *Ante*, p. 203.

Subtitle B—Investment Tax Credit Provisions

SEC. 211. MODIFICATION OF INVESTMENT TAX CREDIT TO REFLECT ACCELERATED COST RECOVERY.

(a) APPLICABLE PERCENTAGE.—

(1) IN GENERAL.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph: 26 USC 46.

"(7) APPLICABLE PERCENTAGE FOR RECOVERY PROPERTY.—Notwithstanding paragraph (2), the applicable percentage for purposes of paragraph (1) shall be—

"(A) in the case of 15-year public utility, 10-year, or 5-year property (within the meaning of section 168(c)), 100 percent, and

"(B) in the case of 3-year property (within the meaning of section 168(c)), 60 percent.

For purposes of subparagraph (A), RRB replacement property (within the meaning of section 168(f)(3)(B)) shall be treated as 5-year property."

(2) Subsection (a) of section 48 (defining section 38 property) is amended by striking out paragraph (9). 26 USC 48.

(b) REVISION OF PROGRESS EXPENDITURE RULES.—

26 USC 46.

(1) IN GENERAL.—Paragraph (1) of section 46(d) (defining qualified progress expenditures) is amended to read as follows:

"(1) INCREASE IN QUALIFIED INVESTMENT.—

"(A) IN GENERAL.—In the case of any taxpayer who has made an election under paragraph (6), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this subsection) shall be increased by an amount equal to the aggregate of the applicable percentage of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(B) APPLICABLE PERCENTAGE.—

"(i) RECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for recovery property (within the meaning of section 168) shall be determined under subsection (c)(7) based on a reasonable expectation of what the character of the property will be when it is placed in service.

Ante, p. 203.

"(ii) NONRECOVERY PROPERTY.—For purposes of subparagraph (A), the applicable percentage for property which is not recovery property (within the meaning of section 168) shall be determined under subsection (c)(2) based on a reasonable expectation of what the useful life of the property will be when it is placed in service.

"(iii) APPLICATION ON BASIS OF FACTS KNOWN.—Clauses (i) and (ii) shall be applied on the basis of the facts known at the close of the taxable year of the taxpayer in which the expenditure is made."

(2) CONFORMING AMENDMENT.—Clause (ii) of section 46(d)(2)(A) (defining progress expenditure property) is amended by striking out "having a useful life of 7 years or more".

(c) PETROLEUM PRODUCT STORAGE FACILITIES.—Paragraph (1) of section 48(a) (defining section 38 property) is amended—

26 USC 48.

(1) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", or"; and

(2) by inserting immediately after subparagraph (F) the following new subparagraph:

"(G) a storage facility used in connection with the distribution of petroleum or any primary product of petroleum."

(d) TECHNICAL AMENDMENT RELATING TO NONCORPORATE LESSORS.—Paragraph (3) of section 46(e) (relating to limitations on noncorporate lessors) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), in the case of any recovery property (within the meaning of section 168), the useful life shall be the present class life for such property (as defined in section 168(g)(2))."

(e) CONFORMING AMENDMENTS.—

(1) The heading and so much of paragraph (2) of section 46(c) as precedes the table is amended to read as follows:

"(2) APPLICABLE PERCENTAGE IN CERTAIN CASES.—Except as provided in paragraphs (3), (6), and (7), the applicable percentage for purposes of paragraph (1) for any property shall be determined under the following table:".

(2) Subparagraph (A) of section 46(c)(6) (relating to special rules for commuter highway vehicles) is amended to read as follows:

"(A) IN GENERAL.—Notwithstanding paragraph (2) or (3), in the case of a commuter highway vehicle the useful life of which is 3 years or more, or which is recovery property

(within the meaning of section 168), the applicable percentage for purposes of paragraph (1) shall be 100 percent."

(3) Subparagraph (C) of section 48(l)(2) (defining energy property) is amended by inserting before the period at the end thereof "or which is recovery property (within the meaning of section 168)". 26 USC 48.

(4) The second sentence of section 48(a)(1) (defining section 38 property) is amended by striking out "includes only property" and inserting in lieu thereof "includes only recovery property (within the meaning of section 168 without regard to any useful life) and any other property". *Ante*, p. 203.

(f) APPLICATION OF AT RISK RULES TO INVESTMENT CREDIT.—

(1) IN GENERAL.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraphs: 26 USC 46.

"(8) LIMITATION TO AMOUNT AT RISK.—

"(A) IN GENERAL.—In the case of new or used section 38 property which—

"(i) is placed in service during the taxable year by a taxpayer described in section 465(a)(1), and

"(ii) is used in connection with an activity with respect to which any loss is subject to limitation under section 465,

the basis of such property for purposes of paragraph (1) shall not exceed the amount the taxpayer is at risk with respect to such property as of the close of such taxable year.

"(B) AMOUNT AT RISK.—

"(i) IN GENERAL.—Except as provided in clause (ii), the term 'at risk' has the same meaning given such term by section 465(b) (without regard to paragraph (5) thereof).

"(ii) CERTAIN FINANCING.—In the case of a taxpayer who at all times is at risk (determined without regard to this clause) in an amount equal to at least 20 percent of the basis (determined under section 168(d)(1)(A)(i)) of property described in subparagraph (A) and who acquired such property from a person who is not a related person, such taxpayer shall for purposes of this paragraph be considered at risk with respect to any amount borrowed in connection with such property (other than convertible debt) to the extent that such amount—

"(I) is borrowed from a qualified person, or

"(II) represents a loan from any Federal, State, or local government or instrumentality thereof, or is guaranteed by, any Federal, State, or local government.

"(C) SPECIAL RULE FOR PARTNERSHIPS AND SUBCHAPTER S CORPORATIONS.—In the case of any partnership or electing small business corporation (within the meaning of section 1371(b)), any amount treated as at risk under subparagraph (B)(ii) shall be allocated among the partners or shareholders (and treated as an amount at risk with respect to such persons) in the same manner as the credit allowable by section 38.

"(D) QUALIFIED PERSON.—For purposes of this paragraph, the term 'qualified person' means any person—

"(i) which—

"(I) is an institution described in clause (i), (ii), or (iii) of subparagraph (A) or subparagraph (B) of section 128(c)(2) or an insurance company to which subchapter L applies, or

Post, pp. 267, 270.

"(II) is a pension trust qualified under section 401(a) or a person not described in subclause (I) and which is actively and regularly engaged in the business of lending money,

26 USC 401.

"(ii) which is not a related person with respect to the taxpayer,

"(iii) which is not a person who receives a fee with respect to the taxpayer's investment in property described in subparagraph (A) or a related person to such person, and

"(iv) which is not a person from which the taxpayer acquired the property described in subparagraph (A) or a related person to such person.

"(E) RELATED PERSON.—For purposes of this paragraph, the term 'related person' has the same meaning as such term is used in section 168(e)(4), except that in applying section 168(e)(4)(D)(i) in the case of a person described in subparagraph (D)(i)(II) of this paragraph, sections 267(b) and 707(b)(1) shall be applied by substituting '0 percent' for '50 percent'.

Ante, p. 203.

"(F) SPECIAL RULE FOR CERTAIN ENERGY PROPERTY.—

"(i) IN GENERAL.—The provisions of subparagraph (A) shall not apply to amounts borrowed with respect to qualified energy property (other than amounts described in subparagraph (B)).

"(ii) QUALIFIED ENERGY PROPERTY.—The term 'qualified energy property' means energy property to which (but for this subparagraph) subparagraph (A) applies and—

"(I) which is described in clause (iii),

"(II) with respect to which the energy percentage determined under section 46(a)(2)(C) at the time such property is placed in service is greater than zero,

"(III) with respect to which the taxpayer, as of the close of the taxable year in which the property is placed in service, is at risk (within the meaning of section 465(b) without regard to paragraph (5) thereof) in an amount equal to at least 25 percent of the basis of the property, and

"(IV) with respect to which any nonrecourse financing (other than financing described in section 46(c)(8)(B)(ii)) in connection with such property consists of a level payment loan.

For purposes of subclause (II), the energy percentage for property described in clause (iii)(V) shall be treated as being greater than zero during any period the energy percentage for property described in section 48(l)(14) is greater than zero.

"(iii) PROPERTY TO WHICH THIS SUBPARAGRAPH APPLIES.—Energy property is described in this clause if such property is—

"(I) described in clause (ii), (iv), or (vii) or section 48(l)(2),

"(II) described in section 48(l)(15),

"(III) described in section 48(l)(3)(A)(iii) (but only to the extent such property is used for converting an alternate substance into alcohol for fuel purposes),

"(IV) described in clause (i) of section 48(l)(2)(A) (but only to the extent such property is also described in section 48(l)(3)(A) (viii) or (ix)), or

"(V) property comprising a system for using the same energy source for the sequential generation of electrical power, mechanical shaft power, or both, in combination with steam, heat, or other forms of useful energy.

"(iv) LEVEL PAYMENT LOAN DEFINED.—The term 'level payment loan' means a loan in which each installment is substantially equal, a portion of each installment is attributable to the repayment of principal, and that portion is increased commensurate with decreases in the portion of the payment attributable to interest.

"(9) SUBSEQUENT INCREASES IN THE TAXPAYER'S AMOUNT AT RISK WITH RESPECT TO THE PROPERTY.—

"(A) IN GENERAL.—If, at the close of a taxable year subsequent to the year in which property was placed in service, the amount which the taxpayer has at risk with respect to such property has increased (as determined under subparagraph (B)), such increase shall be taken into account as additional qualified investment in such property in accordance with subparagraph (C).

"(B) INCREASES TO BE TAKEN INTO ACCOUNT.—For purposes of subparagraphs (A) and (C), the amount which a taxpayer has at risk with respect to the property shall be treated as increased by the sum of the cash and the fair market value of property (other than property with respect to which the taxpayer is not at risk) used during the taxable year to reduce the principal sum of any amount with respect to which the taxpayer is not at risk.

"(C) MANNER IN WHICH TAKEN INTO ACCOUNT.—For purposes of determining the amount of credit allowed under section 38 and the amount of credit subject to the early disposition rules under section 47, an increase in a taxpayer's qualified investment in property (determined under subparagraph (B)) shall be deemed to be additional qualified investment made by the taxpayer in the year in which the property referred to in subparagraph (A) was first placed in service. However, the credit determined by taking into account the increase in qualified investment under this paragraph shall be considered a credit earned in the taxable year of such increase."

(2) RECAPTURE.—Section 47 (relating to certain dispositions of section 38 property), is amended by adding at the end thereof the following new subsection: 26 USC 47.

"(d) PROPERTY CEASING TO BE AT RISK.—

"(1) IN GENERAL.—If the taxpayer ceases to any extent to be at risk (within the meaning of section 46(c)(8)(B)) with respect to any amount in connection with section 38 property, then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in credits allowed under section 38 for all prior taxable years which would have resulted from substituting, in determining qualified investment, the amount determined under section 46(c)(8) with respect to such *Ante*, p. 229.

property if, on the date the property was placed in service, the taxpayer had not been at risk with respect to the amount he ceased to be at risk to.

"(2) CERTAIN TRANSFERS NOT TREATED AS CEASING TO BE AT RISK.—If, after the 12-month period after the date on which a taxpayer borrows an amount from a qualified person (within the meaning of section 48(c)(8)(D)) with respect to which such taxpayer is considered at risk under section 48(c)(8)(B), the qualified person transfers or agrees to transfer any evidence of such indebtedness to a person who is not a qualified person, then, for purposes of paragraph (1), the taxpayer shall not be treated as ceasing to be at risk with respect to such amount.

Ante, p. 229.

"(3) SPECIAL RULES FOR CERTAIN ENERGY PROPERTY.—

"(A) IN GENERAL.—In the case of the second taxable year following the taxable year in which any qualified energy property (within the meaning of section 46(c)(8)(E)) is placed in service by the taxpayer and any succeeding taxable year, the taxpayer, for purposes of paragraph (1), shall be treated as ceasing to be at risk with respect to such property for such taxable year in an amount equal to the credit recapture amount (if any).

"(B) CREDIT RECAPTURE AMOUNT.—For purposes of this paragraph, the term 'credit recapture amount' means an amount equal to the excess (if any) of—

"(i) the total amount of principal to be paid as of the close of any taxable year under a nonrecourse level payment loan (as defined in section 46(c)(8)(F)(iv) other than a loan described in section 46(c)(8)(B)(ii)) with respect to such property, over

"(ii) the sum of—

"(I) the amount of principal actually paid as of the close of such taxable year, plus

"(II) the sum of the credit recapture amounts with respect to such property for all preceding taxable years.

"(C) SPECIAL RULES FOR DETERMINING PRINCIPAL TO BE PAID.—For purposes of subparagraph (B)(i), in determining the amount of the principal to be paid under a level payment loan, such determination shall be made as if such loan was to be fully repaid by the end of a period equal to the earlier of—

"(i) the present class life (as defined in section 168(g)(2)) of the property or, if the property has no present class life, a similar period determined by the Secretary, or

Ante, p. 203.

"(ii) the period at the end of which full repayment is to occur under the terms of the loan.

"(D) SPECIAL RULE FOR CERTAIN CUMULATIVE DEFICIENCIES.—If the excess of—

"(i) the amount of the total scheduled principal payments under a loan described in subparagraph (B)(i) as of the close of the taxable year, over

"(ii) the total principal actually paid under such loan as of the close of such taxable year,

is equal to or greater than the amount of such total scheduled payments for the 5-taxable year period ending with such taxable year, then, notwithstanding subparagraph (B), the credit recapture amount for such taxable year shall be equal to the principal remaining to be paid as of the close of

such taxable year over the sum of the credit recapture amounts with respect to such property for all preceding taxable years.

"(E) SPECIAL RULE FOR CERTAIN DISPOSITIONS.—

"(i) IN GENERAL.—If any property which is held by the taxpayer and to which this paragraph applies is disposed of by the taxpayer, then for purposes of paragraph (1) and notwithstanding subparagraph (B), the credit recapture amount for the taxpayer shall be an amount equal to the unpaid principal on the loan described in subparagraph (B)(i) as of the date of disposition;

"(ii) ASSUMPTIONS, ETC.—Any amount of the loan described in subparagraph (B)(i) which is assumed or taken subject to by any person shall be treated for purposes of clause (i) as not reducing unpaid principal with respect to such loan.

"(F) APPLICATION WITH SUBSECTION (a).—The amount of any increase in tax under subsection (a) with respect to any property to which this paragraph applies shall be determined by reducing the qualified investment with respect to such property by the aggregate credit recapture amounts for all taxable years under this paragraph.

"(G) ADDITIONAL INTEREST.—In the case of any increase in tax under paragraph (1) by reason of the application of this paragraph, there shall be added to such tax interest on such tax (determined under section 6621) as if the increase in tax under paragraph (1) was for the taxable year in which the property was placed in service."

(g) AMENDMENT OF RECAPTURE RULES.—

(1) IN GENERAL.—Subsection (a) of section 47 (relating to certain dispositions, etc, of section 38 property) is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following new paragraph: 26 USC 47.

"(5) SPECIAL RULES FOR RECOVERY PROPERTY.—

"(A) GENERAL RULE.—If, during any taxable year, section 38 recovery property is disposed of, or otherwise ceases to be section 38 property with respect to the taxpayer before the close of the recapture period, then, except as provided in subparagraph (D), the tax under this chapter for such taxable year shall be increased by the recapture percentage of the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from reducing to zero the qualified investment taken into account with respect to such property.

"(B) RECAPTURE PERCENTAGE.—For purposes of subparagraph (A), the recapture percentage shall be determined in accordance with the following table:

"If the recovery property ceases to be section 38 property within—	The recapture percentage is:	
	For 15-year, 10-year, and 5-year property	For 3-year property
One full year after placed in service	100	100
One full year after the close of the period described in clause (i)	80	66
One full year after the close of the period described in clause (ii)	60	33

"If the recovery property ceases to be section 38 property within—	The recapture percentage is:	
	For 15-year, 10-year, and 5-year property	For 3-year property
One full year after the close of the period described in clause (iii)	40	0
One full year after the close of the period described in clause (iv)	20	0

"(C) PROPERTY CEASES TO BE PROGRESS EXPENDITURE PROPERTY.—If, during any taxable year, any recovery property taken into account in determining qualified investment under section 46(d)(1) ceases to be progress expenditure property (as determined under paragraph (3)) or becomes, with respect to the taxpayer, recovery property of a character other than that expected in determining the applicable percentage under section 46(d)(1)(B)(i), then the tax under this chapter for such taxable year shall be adjusted in accordance with regulations prescribed by the Secretary.

Ante, p. 228.

"(D) LIMITATION.—The tax for the taxable year shall be increased under subparagraph (A) only with respect to the credits allowed under section 38 which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carrybacks and carryovers under section 46(b) shall be appropriately adjusted.

"(E) DEFINITIONS AND SPECIAL RULES.—

"(i) SECTION 38 RECOVERY PROPERTY.—For purposes of this paragraph, the term 'section 38 recovery property' means any section 38 property which is recovery property (within the meaning of section 168).

Ante, p. 203.

"(ii) RECAPTURE PERIOD.—For purposes of this paragraph, the term 'recapture period' means, with respect to any recovery property, the period consisting of the first full year after the property is placed in service and the 4 succeeding full years (the 2 succeeding full years in the case of 3-year property).

"(iii) CLASSIFICATION OF PROPERTY.—For purposes of this paragraph, property shall be classifed as provided in section 168(c).

"(iv) PARAGRAPH (1) NOT TO APPLY.—Paragraph (1) shall not apply with respect to any recovery property."

(2) TECHNICAL AMENDMENTS.—

26 USC 47.

(A) Subparagraph (D) of section 47(a)(3) is amended to read as follows:

"(D) COORDINATION WITH PARAGRAPHS (1) AND (5).—If, after property is placed in service, there is a disposition or other cessation described in paragraph (1), or a disposition, cessation, or change in expected use described in paragraph (5), then paragraph (1) or (5), as the case may be, shall be applied as if any credit, which was allowable by reason of section 46(d) and which has not been required to be recaptured before such disposition, cessation, or change in use were allowable for the taxable year the property was placed in service."

(B) Paragraph (6) of section 47(a) (as redesignated by paragraph (1) of this subsection) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (5)".

(C) Subparagraph (B) of section 47(a)(7) (as redesignated by paragraph (1)) is amended by striking out "paragraph (5)" and inserting in lieu thereof "paragraph (6)".

(h) TREATMENT OF CERTAIN LEASED ROLLING STOCK.—Clause (ii) of section 48(a)(2)(B) is amended to read as follows: 26 USC 48.

"(ii) rolling stock which is used within and without the United States and which is—

"(I) of a domestic railroad corporation providing transportation subject to subchapter I of chapter 105 of title 49, or 49 USC 10501.

"(II) of a United States person (other than a corporation described in subclause (I)) but only if the rolling stock is not leased to one or more foreign persons for periods aggregating more than 12 months in any 24-month period;".

(i) EFFECTIVE DATE.— 26 USC 46 note.

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to property placed in service after December 31, 1980.

(2) PROGRESS EXPENDITURES.—The amendments made by subsection (b) shall apply to progress expenditures made after December 31, 1980.

(3) PETROLEUM STORAGE FACILITIES.—The amendments made by subsection (c) shall apply to periods after December 31, 1980, under rules similar to the rules under section 48(m).

(4) NONCORPORATE LESSORS.—The amendments made by subsection (d) shall apply to leases entered into after June 25, 1981.

(5) AT RISK RULES.—

(A) IN GENERAL.—The amendment made by subsection (f) shall not apply to—

(i) property placed in service by the taxpayer on or before February 18, 1981, and

(ii) property placed in service by the taxpayer after February 18, 1981, where such property is acquired by the taxpayer pursuant to a binding contract entered into on or before that date.

(B) BINDING CONTRACT.—For purposes of subparagraph (A)(ii), property acquired pursuant to a binding contract shall, under regulations prescribed by the Secretary, include property acquired in a manner so that it would have qualified as pretermination property under section 49(b) (as in effect before its repeal by the Revenue Act of 1978).

(6) LEASED ROLLING STOCK.—The amendment made by subsection (h) shall apply to taxable years beginning after December 31, 1980.

SEC. 212. INCREASE IN INVESTMENT TAX CREDIT FOR QUALIFIED REHABILITATION EXPENDITURES.

(a) INCREASE IN AMOUNT OF CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 46(a)(2) (relating to amount of investment tax credit) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii), by inserting in lieu thereof ", and", and by adding at the end thereof the following new clause: 26 USC 46.

"(iv) in the case of that portion of the basis of any property which is attributable to qualified rehabilitation expenditures, the rehabilitation percentage.".

26 USC 46.

(2) REHABILITATION PERCENTAGE DEFINED.—Paragraph (2) of section 46(a) is amended by adding at the end thereof the following new subparagraph:

"(F) REHABILITATION PERCENTAGE.—For purposes of this paragraph—

"(i) IN GENERAL.—

"In the case of qualified rehabilitation expenditures with respect to a:	The rehabilitation percentage is:
30-year building	15
40-year building	20
Certified historic structure	25.

"(ii) REGULAR AND ENERGY PERCENTAGES NOT TO APPLY.—The regular percentage and the energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

"(iii) DEFINITIONS.—

"(I) 30-YEAR BUILDING.—The term '30-year building' means a qualified rehabilitated building other than a 40-year building and other than a certified historic structure.

"(II) 40-YEAR BUILDING.—The term '40-year building' means any building (other than a certified historic structure) which would meet the requirements of section 48(g)(1)(B) if '40' were substituted for '30' each place it appears in subparagraph (B) thereof.

"(III) CERTIFIED HISTORIC STRUCTURE.—The term 'certified historic structure' has the meaning given to such term by section 48(g)(3)."

26 USC 48.

(3) CONFORMING AMENDMENT.—Section 48(o) (defining certain credits) is amended by adding at the end thereof the following new paragraph:

"(8) REHABILITATION INVESTMENT CREDIT.—The term 'rehabilitation investment credit' means that portion of the credit allowable by section 38 which is attributable to the rehabilitation percentage."

(b) QUALIFIED REHABILITATED BUILDINGS AND EXPENDITURES.—Subsection (g) of section 48 (relating to special rules for qualified rehabilitated buildings) is amended to read as follows:

"(g) SPECIAL RULES FOR QUALIFIED REHABILITATED BUILDINGS.—For purposes of this subpart—

"(1) QUALIFIED REHABILITATED BUILDING DEFINED.—

"(A) IN GENERAL.—The term 'qualified rehabilitated building' means any building (and its structural components)—

"(i) which has been substantially rehabilitated,

"(ii) which was placed in service before the beginning of the rehabilitation, and

"(iii) 75 percent or more of the existing external walls of which are retained in place as external walls in the rehabilitation process.

"(B) 30 YEARS MUST HAVE ELAPSED SINCE CONSTRUCTION.—In the case of a building other than a certified historic structure, a building shall not be a qualified rehabilitated building unless there is a period of at least 30 years between

the date the physical work on the rehabilitation began and the date the building was first placed in service.

"(C) SUBSTANTIALLY REHABILITATED DEFINED.—

"(i) IN GENERAL.—For purposes of subparagraph (A)(i), a building shall be treated as having been substantially rehabilitated only if the qualified rehabilitation expenditures during the 24-month period ending on the last day of the taxable year exceed the greater of—

"(I) the adjusted basis of such property, or

"(II) $5,000.

The adjusted basis of the property shall be determined as of the beginning of the first day of such 24-month period, or of the holding period of the property (within the meaning of section 1250(e)), whichever is later. 26 USC 1250.

"(ii) SPECIAL RULE FOR PHASED REHABILITATION.—In the case of any rehabilitation which may reasonably be expected to be completed in phases set forth in architectural plans and specifications completed before the rehabilitation begins, clause (i) shall be applied by substituting '60-month period' for '24-month period'.

"(iii) LESSEES.—The Secretary shall prescribe by regulation rules for applying this provision to lessees.

"(D) RECONSTRUCTION.—Rehabilitation includes reconstruction.

"(2) QUALIFIED REHABILITATION EXPENDITURE DEFINED.—

"(A) IN GENERAL.—The term 'qualified rehabilitation expenditure' means any amount properly chargeable to capital account which is incurred after December 31, 1981—

"(i) for property (or additions or improvements to property) which have a recovery period (within the meaning of section 168) of 15 years, and *Ante*, p. 203.

"(ii) in connection with the rehabilitation of a qualified rehabilitated building.

"(B) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified rehabilitation expenditure' does not include—

"(i) ACCELERATED METHODS OF DEPRECIATION MAY NOT BE USED.—Any expenditures with respect to which an election has not been made under section 168(b)(3) (to use the straight-line method of depreciation).

"(ii) COST OF ACQUISITION.—The cost of acquiring any building or interest therein.

"(iii) ENLARGEMENTS.—Any expenditure attributable to the enlargement of an existing building.

"(iv) CERTIFIED HISTORIC STRUCTURE, ETC.—Any expenditure attributable to the rehabilitation of a certified historic structure or a building in a registered historic district, unless the rehabilitation is a certified rehabilitation (within the meaning of subparagraph (C)). The preceding sentence shall not apply to a building in a registered historic district if—

"(I) such building was not a certified historic structure,

"(II) the Secretary of the Interior certified to the Secretary that such building is not of historic significance to the district, and

"(III) if the certification referred to in subclause (II) occurs after the beginning of the rehabilitation of such building, the taxpayer certifies to the Secre-

tary that, at the beginning of such rehabilitation, he in good faith was not aware of the requirements of subclause (II).

"(v) EXPENDITURES OF LESSEE.—Any expenditure of a lessee of a building if, on the date the rehabilitation is completed, the remaining term of the lease (determined without regard to any renewal periods) is less than 15 years.

"(C) CERTIFIED REHABILITATION.—For purposes of subparagraph (B), the term 'certified rehabilitation' means any rehabilitation of a certified historic structure which the Secretary of the Interior has certified to the Secretary as being consistent with the historic character of such property or the district in which such property is located.

"(3) CERTIFIED HISTORIC STRUCTURE DEFINED.—

"(A) IN GENERAL.—The term 'certified historic structure' means any building (and its structural components) which—

"(i) is listed in the National Register, or

"(ii) is located in a registered historic district and is certified by the Secretary of the Interior to the Secretary as being of historic significance to the district.

"(B) REGISTERED HISTORIC DISTRICT.—The term 'registered historic district' means—

"(i) any district listed in the National Register, and

"(ii) any district—

"(I) which is designated under a statute of the appropriate State or local government, if such statute is certified by the Secretary of the Interior to the Secretary as containing criteria which will substantially achieve the purpose of preserving and rehabilitating buildings of historic significance to the district, and

"(II) which is certified by the Secretary of the Interior to the Secretary as meeting substantially all of the requirements for the listing of districts in the National Register.

"(4) PROPERTY TREATED AS NEW SECTION 38 PROPERTY.—Property which is treated as section 38 property by reason of subsection (a)(1)(E) shall be treated as new section 38 property.

26 USC 38.

"(5) ADJUSTMENT TO BASIS.—

"(A) IN GENERAL.—For purposes of this subtitle, if a credit is allowed under this section for any qualified rehabilitation expenditure in connection with a qualified rehabilitated building other than a certified historic structure, the increase in basis of such property which would (but for this paragraph) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any qualified rehabilitated building the basis of which was reduced under subparagraph (A), the basis of such building (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under section 47(a)(5)."

Ante, p. 233.

(c) LODGING TO QUALIFY.—Paragraph (3) of section 48(a) (relating to property used for lodging) is amended— 26 USC 48.

(1) by striking out "and" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following new subparagraph:

"(D) a certified historic structure to the extent of that portion of the basis which is attributable to qualified rehabilitation expenditures."

(d) REPEAL OF CERTAIN PROVISIONS RELATING TO HISTORIC STRUCTURES.—

(1) IN GENERAL.—Section 191 (relating to amortization of certain rehabilitation expenditures for certified historic structures) and subsections (n) and (o) of section 167 (relating to depreciation) are hereby repealed. Repeals. 26 USC 191, 167.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (8) of section 48(a) (relating to amortized property) is amended by striking out "188, or 191" and inserting in lieu thereof "or 188". 26 USC 48.

(B) Paragraph (2) of section 57(a) (relating to items of tax preference) is amended by striking out "or 191". 26 USC 57.

(C) Section 280B (relating to demolition of certain historic structures) is amended— 26 USC 280B.

(i) by striking out "section 191(d)(1)" in subsection (a), and inserting in lieu thereof "48(g)(3)(A)", and

(ii) by striking out "section 191(d)(2)" in subsection (b) and inserting in lieu thereof "section 48(g)(3)(B)".

(D) Subsection (f) of section 642 (relating to special rules for credits and deductions) is amended by striking out "188, and 191" and inserting in lieu thereof "and 188". 26 USC 642.

(E) Subparagraph (B) of section 1082(a)(2) (relating to basis for determining gain or loss) is amended by striking out "188, or 191" and inserting in lieu thereof "or 188". 26 USC 1082.

(F) Paragraph (2) of section 1245(a) (relating to gain from dispositions of certain depreciable property) and paragraph (4) of section 1250(b) (relating to gain from dispositions of certain depreciable realty) are each amended by inserting "(as in effect before its repeal by the Economic Recovery Tax Act of 1981)" after "191" each place it appears. 26 USC 1245. 26 USC 1250.

(G) Subsection (a) of section 1016 (relating to adjustments to basis) is amended— 26 USC 1016.

(i) by striking out "and" at the end of paragraph (22),

(ii) by striking out the period at the end of paragraph (23) and inserting in lieu thereof ", and", and

(iii) by adding at the end thereof the following new paragraph:

"(24) to the extent provided in section 48(g)(5), in the case of expenditures with respect to which a credit has been allowed under section 38." *Ante*, p. 236.

(e) EFFECTIVE DATES.— 26 USC 46 note.

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to expenditures incurred after December 31, 1981, in taxable years ending after such date.

(2) TRANSITIONAL RULE.—The amendments made by this section shall not apply with respect to any rehabilitation of a building if—

(A) the physical work on such rehabilitation began before January 1, 1982, and

(B) such building meets the requirements of paragraph (1) of section 48(g) of the Internal Revenue Code of 1954 (as in effect on the day before the date of enactment of this Act) but does not meet the requirements of such paragraph (1) (as amended by this Act).

SEC. 213. INVESTMENT CREDIT FOR USED PROPERTY; INCREASE IN DOLLAR LIMIT.

26 USC 48.

(a) IN GENERAL.—Paragraph (2) of section 48(c) (relating to used section 38 property) is amended by amending subparagraphs (A), (B), and (C) to read as follows:

"(2) DOLLAR LIMITATION.—

"(A) IN GENERAL.—The cost of used section 38 property taken into account under section 46(c)(1)(B) for any taxable year shall not exceed $150,000 ($125,000 for taxable years beginning in 1981, 1982, 1983, or 1984). If such cost exceeds $150,000 (or $125,000 as the case may be), the taxpayer shall select (at such time and in such manner as the Secretary shall by regulations prescribe) the items to be taken into account, but only to the extent of an aggregate cost of $150,000 (or $125,000). Such a selection, once made, may be changed only in the manner, and to the extent, provided by such regulations.

"(B) MARRIED INDIVIDUALS.—In the case of a husband or wife who files a separate return, the limitation under subparagraph (A) shall be $75,000 ($62,500 for taxable years beginning in 1981, 1982, 1983, or 1984). This subparagraph shall not apply if the spouse of the taxpayer has no used section 38 property which may be taken into account as qualified investment for the taxable year of such spouse which ends within or with the taxpayer's taxable year.

"(C) CONTROLLED GROUPS.—In the case of a controlled group, the amount specified under subparagraph (A) shall be reduced for each component member of the group by apportioning such amount among the component members of such group in accordance with their respective amounts of used section 38 property which may be taken into account."

26 USC 48 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 1980.

SEC. 214. INVESTMENT TAX CREDIT ALLOWED FOR CERTAIN REHABILITATED BUILDINGS LEASED TO TAX-EXEMPT ORGANIZATIONS OR TO GOVERNMENTAL UNITS.

(a) USE BY TAX-EXEMPT ORGANIZATIONS.—Paragraph (4) of section 48(a) (relating to property used by certain tax-exempt organizations) is amended by adding at the end thereof the following new sentence: "If any qualified rehabilitated building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply to that portion of the basis of such building which is attributable to qualified rehabilitation expenditures."

94 Stat. 3525.

(b) USE BY GOVERNMENTAL UNITS.—Paragraph (5) of section 48(a) (relating to governmental units) is amended by adding at the end thereof the following new sentence: "If any qualified rehabilitated building is used by the governmental unit pursuant to a lease, this paragraph shall not apply to that portion of the basis of such building which is attributable to qualified rehabilitation expenditures."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to uses after July 29, 1980, in taxable years ending after such date. 26 USC 48 note.

Subtitle C—Incentives for Research and Experimentation

SEC. 221. CREDIT FOR INCREASING RESEARCH ACTIVITIES.

(a) GENERAL RULE.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting after section 44E the following new section:

"SEC. 44F. CREDIT FOR INCREASING RESEARCH ACTIVITIES. 26 USC 44F.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the excess (if any) of—

"(1) the qualified research expenses for the taxable year, over

"(2) the base period research expenses.

"(b) QUALIFIED RESEARCH EXPENSES.—For purposes of this section—

"(1) QUALIFIED RESEARCH EXPENSES.—The term 'qualified research expenses' means the sum of the following amounts which are paid or incurred by the taxpayer during the taxable year in carrying on any trade or business of the taxpayer—

"(A) in-house research expenses, and

"(B) contract research expenses.

"(2) IN-HOUSE RESEARCH EXPENSES.—

"(A) IN GENERAL.—The term 'in-house research expenses' means—

"(i) any wages paid or incurred to an employee for qualified services performed by such employee,

"(ii) any amount paid or incurred for supplies used in the conduct of qualified research, and

"(iii) any amount paid or incurred to another person for the right to use personal property in the conduct of qualified research.

"(B) QUALIFIED SERVICES.—The term 'qualified services' means services consisting of—

"(i) engaging in qualified research, or

"(ii) engaging in the direct supervision or direct support of research activities which constitute qualified research.

If substantially all of the services performed by an individual for the taxpayer during the taxable year consists of services meeting the requirements of clause (i) or (ii), the term 'qualified services' means all of the services performed by such individual for the taxpayer during the taxable year.

"(C) SUPPLIES.—The term 'supplies' means any tangible property other than—

"(i) land or improvements to land, and

"(ii) property of a character subject to the allowance for depreciation.

"(D) WAGES.—

"(i) IN GENERAL.—The term 'wages' has the meaning given such term by section 3401(a).

"(ii) SELF-EMPLOYED INDIVIDUALS AND OWNER-EMPLOYEES.—In the case of an employee (within the meaning of section 401(c)(1)), the term 'wages' includes the earned income (as defined in section 401(c)(2)) of such employee.

26 USC 401.

"(iii) EXCLUSION FOR WAGES TO WHICH NEW JOBS OR WIN CREDIT APPLIES.—The term 'wages' shall not include any amount taken into account in computing the credit under section 40 or 44B.

"(3) CONTRACT RESEARCH EXPENSES.—

"(A) IN GENERAL.—The term 'contract research expenses' means 65 percent of any amount paid or incurred by the taxpayer to any person (other than an employee of the taxpayer) for qualified research.

"(B) PREPAID AMOUNTS.—If any contract research expenses paid or incurred during any taxable year are attributable to qualified research to be conducted after the close of such taxable year, such amount shall be treated as paid or incurred during the period during which the qualified research is conducted.

"(c) BASE PERIOD RESEARCH EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'base period research expenses' means the average of the qualified research expenses for each year in the base period.

"(2) BASE PERIOD.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'base period' means the 3 taxable years immediately preceding the taxable year for which the determination is being made (hereinafter in this subsection referred to as the 'determination year').

"(B) TRANSITIONAL RULES.—Subparagraph (A) shall be applied—

"(i) by substituting 'first taxable year' for '3 taxable years' in the case of the first determination year ending after June 30, 1981, and

"(ii) by substituting '2' for '3' in the case of the second determination year ending after June 30, 1981.

"(3) MINIMUM BASE PERIOD RESEARCH EXPENSES.—In no event shall the base period research expenses be less than 50 percent of the qualified research expenses for the determination year.

"(d) QUALIFIED RESEARCH.—For purposes of this section the term 'qualified research' has the same meaning as the term research or experimental has under section 174, except that such term shall not include—

"(1) qualified research conducted outside the United States,

"(2) qualified research in the social sciences or humanities, and

"(3) qualified research to the extent funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH BY COLLEGES, UNIVERSITIES, AND CERTAIN RESEARCH ORGANIZATIONS.—

"(1) IN GENERAL.—65 percent of any amount paid or incurred by a corporation (as such term is defined in section 170(e)(4)(D)) to any qualified organization for basic research to be performed by such organization shall be treated as contract research expenses. The preceding sentence shall apply only if the amount is paid or

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incurred pursuant to a written research agreement between the corporation and the qualified organization.

"(2) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)), and 26 USC 170.

"(B) any other organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a),

"(ii) is organized and operated primarily to conduct scientific research, and

"(iii) is not a private foundation.

"(3) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective, except that such term shall not include—

"(A) basic research conducted outside the United States, and

"(B) basic research in the social sciences or humanities.

"(4) SPECIAL RULES FOR GRANTS TO CERTAIN FUNDS.—

"(A) IN GENERAL.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term 'qualified fund' means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i),

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (2)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTION.—

"(i) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(f) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the increase in qualified research expenses giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the increase in qualified research expenses giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(2) ALLOCATIONS.—

"(A) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

26 USC 52.

"(B) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(3) ADJUSTMENTS FOR CERTAIN ACQUISITIONS, ETC.—Under regulations prescribed by the Secretary—

"(A) ACQUISITIONS.—If, after June 30, 1980, a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any taxable year ending after such acquisition, the amount of qualified research expenses paid or incurred by the taxpayer during periods before such acquisition shall be increased by so much of such expenses paid or incurred by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business or separate unit acquired by the taxpayer.

"(B) DISPOSITIONS.—If, after June 30, 1980—

"(i) a taxpayer disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and

"(ii) the taxpayer furnished the acquiring person such information as is necessary for the application of subparagraph (A),

then, for purposes of applying this section for any taxable year ending after such disposition, the amount of qualified research expenses paid or incurred by the taxpayer during periods before such disposition shall be decreased by so much of such expenses as is attributable to the portion of such trade or business or separate unit disposed of by the taxpayer.

"(C) INCREASE IN BASE PERIOD.—If during any of the 3 taxable years following the taxable year in which a disposition to which subparagraph (B) applies occurs, the disposing taxpayer (or a person with whom the taxpayer is required to aggregate expenditures under paragraph (1)) reimburses the acquiring person (or a person required to so aggregate expenditures with such person) for research on behalf of the

taxpayer, then the amount of qualified research expenses of the taxpayer for the base period for such taxable year shall be increased by the lesser of—

"(i) the amount of the decrease under subparagraph (B) which is allocable to such base period, or

"(ii) the product of the number of years in the base period, multiplied by the amount of the reimbursement described in this subparagraph.

"(4) SHORT TAXABLE YEARS.—In the case of any short taxable year, qualified research expenses shall be annualized in such circumstances and under such methods as the Secretary may prescribe by regulation.

"(5) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that— 26 USC 1563.

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(g) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) LIABILITY FOR TAX.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(B) SPECIAL RULE FOR PASSTHROUGH OF CREDIT.—In the case of an individual who—

"(i) owns an interest in an unincorporated trade or business,

"(ii) is a partner in a partnership,

"(iii) is a beneficiary of an estate or trust, or

"(iv) is a shareholder in an electing small business corporation (within the meaning of section 1371(b)),

the credit allowed by subsection (a) for any taxable year shall not exceed the lesser of the amount determined under subparagraph (A) for the taxable year or an amount (separately computed with respect to such person's interest in such trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in such trade or business or entity.

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a research credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a research credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before July 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

(b) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.—

94 Stat. 3514.

(A) Subparagraph (A) of section 55(c)(4) (relating to carryover and carryback of certain credits) is amended by striking out "section 44E(e)(1)" and inserting in lieu thereof "section 44F(g)(1), 44E(e)(1)".

Ante, p. 226.
26 USC 381.

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(28) CREDIT UNDER SECTION 44F.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44F, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44F in respect of the distributor or transferor corporation."

Ante, p. 241.

26 USC 383.

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning after June 30, 1982, is amended—

(i) by inserting "to any unused credit of the corporation under section 44F(g)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44F(g)(2)," after "44E(e)(2),", and

(ii) by inserting "RESEARCH CREDITS," after "ALCOHOL FUEL CREDITS," in the section heading.

(E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "alcohol fuel credits,

research credits," after "new employee credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT.—

(A) Subparagraph (C) of section 6511(d)(4) (defining credit carryback) is amended by striking out "and new employee credit carryback" and inserting in lieu thereof "new employee credit carryback, and research credit carryback". *Post*, p. 295. 26 USC 6511.

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments) is amended— 26 USC 6411.

(i) by striking out "or unused new employee credit" each place it appears and inserting in lieu thereof "unused new employee credit, or unused research credit";

(ii) by inserting "by a research credit carryback provided in section 44F(g)(2)," after "53(b)," in the first sentence of subsection (a); 94 Stat. 211.

(iii) by striking out "or a new employee credit carryback from" each place it appears and inserting in lieu thereof "a new employee credit carryback, or a research credit carryback from"; and

(iv) by striking out "work incentive program carryback)" and inserting in lieu thereof "work incentive program carryback, or, in the case of a research credit carryback, to an investment credit carryback, a work incentive program carryback, or a new employee credit carryback)".

(c) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44E" and inserting in lieu thereof "44E, and 44F". 94 Stat. 276. *Post*, p. 295.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44E the following new item:

"Sec. 44F. Credit for increasing research activities."

(d) EFFECTIVE DATE.— 26 USC 44F note.

(1) IN GENERAL.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1981, and before January 1, 1986.

(2) TRANSITIONAL RULE.—

(A) IN GENERAL.—If, with respect to the first taxable year to which the amendments made by this section apply and which ends in 1981 or 1982, the taxpayer may only take into account qualified research expenses paid or incurred during a portion of such taxable year, the amount of the qualified research expenses taken into account for the base period of such taxable year shall be the amount which bears the same ratio to the total qualified research expenses for such base period as the number of months in such portion of such taxable year bears to the total number of months in such taxable year. A similar rule shall apply in the case of a taxpayer's first taxable year ending after December 31, 1985.

(B) DEFINITIONS.—For purposes of the preceding sentence, the terms "qualified research expenses" and "base period" have the meanings given to such terms by section 44F of the Internal Revenue Code of 1954 (as added by this section). *Ante*, p. 241.

SEC. 222. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH.

26 USC 170.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to deductions for charitable, etc., contributions and gifts) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE FOR CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH.—

"(A) LIMIT ON REDUCTION.—In the case of a qualified research contribution, the reduction under paragraph (1)(A) shall be no greater than the amount determined under paragraph (3)(B).

"(B) QUALIFIED RESEARCH CONTRIBUTIONS.—For purposes of this paragraph, the term 'qualified research contribution' means a charitable contribution by a corporation of tangible personal property described in paragraph (1) of section 1221, but only if—

"(i) the contribution is to an educational organization which is described in subsection (b)(1)(A)(ii) of this section and which is an institution of higher education (as defined in section 3304(f)),

"(ii) the property is constructed by the taxpayer,

"(iii) the contribution is made not later than 2 years after the date the construction of the property is substantially completed,

"(iv) the original use of the property is by the donee,

"(v) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences,

"(vi) the property is not transferred by the donee in exchange for money, other property, or services, and

"(vii) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (v) and (vi).

"(C) CONSTRUCTION OF PROPERTY BY TAXPAYER.—For purposes of this paragraph, property shall be treated as constructed by the taxpayer only if the cost of the parts used in the construction of such property (other than parts manufactured by the taxpayer or a related person) do not exceed 50 percent of the taxpayer's basis in such property.

"(D) CORPORATION.—For purposes of this paragraph, the term 'corporation' shall not include—

"(i) an electing small business corporation (as defined in section 1371(b)),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a service organization (as defined in section 414(m)(3))."

26 USC 170 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to charitable contributions made after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 223. SUSPENSION OF REGULATIONS RELATING TO ALLOCATION UNDER SECTION 861 OF RESEARCH AND EXPERIMENTAL EXPENDITURES. 26 USC 174 note.

(a) 2-YEAR SUSPENSION.—In the case of the taxpayer's first 2 taxable years beginning within 2 years after the date of the enactment of this Act, all research and experimental expenditures (within the meaning of section 174 of the Internal Revenue Code of 1954) which are paid or incurred in such year for research activities conducted in the United States shall be allocated or apportioned to sources within the United States.

(b) STUDY.—

(1) IN GENERAL.—The Secretary of the Treasury shall conduct a study with respect to the impact which section 1.861-8 of the Internal Revenue Service Regulations would have (A) on research and experimental activities conducted in the United States and (B) on the availability of the foreign tax credit. 26 CFR 1.861-8.

(2) REPORT.—Not later than the date 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under paragraph (1) (together with such recommendations as he may deem advisable).

Subtitle D—Small Business Provisions

SEC. 231. REDUCTION IN CORPORATE TAX RATES.

(a) IN GENERAL.—Subsection (b) of section 11 (relating to amount of corporate tax) is amended— 26 USC 11.

(1) by striking out "17 percent" in paragraph (1) and inserting in lieu thereof "15 percent (16 percent for taxable years beginning in 1982)", and

(2) by striking out "20 percent" in paragraph (2) and inserting in lieu thereof "18 percent (19 percent for taxable years beginning in 1982)".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 821(a) (relating to imposition of tax on mutual insurance companies to which part II applies) is amended to read as follows: 26 USC 821.

"(2) CAP ON TAX WHERE INCOME IS LESS THAN $12,000.—The tax imposed by paragraph (1) on so much of the mutual insurance company taxable income as does not exceed $12,000 shall not exceed 32 percent (30 percent for taxable years beginning after December 31, 1982) of the amount by which such income exceeds $6,000."

(2) Subparagraph (B) of section 821(c)(1) (relating to imposition of alternative tax for certain small companies) is amended to read as follows:

"(B) CAP WHERE INCOME IS LESS THAN $6,000.—The tax imposed by subparagraph (A) on so much of the taxable investment income as does not exceed $6,000 shall not exceed 32 percent (30 percent for taxable years beginning after December 31, 1982) of the amount by which such income exceeds $3,000."

(3) The amendments made by paragraphs (1) and (2) shall apply to taxable years beginning after December 31, 1978; except that for purposes of applying sections 821(a)(2) and 821(c)(1)(B) of the Internal Revenue Code of 1954 (as amended by this subsection) to 26 USC 821 note.

taxable years beginning before January 1, 1982, the percentage referred to in such section shall be deemed to be 34 percent.

26 USC 11 note.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1981.

SEC. 232. INCREASE IN ACCUMULATED EARNINGS CREDIT.

26 USC 535.

(a) INCREASE IN CREDIT FOR CERTAIN CORPORATIONS.—Paragraph (2) of section 535(c) (relating to accumulated earnings credit) is amended to read as follows:

"(2) MINIMUM CREDIT.—

"(A) IN GENERAL.—The credit allowable under paragraph (1) shall in no case be less than the amount by which $250,000 exceeds the accumulated earnings and profits of the corporation at the close of the preceding taxable year.

"(B) CERTAIN SERVICE CORPORATIONS.—In the case of a corporation the principal function of which is the performance of services in the field of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, subparagraph (A) shall be applied by substituting '$150,000' for '$250,000'."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 535(c) is amended by striking out "$150,000" and inserting in lieu thereof "$250,000".

26 USC 243.
26 USC 1551.

(2) Sections 243(b)(3)(C)(i) (relating to qualifying dividends for purposes of the dividends received deduction) and 1551(a) (relating to disallowance of surtax exemption and accumulated earnings credit) are each amended by striking out "$150,000".

26 USC 1561.

(3) Section 1561(a)(2) (relating to limitations on certain multiple tax benefits in the case of certain controlled corporations) is amended by striking out "$150,000" and inserting in lieu thereof "$250,000 ($150,000 if any component member is a corporation described in section 535(c)(2)(B))".

26 USC 535 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 233. SUBCHAPTER S SHAREHOLDERS.

26 USC 1371.

(a) INCREASE IN NUMBER OF SHAREHOLDERS.—Section 1371(a) (defining small business corporation) is amended by striking out "15 shareholders" in paragraph (1) and inserting in lieu thereof "25 shareholders".

26 USC 1371 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to taxable years beginning after December 31, 1981.

SEC. 234. TREATMENT OF TRUSTS AS SUBCHAPTER S SHAREHOLDERS.

(a) IN GENERAL.—Subsection (e) of section 1371 (relating to certain trusts permitted as shareholders) is amended to read as follows:

"(e) CERTAIN TRUSTS PERMITTED AS SHAREHOLDERS.—

"(1) IN GENERAL.—For purposes of subsection (a), the following trusts may be shareholders:

26 USC 671.

"(A) A trust all of which is treated (under subpart E of part I of subchapter J of this chapter) as owned by an individual who is a citizen or resident of the United States.

"(B) A trust which was described in subparagraph (A) immediately before the death of the deemed owner and which continues in existence after such death, but only for the 60-day period beginning on the day of the deemed owner's death. If a trust is described in the preceding

sentence and if the entire corpus of the trust is includible in the gross estate of the deemed owner, the preceding sentence shall be applied by substituting '2-year period' for '60-day period'.

"(C) A trust with respect to stock transferred to it pursuant to the terms of a will, but only for the 60-day period beginning on the day on which such stock is transferred to it.

"(D) A trust created primarily to exercise the voting power of stock transferred to it.

"(2) TREATMENT AS SHAREHOLDERS.—For purposes of subsection (a)—

"(A) In the case of a trust described in subparagraph (A) of paragraph (1), the deemed owner shall be treated as the shareholder.

"(B) In the case of a trust described in subparagraph (B) of paragraph (1), the estate of the deemed owner shall be treated as the shareholder.

"(C) In the case of a trust described in subparagraph (C) of paragraph (1), the estate of the testator shall be treated as the shareholder.

"(D) In the case of a trust described in subparagraph (D) of paragraph (1), each beneficiary of the trust shall be treated as a shareholder."

(b) QUALIFIED SUBCHAPTER S TRUSTS.—Section 1371 is amended by adding at the end thereof the following new subsection: 26 USC 1371.

"(g) SPECIAL RULE FOR QUALIFIED SUBCHAPTER S TRUST.—

"(1) IN GENERAL.—In the case of a qualified subchapter S trust with respect to which a beneficiary makes an election under paragraph (2)—

"(A) such trust shall be treated as a trust described in subsection (e)(1)(A), and

"(B) for purposes of section 678(a), the beneficiary of such trust shall be treated as the owner of that portion of the trust which consists of stock in an electing small business corporation with respect to which the election under paragraph (2) is made.

"(2) ELECTION.—

"(A) IN GENERAL.—A beneficiary of a qualified subchapter S trust (or his legal representative) may elect to have this subsection apply.

"(B) MANNER AND TIME OF ELECTION.—An election under this paragraph shall be made—

"(i) separately with respect to each electing small business corporation the stock of which is held by the trust,

"(ii) separately with respect to each successive income beneficiary of the trust, and

"(iii) in such manner and form, and at such time, as the Secretary may prescribe.

"(C) ELECTION IRREVOCABLE.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(D) GRACE PERIOD.—An election under this paragraph shall be effective up to 60 days before the date of the election.

"(3) QUALIFIED SUBCHAPTER S TRUST.—For purposes of this subsection, the term 'qualified subchapter S trust' means a trust—

"(A) which owns stock in 1 or more electing small business corporations,

"(B) all of the income of which is distributed currently to one individual who is a citizen or resident of the United States, and

"(C) the terms of which require that—

"(i) at any time, there shall be only one income beneficiary of the trust,

"(ii) any corpus distributed during the term of the trust may be distributed only to the current income beneficiary thereof,

"(iii) each income interest in the trust shall terminate on the earlier of the death of the income beneficiary or the termination of the trust, and

"(iv) upon the termination of the trust during the life of an income beneficiary, the trust shall distribute all of its assets to such income beneficiary.

"(4) TRUST CEASING TO BE QUALIFIED.—If a qualified subchapter S trust ceases to meet any requirement under paragraph (3), the provisions of this subsection shall not apply to such trust as of the date it ceases to meet such requirements."

26 USC 1371 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 235. SIMPLIFICATION OF LIFO BY USE OF GOVERNMENT INDEXES TO BE PROVIDED BY REGULATIONS.

26 USC 472.

Section 472 is amended by adding at the end thereof the following new subsection:

"(f) USE OF GOVERNMENT PRICE INDEXES IN PRICING INVENTORY.—The Secretary shall prescribe regulations permitting the use of suitable published governmental indexes in such manner and circumstances as determined by the Secretary for purposes of the method described in subsection (b)."

SEC. 236. 3-YEAR AVERAGING PERMITTED FOR INCREASES IN INVENTORY VALUE.

(a) GENERAL RULE.—Subsection (d) of section 472 is amended to read as follows:

"(d) 3-YEAR AVERAGING FOR INCREASES IN INVENTORY VALUE.—The beginning inventory for the first taxable year for which the method described in subsection (b) is used shall be valued at cost. Any change in the inventory amount resulting from the application of the preceding sentence shall be taken into account ratably in each of the 3 taxable years beginning with the first taxable year for which the method described in subsection (b) is first used."

26 USC 472 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1981.

SEC. 237. ELECTION BY SMALL BUSINESS TO USE ONE INVENTORY POOL WHEN LIFO IS ELECTED.

(a) IN GENERAL.—Subpart D of part II of subchapter E of chapter 1 (relating to inventories) is amended by adding at the end thereof the following new section:

26 USC 474.

"SEC. 474. ELECTION BY CERTAIN SMALL BUSINESSES TO USE ONE INVENTORY POOL.

"(a) IN GENERAL.—A taxpayer which is an eligible small business and which uses the dollar-value method of pricing inventories under

the method provided by section 472(b) may elect to use one inventory pool for any trade or business of such taxpayer. 26 USC 472.

"(b) ELIGIBLE SMALL BUSINESS DEFINED.—For purposes of this section, a taxpayer is an eligible small business for any taxable year if the average annual gross receipts of the taxpayer do not exceed $2,000,000 for the 3-taxable-year period ending with the taxable year.

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

"(1) CONTROLLED GROUPS.—

"(A) IN GENERAL.—In the case of a taxpayer which is a member of a controlled group, all persons which are component members of such group at any time during the calendar year shall be treated as one taxpayer for such year for purposes of determining the gross receipts of the taxpayer.

"(B) CONTROLLED GROUP DEFINED.—For purposes of subparagraph (A), persons shall be treated as being members of a controlled group if such persons would be treated as a single employer under the regulations prescribed under section 52(b).

"(2) ELECTION.—

"(A) IN GENERAL.—The election under this section may be made without the consent of the Secretary and shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(B) PERIOD TO WHICH ELECTION APPLIES.—The election under this section shall apply—

"(i) to the taxable year for which it is made, and

"(ii) to all subsequent taxable years for which the taxpayer is an eligible small business,

unless the taxpayer secures the consent of the Secretary to the revocation of such election.

"(3) TRANSITIONAL RULES.—In the case of a taxpayer who changes the number of inventory pools maintained by him in a taxable year by reason of an election (or cessation thereof) under this section—

"(A) the inventory pools combined or separated shall be combined or separated in the manner provided by regulations under section 472;

"(B) the aggregate dollar value of the taxpayer's inventory as of the beginning of the first taxable year—

"(i) for which an election under this section is in effect, or

"(ii) after such election ceases to apply,

shall be the same as the aggregate dollar value as of the close of the taxable year preceding the taxable year described in clause (i) or (ii) (as the case may be), and

"(C) the first taxable year for which an election under this section is in effect or after such election ceases to apply (as the case may be) shall be treated as a new base year in accordance with procedures provided by regulations under section 472."

(b) CLERICAL AMENDMENT.—The table of sections for such subpart D is amended by adding at the end thereof the following new item:

"Sec. 474. Election by certain small businesses to use one inventory pool."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981. 26 USC 474 note.

26 USC 471 note.

SEC. 238. STUDY OF ACCOUNTING METHODS FOR INVENTORY.

(a) STUDY.—The Secretary of the Treasury shall conduct a full and complete study of methods of tax accounting for inventory with a view toward the development of simplified methods. Such study shall include (but shall not be limited to) an examination of the last-in first-out method and the cash receipts and disbursements method.

(b) REPORT.—Not later than December 31, 1982, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate a report on the study conducted under subsection (a), together with such recommendations as he deems appropriate.

Subtitle E—Savings and Loan Associations

SEC. 241. REORGANIZATIONS INVOLVING FINANCIALLY TROUBLED THRIFT INSTITUTIONS.

26 USC 368.

AMENDMENT OF SECTION 368(a)(3)(D).—Section 368(a)(3)(D) (relating to agency receivership proceedings which involve financial institutions) is amended to read as follows:

"(D) AGENCY PROCEEDINGS WHICH INVOLVE FINANCIAL INSTITUTIONS.—

"(i) For purpose of subparagraphs (A) and (B)—

"(I) In the case of a receivership, foreclosure, or similar proceeding before a Federal or State agency involving a financial institution to which section 585 applies, the agency shall be treated as a court, and

"(II) In the case of a financial institution to which section 593 applies, the term 'title 11 or similar case' means only a case in which the Board (which will be treated as the court in such case) makes the certification described in clause (ii).

"Title 11 or similar case."

"(ii) A transaction otherwise meeting the requirements of subparagraph (G) of paragraph (1), in which the transferor corporation is a financial institution to which section 593 applies, will not be disqualified as a reorganization if no stock or securities of the corporation to which the assets are transferred (transferee) are received or distributed, but only if all of the following conditions are met:

"(I) the requirements of subparagraphs (A) and (B) of section 354(b)(1) are met with respect to the acquisition of the assets,

"(II) substantially all of the liabilities of the transferor immediately before the transfer become, as a result of the transfer, liabilities of the transferee, and

"(III) the Board certifies that the grounds set forth in section 1464(d)(6)(A) (i), (ii), or (iii) of title 12, United States Code, exist with respect to the transferor or will exist in the near future in the absence of action by the Board.

"(iii) For purposes of this subparagraph, the 'Board' means the Federal Home Loan Bank Board or the Federal Savings and Loan Insurance Corporation or, if neither has supervisory authority with respect to the transferor, the equivalent State authority."

SEC. 242. LIMITATIONS ON CARRYOVERS OF FINANCIAL INSTITUTIONS.

Section 382(b)(7) (relating to reduction of net operating loss carryovers in title 11 or similar cases), as added by section 2(d) of Public Law 96-589, is amended to read as follows: 94 Stat. 3396.

"(7) SPECIAL RULE FOR REORGANIZATIONS IN TITLE 11 OR SIMILAR CASES.—For purposes of this subsection—

"(A) a creditor who receives stock in a reorganization in a title 11 or similar case (within the meaning of section 368(a)(3)(A)) shall be treated as a stockholder immediately before the reorganization, and

"(B) in a transaction qualifying under section 368(a)(3)(D)(ii)— *Ante*, p. 254.

"(i) a depositor in the transferor shall be treated as a stockholder immediately before the reorganization of the loss corporation,

"(ii) deposits in the transferor which become, as a result of the transfer, deposits in the transferee shall be treated as stock of the acquiring corporation owned as a result of owning stock of the loss corporation, and

"(iii) the fair market value of the outstanding stock of the acquiring corporation shall include the amount of deposits in the acquiring corporation immediately after the reorganization."

SEC. 243. RESERVES FOR LOSSES ON LOANS.

Paragraph (1) of section 593(e) (relating to distributions to shareholders of a domestic building and loan association) is amended by striking out "applies." in the last sentence thereof and substituting therefor the following: "applies, or to any distribution to the Federal Savings and Loan Insurance Corporation in redemption of an interest in an association, if such interest was originally received by the Federal Savings and Loan Insurance Corporation in exchange for financial assistance pursuant to section 406(f) of the National Housing Act (12 U.S.C. sec. 1729(f))." 26 USC 593.

SEC. 244. FSLIC FINANCIAL ASSISTANCE.

(a) IN GENERAL.—Part II of subchapter H of subtitle A of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 597. FSLIC FINANCIAL ASSISTANCE. 26 USC 597.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income of a domestic building and loan association does not include any amount of money or other property received from the Federal Savings and Loan Insurance Corporation pursuant to section 406(f) of the National Housing Act (12 U.S.C. sec. 1729(f)), regardless of whether any note or other instrument is issued in exchange therefor.

"(b) NO REDUCTION IN BASIS OF ASSETS.—No reduction in the basis of assets of a domestic building and loan association shall be made on account of money or other property received under the circumstances referred to in subsection (a)."

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter H of chapter 1 is amended by inserting after the item relating to section 596 the following:

"Sec. 597. FSLIC financial assistance."

SEC. 245. MUTUAL SAVINGS BANKS WITH CAPITAL STOCK.

(a) IN GENERAL.—Section 591 (relating to dividends paid on deposits) is amended— 26 USC 591.

(1) by inserting "(a) IN GENERAL.—" before "In", and

(2) by adding at the end thereof the following new subsection:

"(b) MUTUAL SAVINGS BANK TO INCLUDE CERTAIN BANKS WITH CAPITAL STOCK.—For purposes of this part, the term 'mutual savings bank' includes any bank—

"(1) which has capital stock represented by shares, and

"(2) which is subject to, and operates under, Federal or State laws relating to mutual savings bank."

(b) PERCENTAGE OF TAXABLE INCOME METHOD.—

26 USC 593.

(1) Subparagraph (B) of section 593(b)(2) (relating to reduction of applicable percentage in certain cases) is amended by inserting "which is not described in section 591(b)" after "mutual savings bank" each place it appears.

(2) Subparagraph (C) of section 593(b)(2) is amended by inserting "which are not described in section 591(b)" after "mutual savings banks".

(c) CONFORMING AMENDMENTS.—

(1) Sections 593(a) (relating to reserves for losses on loans) is amended by striking out "not having capital stock represented by shares".

(2) Paragraph (1) of section 593(e) (relating to distributions to shareholders) is amended by inserting "or an institution that is treated as a mutual savings bank under section 591(b)" after "association" each place it appears.

SEC. 246. EFFECTIVE DATES.

26 USC 368 note.

(a) The amendment made by sections 241 and 242 shall apply to any transfer made on or after January 1, 1981.

26 USC 593 note.

(b) The amendment made by section 243 shall apply to any distribution made on or after January 1, 1981.

26 USC 597 note.

(c) The amendment made by section 244 shall apply to any payment made on or after January 1, 1981.

26 USC 591 note.

(d) The amendments made by section 245 shall apply with respect to taxable years ending after the date of the enactment of this Act.

Subtitle F—Stock Options, etc.

SEC. 251. STOCK OPTIONS.

(a) IN GENERAL.—Part II of subchapter D of chapter 1 (relating to certain stock options) is amended by adding after section 422 the following new section:

26 USC 422A.

"SEC. 422A. INCENTIVE STOCK OPTIONS.

"(a) IN GENERAL.—Section 421(a) shall apply with respect to the transfer of a share of stock to an individual pursuant to his exercise of an incentive stock option if—

"(1) no disposition of such share is made by him within 2 years from the date of the granting of the option nor within 1 year after the transfer of such share to him, and

"(2) at all times during the period beginning on the date of the granting of the option and ending on the day 3 months before the date of such exercise, such individual was an employee of either the corporation granting such option, a parent or subsidiary corporation of such corporation, or a corporation or a parent or subsidiary corporation of such corporation issuing or assuming a stock option in a transaction to which section 425(a) applies.

"(b) INCENTIVE STOCK OPTION.—For purposes of this part, the term 'incentive stock option' means an option granted to an individual for any reason connected with his employment by a corporation, if granted by the employer corporation or its parent or subsidiary corporation, to purchase stock of any of such corporations, but only if—

"(1) the option is granted pursuant to a plan which includes the aggregate number of shares which may be issued under options and the employees (or class of employees) eligible to receive options, and which is approved by the stockholders of the granting corporation within 12 months before or after the date such plan is adopted;

"(2) such option is granted within 10 years from the date such plan is adopted, or the date such plan is approved by the stockholders, whichever is earlier;

"(3) such option by its terms is not exercisable after the expiration of 10 years from the date such option is granted;

"(4) the option price is not less than the fair market value of the stock at the time such option is granted;

"(5) such option by its terms is not transferable by such individual otherwise than by will or the laws of descent and distribution, and is exercisable, during his lifetime, only by him;

"(6) such individual, at the time the option is granted, does not own stock possessing more than 10 percent of the total combined voting power of all classes of stock of the employer corporation or of its parent or subsidiary corporation;

"(7) such option by its terms is not exercisable while there is outstanding (within the meaning of subsection (c)(7)) any incentive stock option which was granted, before the granting of such option, to such individual to purchase stock in his employer corporation or in a corporation which (at the time of the granting of such option) is a parent or subsidiary corporation of the employer corporation, or in a predecessor corporation of any of such corporations; and

"(8) in the case of an option granted after December 31, 1980, under the terms of the plan the aggregate fair market value (determined as of the time the option is granted) of the stock for which any employee may be granted options in any calendar year (under all such plans of his employer corporation and its parent and subsidiary corporation) shall not exceed $100,000 plus any unused limit carryover to such year.

"(c) SPECIAL RULES.—

"(1) EXERCISE OF OPTION WHEN PRICE IS LESS THAN VALUE OF STOCK.—If a share of stock is transferred pursuant to the exercise by an individual of an option which would fail to qualify as an incentive stock option under subsection (b) because there was a failure in an attempt, made in good faith, to meet the requirement of subsection (b)(4), the requirement of subsection (b)(4) shall be considered to have been met.

"(2) CERTAIN DISQUALIFYING DISPOSITIONS WHERE AMOUNT REALIZED IS LESS THAN VALUE AT EXERCISE.—If—

"(A) an individual who has acquired a share of stock by the exercise of an incentive stock option makes a disposition of such share within the 2-year period described in subsection (a)(1), and

"(B) such disposition is a sale or exchange with respect to which a loss (if sustained) would be recognized to such individual,

then the amount which is includible in the gross income of such individual, and the amount which is deductible from the income of his employer corporation, as compensation attributable to the exercise of such option shall not exceed the excess (if any) of the amount realized on such sale or exchange over the adjusted basis of such share.

"(3) CERTAIN TRANSFERS BY INSOLVENT INDIVIDUALS.—If an insolvent individual holds a share of stock acquired pursuant to his exercise of an incentive stock option, and if such share is transferred to a trustee, receiver, or other similar fiduciary in any proceeding under title 11 or any other similar insolvency proceeding, neither such transfer, nor any other transfer of such share for the benefit of his creditors in such proceeding, shall constitute a disposition of such share for purposes of subsection (a)(1).

"(4) CARRYOVER OF UNUSED LIMIT.—

"(A) IN GENERAL.—If—

"(i) $100,000 exceeds,

"(ii) the aggregate fair market value (determined as of the time the option is granted) of the stock for which an employee was granted options in any calendar year after 1980 (under all plans described in subsection (b) of his employer corporation and its parent and subsidiary corporations),

one-half of such excess shall be unused limit carryover to each of the 3 succeeding calendar years.

"(B) AMOUNT CARRIED TO EACH YEAR.—The amount of the unused limit carryover from any calendar year which may be taken into account in any succeeding calendar year shall be the amount of such carryover reduced by the amount of such carryover which was used in prior calendar years.

"(C) SPECIAL RULES.—For purposes of subparagraph (B)—

"(i) the amount of options granted during any calendar year shall be treated as first using up the $100,000 limitation of subsection (b)(8), and

"(ii) then shall be treated as using up unused limit carryovers to such year in the order of the calendar years in which the carryovers arose.

"(5) PERMISSIBLE PROVISIONS.—An option which meets the requirements of subsection (b) shall be treated as an incentive stock option even if—

"(A) the employee may pay for the stock with stock of the corporation granting the option,

"(B) the employee has a right to receive property at the time of exercise of the option, or

"(C) the option is subject to any condition not inconsistent with the provisions of subsection (b).

Subparagraph (B) shall apply to a transfer of property (other than cash) only if section 83 applies to the property so transferred.

"(6) COORDINATION WITH SECTIONS 422 AND 424.—Sections 422 and 424 shall not apply to an incentive stock option.

"(7) OPTIONS OUTSTANDING.—For purposes of subsection (b)(7), any incentive stock option shall be treated as outstanding until such option is exercised in full or expires by reason of lapse of time.

"(8) 10-PERCENT SHAREHOLDER RULE.—Subsection (b)(6) shall not apply if at the time such option is granted the option price is

at least 110 percent of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of 5 years from the date such option is granted.

"(9) SPECIAL RULE WHEN DISABLED.—For purposes of subsection (a)(2), in the case of an employee who is disabled (within the meaning of section 105(d)(4)), the 3-month period of subsection (a)(2) shall be 1 year."

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 421 (relating to general rules in the case of stock options) is amended— 26 USC 421.

(A) by inserting "422A(a)," after "422(a)," in subsections (a), (b), and (c)(1)(A), and

(B) by inserting "422A(a)(1)," after "section 422(a)(1)," in subsection (b).

(2) Section 425(d) (relating to attribution of stock ownership) is amended by inserting "422A(b)(6)," after "422(b)(7),". 26 USC 425.

(3) Section 425(g) (relating to special rules) is amended by inserting "422A(a)(2)," after "422(a)(2),".

(4) Section 425(h)(3)(B) (relating to definition of modification) is amended by inserting "422A(b)(5)," after "422(b)(6),".

(5) Section 6039 (relating to information required in connection with certain options) is amended— 26 USC 6039.

(A) by inserting ", an incentive stock option," after "qualified stock option" in subsection (a)(1),

(B) by inserting "incentive stock option," after "qualified stock option," in subsection (b)(1), and

(C) by adding at the end of subsection (c) the following new paragraph:

"(4) The term 'incentive stock option', see section 422A(b)."

(6) The table of sections for part II of subchapter D of chapter 1 is amended by inserting after the item relating to section 422 the following new item:

"Sec. 422A. Incentive stock options."

(c) EFFECTIVE DATES AND TRANSITIONAL RULES.— 26 USC 422A note.

(1) OPTIONS TO WHICH SECTION APPLIES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this section shall apply with respect to options granted on or after January 1, 1976, and exercised on or after January 1, 1981, or outstanding on such date.

(B) ELECTION AND DESIGNATION OF OPTIONS.—In the case of an option granted before January 1, 1981, the amendments made by this section shall apply only if the corporation granting such option elects (in the manner and at the time prescribed by the Secretary of the Treasury or his delegate) to have the amendments made by this section apply to such option. The aggregate fair market value (determined at the time the option is granted) of the stock for which any employee was granted options (under all plans of his employer corporation and its parent and subsidiary corporations) to which the amendments made by this section apply by reason of this subparagraph shall not exceed $50,000 per calendar year and shall not exceed $200,000 in the aggregate.

(2) CHANGES IN TERMS OF OPTIONS.—In the case of an option granted on or after January 1, 1976, and outstanding on the date of the enactment of this Act, paragraph (1) of section 425(h) of the

Internal Revenue Code of 1954 shall not apply to any change in the terms of such option (or the terms of the plan under which granted, including shareholder approval) made within 1 year after such date of enactment to permit such option to qualify as a incentive stock option.

SEC. 252. PROPERTY TRANSFERRED TO EMPLOYEES SUBJECT TO CERTAIN RESTRICTIONS.

26 USC 83.

(a) GENERAL RULE.—Subsection (c) of section 83 (relating to special rules) is amended by adding at the end thereof the following new paragraph:

"(3) SALES WHICH MAY GIVE RISE TO SUIT UNDER SECTION 16(b) OF THE SECURITIES AND EXCHANGE ACT OF 1934.—So long as the sale of property at a profit could subject a person to suit under section 16(b) of the Securities and Exchange Act of 1934, such person's rights in such property are—

15 USC 78p.

"(A) subject to a substantial risk of forfeiture, and

"(B) not transferable."

26 USC 83 note.

(b) SPECIAL RULE FOR CERTAIN ACCOUNTING RULES.—For purposes of section 83 of the Internal Revenue Code of 1954, property is subject to substantial risk of forfeiture and is not transferable so long as such property is subject to a restriction on transfer to comply with the "Pooling-of-Interests Accounting" rules set forth in Accounting Series Release Numbered 130 ((10/5/72) 37 FR 20937; 17 CFR 211.130) and Accounting Series Release Numbered 135 ((1/18/73) 38 FR 1734; 17 CFR 211.135).

26 USC 83 note.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) and the provisions of subsection (b) shall apply to taxable years ending after December 31, 1981.

Subtitle G—Miscellaneous Provisions

SEC. 261. ADJUSTMENTS TO NEW JOBS CREDIT.

26 USC 51.

(a) EXTENSION.—Paragraph (4) of section 51(c) (defining wages) is amended to read as follows:

"Wages."

"(4) TERMINATION.—The term 'wages' shall not include any amount paid or incurred to an individual who begins work for the employer after December 31, 1982."

(b) INDIVIDUALS QUALIFYING AS MEMBERS OF A TARGETED GROUP.—

(1) IN GENERAL.—Paragraph (1) of section 51(d) (defining members of targeted groups) is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof a comma, and by adding at the end thereof the following new subparagraphs:

"(H) an eligible work incentive employee, or

"(I) an involuntarily terminated CETA employee.".

(2) DEFINITIONS.—

(A) IN GENERAL.—Subsection (d) of section 51 is amended by redesignating paragraphs (9), (10), (11), and (12) as paragraphs (11), (12), (13), and (14), respectively, and by inserting after paragraph (8) the following new paragraph:

"(9) ELIGIBLE WORK INCENTIVE EMPLOYEES.—The term 'eligible work incentive employee' means an individual who has been certified by the designated local agency as—

"(A) being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period

42 USC 601.

which immediately precedes the date on which such individual is hired by the employer, or

"(B) having been placed in employment under a work incentive program established under section 432(b)(1) of the Social Security Act. 42 USC 632.

"(10) INVOLUNTARILY TERMINATED CETA EMPLOYEE.—The term 'involuntarily terminated CETA employee' means an individual who is certified by the designated local agency as having been involuntarily terminated after December 31, 1980, from employment financed in whole or in part under a program under part D of title II or title VI of the Comprehensive Employment and Training Act." 29 USC 853, 961.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (a) of section 50B (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph: 26 USC 50B.

"(5) TERMINATION.—The term 'work incentive program expenses' shall not include any amount paid or incurred in any taxable year beginning after December 31, 1981."

(ii) Subsection (c) of section 51 (defining wages) is amended by striking out paragraph (3) and redesignating paragraph (4) as paragraph (3).

(iii) Paragraphs (3)(A)(ii), (4)(C), and (7)(B) of section 51(d) are each amended by striking out "paragraph (9)" and inserting in lieu thereof "paragraph (11)". 26 USC 51.

(3) REMOVAL OF AGE LIMITATION ON VIETNAM VETERANS.—Paragraph (4) of section 51(d) (relating to Vietnam veterans) is amended—

(A) by inserting "and" at the end of subparagraph (B),

(B) by striking out ", and" at the end of subparagraph (C) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (D).

(4) YOUTHS PARTICIPATING IN QUALIFIED COOPERATIVE EDUCATION PROGRAMS MUST BE ECONOMICALLY DISADVANTAGED.—Subparagraph (A) of section 51(d)(8) is amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof ", and", and by adding at the end thereof the following new clause:

"(iv) being a member of an economically disadvantaged family (as determined under paragraph (11))."

(c) CERTIFICATIONS.—

(1) CERTIFICATIONS MUST BE MADE BEFORE EMPLOYEE BEGINS WORK, ETC.—Subsection (d) of section 51 is amended by adding at the end thereof the following new paragraph:

"(15) SPECIAL RULES FOR CERTIFICATIONS.—

"(A) IN GENERAL.—An individual shall not be treated as a member of a targeted group unless, before the day on which such individual begins work for the employer, the employer—

"(i) has received a certification from a designated local agency that such individual is a member of a targeted group, or

"(ii) has requested in writing such certification from the designated local agency.

"(B) INCORRECT CERTIFICATIONS.—If—

"(i) an individual has been certified as a member of a targeted group, and

"(ii) such certification is incorrect because it was based on false information provided by such individual, the certification shall be revoked and wages paid by the employer after the date on which notice of revocation is received by the employer shall not be treated as qualified wages."

(2) CERTIFICATION OF ECONOMICALLY DISADVANTAGED FAMILIES.—Paragraph (11) of section 51(d) (as redesignated by subsection (b)(2)(A)) is amended to read as follows:

"(11) MEMBERS OF ECONOMICALLY DISADVANTAGED FAMILIES.—An individual is a member of an economically disadvantaged family if the designated local agency determines that such individual was a member of a family which had an income during the 6 months immediately preceding the month in which such determination occurs, which, on an annual basis, would be 70 percent or less of the Bureau of Labor Statistics lower living standard. Any such determination shall be valid for the 45-day period beginning on the date such determination is made."

26 USC 51.

(d) ELIGIBILITY.—Section 51 is amended by adding at the end thereof the following new subsection:

"(i) CERTAIN INDIVIDUALS INELIGIBLE.—

"(1) RELATED INDIVIDUALS.—No wages shall be taken into account under subsection (a) with respect to an individual who—

"(A) bears any of the relationships described in paragraphs (1) through (8) of section 152(a) to the taxpayer, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than 50 percent in value of the outstanding stock of the corporation (determined with the application of section 267(c)),

"(B) if the taxpayer is an estate or trust, is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in paragraphs (1) through (8) of section 152(a) to a grantor, beneficiary, or fiduciary of the estate or trust, or

"(C) is a dependent (described in section 152(a)(9)) of the taxpayer, or, if the taxpayer is a corporation, of an individual described in subparagraph (A), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

"(2) NONQUALIFYING REHIRES.—No wages shall be taken into account under subsection (a) with respect to any individual if, prior to the hiring date of such individual, such individual had been employed by the employer at any time during which he was not a member of a targeted group."

(e) REPEAL OF PROVISION LIMITING FIRST-YEAR WAGES TO 30 PERCENT OF FUTA WAGES.—

(1) Subsection (e) of section 51 is hereby repealed.

(2) Subsection (f) of section 51 is amended—

(A) by striking out paragraph (3), and

(B) by striking out "any year" in paragraphs (1) and (2) and inserting in lieu thereof "any taxable year".

(f) ADMINISTRATION, AUTHORIZATION OF APPROPRIATIONS.—

(1) ADMINISTRATION.—

(A) DESIGNATED LOCAL AGENCY.—Paragraph (14) of section 51(d) (as redesignated by subsection (b)(2)(A)) is amended to read as follows:

"(14) DESIGNATED LOCAL AGENCY.—The term 'designated local agency' means a State employment security agency established

in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49-49n)."

(B) NOTIFICATION.—Subsection (g) of section 51 (relating to notification of employers) is amended by striking out "Secretary of Labor" each place it appears in the heading and text and inserting in lieu thereof "United States Employment Service". 26 USC 51.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 1982 the sum of $30,000,000 to carry out the functions described by the amendments made by paragraph (1), except that, of the amounts appropriated pursuant to this paragraph— 26 USC 51 note.

(A) $5,000,000 shall be used to test whether individuals certified as members of targeted groups under section 51 of such Code are eligible for such certification (including the use of statistical sampling techniques), and

(B) the remainder shall be distributed under performance standards prescribed by the Secretary of Labor.

(g) EFFECTIVE DATES.— 26 USC 51 note.

(1) AMENDMENTS RELATING TO MEMBERS OF TARGETED GROUPS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), and (D), the amendments made by subsections (b), (c)(2), and (d) shall apply to wages paid or incurred with respect to individuals first beginning work for an employer after the date of the enactment of this Act in taxable years ending after such date.

(B) ELIGIBLE WORK INCENTIVE EMPLOYEES.—The amendments made by subsection (b)(2)(A) to the extent relating to the designation of eligible work incentive employees (within the meaning of section 51(d)(9) of the Internal Revenue Code of 1954) as members of a targeted group and subsection (b)(2)(B)(ii) shall apply to taxable years beginning after December 31, 1981. In the case of an eligible work incentive employee, subsections (a) and (b) of section 51 of such Code shall be applied for taxable years beginning after December 31, 1981, as if such employees had been members of a targeted group for taxable years beginning before January 1, 1982.

(C) COOPERATIVE EDUCATION PROGRAM PARTICIPANTS.—The amendments made by subsection (b)(4) shall apply to wages paid or incurred after December 31, 1981, in taxable years ending after such date.

(D) DESIGNATED LOCAL AGENCY.—The amendments made by subsection (f)(1) shall take effect on the date 60 days after the date of the enactment of this Act.

(2) CERTIFICATIONS.—

(A) IN GENERAL.—The amendment made by subsection (c)(1) shall apply to all individuals whether such individuals began work for their employer before, on, or after the date of the enactment of this Act.

(B) SPECIAL RULE FOR INDIVIDUALS WHO BEGAN WORK FOR THE EMPLOYER BEFORE 45TH DAY BEFORE DATE OF ENACTMENT.—In the case of any individual (other than an individual described in section 51(d)(8) of the Internal Revenue Code of 1954) who began work for the employer before the date 45 days before the date of the enactment of this Act, paragraph (15) of section 51(d) of the Internal Revenue Code of 1954 (as added by subsection (c)(1)) shall be applied by

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substituting "July 23, 1981," for the day on which such individual begins work for the employer.

(C) INDIVIDUALS WHO BEGIN WORK FOR EMPLOYER WITHIN 45 DAYS BEFORE OR AFTER DATE OF ENACTMENT.—In the case of any individual (other than an individual described in section 51(d)(8) of the Internal Revenue Code of 1954) who begins work for the employer during the 90-day period beginning with the date 45 days before the date of the enactment of this Act, and in the case of an individual described in section 51(d)(8) of such Code who begins work before the end of such 90-day period, paragraph (15) of section 51(d) of such Code (as added by subsection (c)(1)) shall be applied by substituting "the last day of the 90-day period beginning with the date 45 days before the date of the enactment of this Act" for the day on which such individual begins work for the employer.

26 USC 51.

(3) LIMITATION ON QUALIFIED FIRST-YEAR WAGES.—The amendment made by subsection (e) shall apply to taxable years beginning after December 31, 1981.

SEC. 262. SECTION 189 MADE INAPPLICABLE TO LOW-INCOME HOUSING.

(a) IN GENERAL.—The table contained in subsection (b) of section 189 (relating to amortization of real property construction period, interest, and taxes) is amended by striking out the column relating to "Low-income housing".

26 USC 189.

(b) CONFORMING AMENDMENT.—Subsection (d) of section 189 (relating to certain residential property excluded) is amended to read as follows:

"(d) CERTAIN PROPERTY EXCLUDED.—This section shall not apply to any—

"(1) low-income housing, or

"(2) real property acquired, constructed, or carried if such property is not, and cannot reasonably expected to be, held in a trade or business, or in an activity conducted for profit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

26 USC 189 note.

SEC. 263. INCREASE IN DEDUCTION ALLOWABLE TO A CORPORATION IN ANY TAXABLE YEAR FOR CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) (relating to percentage limitations) is amended by striking out "5 percent" and inserting in lieu thereof "10 percent".

26 USC 170.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1981.

26 USC 170 note.

SEC. 264. AMORTIZATION OF LOW-INCOME HOUSING.

(a) IN GENERAL.—Paragraph (2) of section 167(k) (relating to rehabilitation of low-income rental housing) is amended by striking out "The" in subparagraph (A) and inserting in lieu thereof "Except as provided in subparagraph (B), the", by redesignating subparagraph (B) as subparagraph (C), and by inserting after subparagraph (A) the following:

26 USC 167.

"(B) The aggregate amount of rehabilitation expenditures paid or incurred by the taxpayer with respect to any dwelling unit in any low-income rental housing which may be taken into account under paragraph (1) may exceed $20,000, but shall not exceed $40,000, if the rehabilitation is conducted pursuant to a program certified by the Secretary of Housing and Urban Development, or his delegate, or by the

government of a State or political subdivision of the United States and if:

"(i) the certification of development costs is required;

"(ii) the tenants occupy units in the property as their principal residence and the program provides for sale of the units to tenants demonstrating home ownership responsibility; and

"(iii) the leasing and sale of such units are pursuant to a program in which the sum of the taxable income, if any, from leasing of each such unit, for the entire period of such leasing, and the amount realized from sale or other disposition of a unit, if sold, normally does not exceed the excess of the taxpayer's cost basis for such unit of property, before adjustment under section 1016 for deductions under section 167, over the net tax benefits realized by the taxpayer, consisting of the tax benefits from such deductions under section 167 minus the tax incurred on such taxable income from leasing, if any."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to rehabilitation expenditures incurred after December 31, 1980. 26 USC 167 note.

SEC. 265. DEDUCTIBILITY OF GIFTS BY EMPLOYERS TO EMPLOYEES.

(a) IN GENERAL.—Subparagraph (C) of section 274(b)(1) (relating to limitation on deductibility of gifts) is amended to read as follows: 26 USC 274.

"(C) an item of tangible personal property which is awarded to an employee by reason of length of service, productivity, or safety achievement, but only to the extent that—

"(i) the cost of such item to the taxpayer does not exceed $400, or

"(ii) such item is a qualified plan award."

(b) QUALIFIED PLAN AWARD DEFINED.—Subsection (b) of section 274 is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFIED PLAN AWARD.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified plan award' means an item which is awarded as part of a permanent, written plan or program of the taxpayer which does not discriminate in favor of officers, shareholders, or highly compensated employees as to eligibility or benefits.

"(B) AVERAGE AMOUNT OF AWARDS.—An item shall not be treated as a qualified plan award for any taxable year if the average cost of all items awarded under all plans described in subparagraph (A) of the taxpayer during the taxable year exceeds $400.

"(C) MAXIMUM AMOUNT PER ITEM.—An item shall not be treated as a qualified plan award under this paragraph to the extent that the cost of such item exceeds $1,600."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after the date of the enactment of this Act. 26 USC 274 note.

SEC. 266. DEDUCTION FOR MOTOR CARRIER OPERATING AUTHORITY. 26 USC 165 note.

(a) GENERAL RULE.—For purposes of chapter 1 of the Internal Revenue Code of 1954, in computing the taxable income of a taxpayer 26 USC 1 *et seq.*

who, on July 1, 1980, held one or more motor carrier operating authorities, an amount equal to the aggregate adjusted basis of all motor carrier operating authorities held by the taxpayer on July 1, 1980, or acquired subsequent thereto pursuant to a binding contract in effect on July 1, 1980, shall be allowed as a deduction ratably over a period of 60 months. Such 60-month period shall begin with the month of July 1980 (or if later, the month in which acquired), or at the election of the taxpayer, the first month of the taxpayer's first taxable year beginning after July 1, 1980.

(b) DEFINITION OF MOTOR CARRIER OPERATING AUTHORITY.—For purposes of this section, the term "motor carrier operating authority" means a certificate or permit held by a motor common or contract carrier of property and issued pursuant to subchapter II of chapter 109 of title 49 of the United States Code.

49 USC 10921.

(c) SPECIAL RULES.—

(1) ADJUSTED BASIS.—For purposes of the Internal Revenue Code of 1954, proper adjustments shall be made in the adjusted basis of any motor carrier operating authority held by the taxpayer on July 1, 1980, for the amounts allowable as a deduction under this section.

26 USC 1 *et seq.*

(2) CERTAIN STOCK ACQUISITIONS.—

(A) IN GENERAL.—Under regulations prescribed by the Secretary of the Treasury or his delegate, and at the election of the holder of the authority, in any case in which a corporation—

(i) on or before July 1, 1980 (or after such date pursuant to a binding contract in effect on such date), acquired stock in a corporation which held, directly or indirectly, any motor carrier operating authority at the time of such acquisition, and

(ii) would have been able to allocate to the basis of such authority that portion of the acquiring corporation's cost basis in such stock attributable to such authority if the acquiring corporation had received such authority in the liquidation of the acquired corporation immediately following such acquisition and such allocation would have been proper under section 334(b)(2) of such Code,

the holder of the authority may, for purposes of this section, allocate a portion of the basis of the acquiring corporation in the stock of the acquired corporation to the basis of such authority in such manner as the Secretary may prescribe in such regulations.

(B) ADJUSTMENT TO BASIS.—Under regulations prescribed by the Secretary of the Treasury or his delegate, proper adjustment shall be made to the basis of the stock or other assets in the manner provided by such regulations to take into account any allocation under subparagraph (A).

(d) EFFECTIVE DATE.—The provisions of this section shall apply to taxable years ending after June 30, 1980.

SEC. 267. LIMITATION ON ADDITIONS TO BANK LOSS RESERVES.

(a) GENERAL RULE.—

(1) The first sentence after subparagraph (B) of paragraph (2) of section 585(b) is amended by striking out "but before 1982; and 0.6 percent for taxable years beginning after 1981" and inserting in lieu thereof "but before 1982; 1.0 percent for taxable years

26 USC 585.

beginning in 1982; and 0.6 percent for taxable years beginning after 1982".

(2) The last sentence of paragraph (2) of section 585(b) is amended by striking out "but before 1982, the last taxable year beginning before 1976, and for taxable years beginning after 1981, the last taxable year beginning before 1982" and inserting in lieu thereof "but before 1983, the last taxable year beginning before 1976, and for taxable years beginning after 1982, the last taxable year beginning before 1983". 26 USC 585.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after 1981. 26 USC 585 note.

TITLE III—SAVINGS PROVISIONS

Subtitle A—Interest Exclusion

SEC. 301. EXCLUSION OF INTEREST ON CERTAIN SAVINGS CERTIFICATES.

(a) GENERAL RULE.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. INTEREST ON CERTAIN SAVINGS CERTIFICATES. 26 USC 128.

"(a) IN GENERAL.—Gross income does not include any amount received by any individual during the taxable year as interest on a depository institution tax-exempt savings certificate.

"(b) MAXIMUM DOLLAR AMOUNT.—

"(1) IN GENERAL.—The aggregate amount excludable under subsection (a) for any taxable year shall not exceed the excess of—

"(A) $1,000 ($2,000 in the case of a joint return under section 6013), over

"(B) the aggregate amount received by the taxpayer which was excludable under subsection (a) for any prior taxable year.

"(2) SPECIAL RULE.—For purposes of paragraph (1)(B), one-half of the amount excluded under subsection (a) on any joint return shall be treated as received by each spouse.

"(c) DEPOSITORY INSTITUTION TAX-EXEMPT SAVINGS CERTIFICATE.—For purposes of this section—

"(1) IN GENERAL.—The term 'depository institution tax-exempt savings certificate' means any certificate—

"(A) which is issued by a qualified savings institution after September 30, 1981, and before January 1, 1983,

"(B) which has a maturity of 1 year,

"(C) which has an investment yield equal to 70 percent of the average investment yield for the most recent auction (before the week in which the certificate is issued) of United States Treasury bills with maturities of 52 weeks, and

"(D) which is made available in denominations of $500.

"(2) QUALIFIED INSTITUTION.—The term 'qualified institution' means—

"(A)(i) a bank (as defined in section 581),

"(ii) a mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar institution under Federal or State law, or

"(iii) a credit union,

the deposits or accounts of which are insured under Federal or State law or are protected or guaranteed under State law, or

"(B) an industrial loan association or bank chartered and supervised under Federal or State law in a manner similar to a savings and loan institution.

The term "qualified institution" does not include any foreign branch or international banking facility of an institution described in the preceding sentence and such a branch or facility shall not be taken into account under subsection (d).

"(d) INSTITUTIONS REQUIRED TO PROVIDE RESIDENTIAL PROPERTY FINANCING.—

"(1) IN GENERAL.—If a qualified savings institution (other than an institution described in subsection (c)(2)(A)(iii)) issues any depository institution tax-exempt savings certificate during any calendar quarter, the amount of the qualified residential financing provided by such institution shall during the succeeding calendar quarter not be less than the lesser of—

"(A) 75 percent of the face amount of depository institution tax-exempt savings certificates issued during the calendar quarter, or

"(B) 75 percent of the qualified net savings for the calendar quarter.

The aggregate amount of qualified tax-exempt savings certificates issued by any institution described in subsection (c)(2)(A)(iii) which are outstanding at the close of any calendar quarter may not exceed the limitation determined under paragraph (4) with respect to such institution for such quarter.

"(2) PENALTY FOR FAILURE TO MEET REQUIREMENTS.—If, as of the close of any calendar quarter, a qualified institution has not met the requirements of paragraph (1) with respect to the preceding calendar quarter, such institution may not issue any certificates until it meets such requirements.

"(3) QUALIFIED RESIDENTIAL FINANCING.—The term 'qualified residential financing' includes, and is limited to—

"(A) any loan secured by a lien on a single-family or multifamily residence,

"(B) any secured or unsecured qualified home improvement loan (within the meaning of section 103A(l)(6) without regard to the $15,000 limit),

"(C) any mortgage (within the meaning of section 103A(l)(1)) on a single-family or multifamily residence which is insured or guaranteed by the Federal, State, or local government or any instrumentality thereof,

"(D) any loan to acquire a mobile home,

"(E) any construction loan for the construction or rehabilitation of a single-family or multifamily residence,

"(F) the purchase of mortgages secured by single-family or multifamily residences on the secondary market but only to the extent the amount of such purchases exceed the amount of sales of such mortgages by an institution,

"(G) the purchase of securities issued or guaranteed by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or securities issued by any other person if such securities are secured by mortgages originated by a qualified institution, but only to the extent the amount

of such purchases exceed the amount of sales of such securities by an institution, and

"(H) any loan for agricultural purposes.

For purposes of this paragraph, the term 'single-family residence' includes 2-, 3-, and 4-family residences, and the term 'residence' includes stock in a cooperative housing corporation (as defined in section 216(b)).

"Single-family residence" and "residence."

"(4) LIMITATION FOR CREDIT UNIONS.—For purposes of paragraph (1), the limitation determined under this paragraph with respect to any institution described in subsection (c)(2)(A)(iii) for any calendar quarter is the sum of—

"(A) the aggregate of the amounts described in subparagraph (A) of paragraph (5) with respect to such institution as of September 30, 1981, plus

"(B) 10 percent of the excess of—

"(i) the aggregate of such amounts as of the close of such calendar quarter, over

"(ii) the amount referred to in subparagraph (A).

"(5) QUALIFIED NET SAVINGS.—The term 'qualified net savings' means, with respect to any qualified institution, the excess of—

"(A) the amounts paid into passbook savings account, 6-month money market certificates, 30-month small-saver certificates, time deposits with a face amount of less than $100,000, and depository institution tax-exempt savings certificates issued by such institution, over

"(B) the amounts withdrawn or redeemed in connection with the accounts and certificates described in subparagraph (A).

"(6) CONSOLIDATED GROUPS.—For purposes of this subsection, all members of the same affiliated group (as defined in section 1504) which file a consolidated return for the taxable year shall be treated as 1 corporation.

"(e) PENALTY FOR EARLY WITHDRAWALS.—

"(1) IN GENERAL.—If any portion of a depository institution tax-exempt savings certificate is redeemed before the date on which it matures—

"(A) subsection (a) shall not apply to any interest on such certificate for the taxable year of redemption and any subsequent taxable year, and

"(B) there shall be included in gross income for the taxable year of redemption the amount of any interest on such certificate excluded under subsection (a) for any preceding taxable year.

"(2) CERTIFICATE PLEDGED AS COLLATERAL.—For purposes of paragraph (1), if the taxpayer uses any depository institution tax-exempt savings certificate (or portion thereof) as collateral or security for a loan, the taxpayer shall be treated as having redeemed such certificate.

"(f) OTHER SPECIAL RULES.—

"(1) COORDINATION WITH SECTION 116.—Section 116 shall not apply to the interest on any depository institution tax-exempt savings certificate.

"(2) ESTATES AND TRUSTS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the exclusion provided by this section shall not apply to estates and trusts.

"(B) CERTIFICATES ACQUIRED BY ESTATE FROM DECEDENT.—In the case of a depository institution tax-exempt savings

certificate acquired by an estate by reason of the death of the decedent—

"(i) subparagraph (A) shall not apply, and

"(ii) subsection (b) shall be applied as if the estate were the decedent."

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new items:

"Sec. 128. Interest on certain savings certificates.
"Sec. 129. Cross references to other Acts."

26 USC 265.

(2) Section 265 (relating to expenses and interest relating to tax-exempt income) is amended by inserting ", or to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128" after "116".

26 USC 584.

(3) Paragraph (2) of section 584(c) (relating to income of participants in common trust funds), as in effect for taxable years beginning in 1981, is amended by inserting "or 128" after "116".

26 USC 643.

(4) Paragraph (7) of section 643(a) (defining distributable net income), as in effect for taxable years beginning in 1981, is amended by inserting "or section 128 (relating to interest on certain savings certificates)" after "received)".

26 USC 702.

(5) Section 702(a)(5) (relating to income and credits of partners), as in effect for taxable years beginning in 1981, is amended by inserting "or 128" after "116".

(6) Each of the following provisions, as in effect for taxable years beginning after December 31, 1981, are amended by inserting "or interest" after "dividends" each place it appears in the caption or text:

94 Stat. 306.

(A) section 584(c)(2),
(B) section 643(a)(7),
(C) section 702(a)(5).

26 USC 128 note.

(c) STUDY.—The Secretary of the Treasury or his delegate shall conduct a study of the exemption from income of interest earned on depository institution tax-exempt savings certificates established by this section to determine the exemption's effectiveness in generating additional savings. Such report shall be submitted to the Congress before June 1, 1983.

Report to Congress.

26 USC 128 note.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending after September 30, 1981.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(6) shall apply to taxable years beginning after December 31, 1981.

SEC. 302. PARTIAL EXCLUSION OF INTEREST.

Ante, p. 267.

(a) AMOUNT OF EXCLUSION.—Section 128 (relating to the interest on certain savings certificates) is amended to read as follows:

"SEC. 128. PARTIAL EXCLUSION OF INTEREST.

"(a) IN GENERAL.—Gross income does not include the amounts received during the taxable year by an individual as interest.

"(b) MAXIMUM DOLLAR AMOUNT.—The aggregate amount excludable under subsection (a) for any taxable year shall not exceed 15 percent of the lesser of—

"(1) $3,000 ($6,000 in the case of a joint return under section 6013), or

"(2) the excess of the amount of interest received by the taxpayer during such taxable year (less the amount of any deduction under section 62(12)) over the amount of qualified interest expenses of such taxpayer for the taxable year. 26 USC 62.

"(c) DEFINITIONS.—For purposes of this section—

"(1) INTEREST DEFINED.—The term 'interest' means—

"(A) interest on deposits with a bank (as defined in section 581),

"(B) amounts (whether or not designated as interest) paid, in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by—

"(i) an institution which is—

"(I) a mutual savings bank, cooperative bank, domestic building and loan association, or credit union, or

"(II) any other savings or thrift institution which is chartered and supervised under Federal or State law,

the deposits or accounts in which are insured under Federal or State law or which are protected and guaranteed under State law, or

"(ii) an industrial loan association or bank chartered and supervised under Federal or State law in a manner similar to a savings and loan institution.

"(C) interest on—

"(i) evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and

"(ii) to the extent provided in regulations prescribed by the Secretary, other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public,

"(D) interest on obligations of the United States, a State, or a political subdivision of a State (not excluded from gross income of the taxpayer under any other provision of law),

"(E) interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law, and

"(F) interest paid by an insurance company under an agreement to pay interest on—

"(i) prepaid premiums,

"(ii) life insurance policy proceeds which are left on deposit with such company by a beneficiary, and

"(iii) under regulations prescribed by the Secretary, policyholder dividends left on deposit with such company.

"(2) QUALIFIED INTEREST EXPENSE DEFINED.—The term 'qualified interest expense' means an amount equal to the excess of—

"(A) the amount of the deduction allowed the taxpayer under section 163(a) (relating to interest) for the taxable year, over

"(B) the amount of such deduction allowed with respect to interest paid or accrued on indebtedness incurred in—

"(i) acquiring, constructing, reconstructing, or rehabilitating property which is primarily used by the taxpayer as a dwelling unit (as defined in section 280A(f)(1)), or

"(ii) the taxpayer's conduct of a trade or business."

(b) REPEAL OF PARTIAL EXCLUSION OF INTEREST.—

94 Stat. 305. 26 USC 116 note.

(1) IN GENERAL.—Subsection (c) of section 404 of the Crude Oil Windfall Profit Tax Act of 1980 is amended by striking out "1983" and inserting in lieu thereof "1982".

26 USC 116.

(2) CONFORMING AMENDMENT.—Section 116(a) (relating to partial exclusion of dividends) is amended to read as follows:

"(a) EXCLUSION FROM GROSS INCOME.—

"(1) IN GENERAL.—Gross income does not include amounts received by an individual as dividends from domestic corporations.

"(2) MAXIMUM DOLLAR AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $100 ($200 in the case of a joint return under section 6013)."

(c) CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1, as amended by section 301(b)(1), is amended by striking out the item relating to section 128 and inserting in lieu thereof the following new item:

"Sec. 128. Partial exclusion of interest."

Ante, p. 270.

(2) Section 265 (relating to expenses and interest relating to tax-exempt income), as amended by section 301(b)(2), is amended by striking out "or to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128" and inserting in lieu thereof "or to purchase or carry obligations or shares, or to make other deposits or investments, the interest on which is described in section 128(c)(1) to the extent such interest is excludable from gross income under section 128".

Ante, pp. 267, 270.

26 USC 46.

(3) Section 46(c)(8) (relating to limitation to amount at risk) is amended by striking out "clause (i), (ii), or (iii) of subparagraph (A) or subparagraph (B) of section 128(c)(2)" and inserting in lieu thereof "subparagraph (A) or (B) of section 128(c)(1)".

26 USC 854.

(4) Subsection (b) of section 854 is amended to read as follows:

"(b) OTHER DIVIDENDS AND TAXABLE INTEREST.—

"(1) DEDUCTION UNDER SECTION 243.—In the case of a dividend received from a regulated investment company (other than a dividend to which subsection (a) applies)—

"(A) if such investment company meets the requirements of section 852(a) for the taxable year during which it paid such dividend; and

"(B) the aggregate dividends received by such company during such taxable year are less than 75 percent of its gross income.

then, in computing the deduction under section 243, there shall be taken into account only that portion of the dividend which bears the same ratio to the amount of such dividend as the aggregate dividends received by such company during such taxable year bear to its gross income for such taxable year.

"(2) EXCLUSION UNDER SECTIONS 116 AND 128.—For purposes of sections 116 and 128, in the case of any dividend (other than a dividend described in subsection (a)) received from a regulated investment company which meets the requirements of section 852 for the taxable year in which it paid the dividend—

"(A) the entire amount of such dividend shall be treated as a dividend if the aggregate dividends received by such company during the taxable year equal or exceed 75 percent of its gross income,

"(B) the entire amount of such dividend shall be treated as interest if the aggregate interest received by such company during the taxable year equals or exceeds 75 percent of its gross income, or

"(C) if subparagraphs (A) and (B) do not apply, a portion of such dividend shall be treated as a dividend (and a portion of such dividend shall be treated as interest) based on the portion of the company's gross income which consists of aggregate dividends or aggregate interest, as the case may be. For purposes of the preceding sentence, gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

"(3) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 and the deduction under section 243 or as interest for purposes of section 128 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

Ante, pp. 267, 270.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) The term 'gross income' does not include gain from the sale or other disposition of stock or securities.

"(B) The term 'aggregate dividends received' includes only dividends received from domestic corporations other than dividends described in section 116(b)(2) (relating to dividends excluded from gross income). In determining the amount of any dividend for purposes of this subparagraph, the rules provided in section 116(c)(2) (relating to certain distributions) shall apply.

"(C) The term 'aggregate interest received' includes only interest described in section 128(c)(1)."

(5) Subsection (c) of section 857 is amended to read as follows: 26 USC 857.

"(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) IN GENERAL.—For purposes of section 116 (relating to an exclusion for dividends received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) TREATMENT FOR SECTION 128.—In the case of a dividend (other than a capital gain dividend, as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part for the taxable year in which it paid the dividend—

"(A) such dividend shall be treated as interest if the aggregate interest received by the real estate investment trust for the taxable year equals or exceeds 75 percent of its gross income, or

"(B) if subparagraph (A) does not apply, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate interest received bears to gross income shall be treated as interest.

"(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of paragraph (2)—

"(A) gross income does not include the net capital gain,

"(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received by the taxable year, and

"(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

"(4) AGGREGATE INTEREST RECEIVED.—For purposes of this subsection, the term 'aggregate interest received' means only interest described in section 128(c)(1).

Ante, pp. 267, 270.

"(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 128 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year."

(d) EFFECTIVE DATES.—

26 USC 128 note.

(1) IN GENERAL.—The amendments made by subsections (a) and (c) shall apply to taxable years beginning after December 31, 1984.

26 USC 116 note.

(2) DIVIDEND EXCLUSION.—The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1981.

Subtitle B—Retirement Savings Provisions

SEC. 311. RETIREMENT SAVINGS.

26 USC 219.

(a) GENERAL RULE.—Section 219 (relating to deduction for retirement savings) is amended to read as follows:

"SEC. 219. RETIREMENT SAVINGS.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction an amount equal to the qualified retirement contributions of the individual for the taxable year.

"(b) MAXIMUM AMOUNT OF DEDUCTION.—

"(1) IN GENERAL.—The amount allowable as a deduction under subsection (a) to any individual for any taxable year shall not exceed the lesser of—

"(A) $2,000, or

"(B) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(2) SPECIAL RULES FOR EMPLOYER CONTRIBUTIONS UNDER SIMPLIFIED EMPLOYEE PENSIONS.—

"(A) LIMITATION.—If there is an employer contribution on behalf of the employee to a simplified employee pension, an employee shall be allowed as a deduction under subsection (a) (in addition to the amount allowable under paragraph (1) an amount equal to the lesser of—

"(i) 15 percent of the compensation from such employer includible in the employee's gross income for the taxable year (determined without regard to the employer contribution to the simplified employee pension), or

"(ii) the amount contributed by such employer to the simplified employee pension and included in gross income (but not in excess of $7,500).

"(B) CERTAIN LIMITATIONS DO NOT APPLY TO EMPLOYER CONTRIBUTION.—Paragraph (1) of this subsection and paragraph (1) of subsection (d) shall not apply with respect to the employer contribution to a simplified employee pension.

"(C) SPECIAL RULE FOR APPLYING SUBPARAGRAPH (A)(ii).—In the case of an employee who is an officer, shareholder, or owner-employee described in section 408(k)(3), the $7,500 amount specified in subparagraph (A)(ii) shall be reduced by the amount of tax taken into account with respect to such individual under subparagraph (D) of section 408(k)(3).

Post, p. 283.

"(3) SPECIAL RULE FOR INDIVIDUAL RETIREMENT PLANS.—If the individual has paid any qualified voluntary employee contributions for the taxable year, the amount of the qualified retirement contributions (other than employer contributions to a simplified employee pension) which are paid for the taxable year to an individual retirement plan and which are allowable as a deduction under subsection (a) for such taxable year shall not exceed—

"(A) the amount determined under paragraph (1) for such taxable year, reduced by

"(B) the amount of the qualified voluntary employee contributions for the taxable year.

"(4) CERTAIN DIVORCED INDIVIDUALS.—

"(A) IN GENERAL.—In the case of an individual to whom this paragraph applies, the limitation of paragraph (1) shall not be less than the lesser of—

"(i) $1,125, or

"(ii) the sum of the amount referred to in paragraph (1)(B) and any qualifying alimony received by the individual during the taxable year.

"(B) QUALIFYING ALIMONY.—For purposes of this paragraph, the term 'qualifying alimony' means amounts includible in the individual's gross income under paragraph (1) of section 71(a) (relating to decree of divorce or separate maintenance).

"(C) INDIVIDUALS TO WHOM PARAGRAPH APPLIES.—This paragraph shall apply to an individual if—

"(i) an individual retirement plan was established for the benefit of the individual at least 5 years before the beginning of the calendar year in which the decree of divorce or separate maintenance was issued, and

"(ii) for at least 3 of the former spouse's most recent 5 taxable years ending before the taxable year in which the decree was issued, such former spouse was allowed a deduction under subsection (c) (or the corresponding provisions of prior law) for contributions to such individual retirement plan.

"(c) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

"(1) IN GENERAL.—In the case of any individual with respect to whom a deduction is otherwise allowable under subsection (a)—

"(A) who files a joint return under section 6013 for a taxable year, and

"(B) whose spouse has no compensation (determined without regard to section 911) for such taxable year,

Ante, p. 190.

there shall be allowed as a deduction any amount paid in cash for the taxable year by or on behalf of the individual to an individual retirement plan established for the benefit of his spouse.

"(2) LIMITATION.—The amount allowable as a deduction under paragraph (1) shall not exceed the excess of—

"(A) the lesser of—

"(i) $2,250, or

"(ii) an amount equal to the compensation includible in the individual's gross income for the taxable year, over

"(B) the amount allowed as a deduction under subsection (a) for the taxable year.

In no event shall the amount allowable as a deduction under paragraph (1) exceed $2,000.

"(d) OTHER LIMITATIONS AND RESTRICTIONS.—

"(1) INDIVIDUALS WHO HAVE ATTAINED AGE 70½.—No deduction shall be allowed under this section with respect to any qualified retirement contribution which is made for a taxable year of an individual if such individual has attained age 70½ before the close of such taxable year.

"(2) RECONTRIBUTED AMOUNTS.—No deduction shall be allowed under this section with respect to a rollover contribution described in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 408(d)(3), or 409(b)(3)(C).

26 USC 402.

"(3) AMOUNTS CONTRIBUTED UNDER ENDOWMENT CONTRACT.—In the case of an endowment contract described in section 408(b), no deduction shall be allowed under this section for that portion of the amounts paid under the contract for the taxable year which is properly allocable, under regulations prescribed by the Secretary, to the cost of life insurance.

"(e) DEFINITION OF RETIREMENT SAVINGS CONTRIBUTIONS, ETC.—For purposes of this section—

"(1) QUALIFIED RETIREMENT CONTRIBUTION.—The term 'qualified retirement contribution' means—

"(A) any qualified voluntary employee contribution paid in cash by the individual for the taxable year, and

"(B) any amount paid in cash for the taxable year by or on behalf of such individual for his benefit to an individual retirement plan.

For purposes of the preceding sentence, the term 'individual retirement plan' includes a retirement bond described in section 409 only if the bond is not redeemed within 12 months of its issuance.

"(2) QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTION.—

"(A) IN GENERAL.—The term 'qualified voluntary employee contribution' means any voluntary contribution—

"(i) which is made by an individual as an employee under a qualified employer plan or government plan, which plan allows an employee to make contributions which may be treated as qualified voluntary employee contributions under this section, and

"(ii) with respect to which the individual has not designated such contribution as a contribution which should not be taken into account under this section.

"(B) VOLUNTARY CONTRIBUTION.—For purposes of subparagraph (A), the term 'voluntary contribution' means any contribution which is not a mandatory contribution (within the meaning of section 411(c)(2)(C)).

"(C) DESIGNATION.—For purposes of determining whether or not an individual has made a designation described in subparagraph (A)(ii) with respect to any contribution during any calendar year under a qualified employer plan or government plan, such individual shall be treated as having

made such designation if he notifies the plan administrator of such plan, not later than the earlier of—

"(i) April 15 of the succeeding calendar year, or

"(ii) the time prescribed by the plan administrator, that the individual does not want such contribution taken into account under this section. Any designation or notification referred to in the preceding sentence shall be made in such manner as the Secretary shall by regulations prescribe and, after the last date on which such designation or notification may be made, shall be irrevocable for such taxable year.

"(3) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' means—

"(A) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a), 26 USC 401.

"(B) an annuity plan described in section 403(a),

"(C) a qualified bond purchase plan described in section 405(a),

"(D) a simplified employee pension (within the meaning of section 408(k)), and

"(E) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

"(4) GOVERNMENT PLAN.—The term 'government plan' means any plan, whether or not qualified, established and maintained for its employees by the United States, by a State or political subdivision thereof, or by an agency or instrumentality of any of the foregoing.

"(5) PAYMENTS FOR CERTAIN PLANS.—The term 'amounts paid to an individual retirement plan' includes amounts paid for an individual retirement annuity or a retirement bond.

"(f) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—For purposes of this section, the term 'compensation' includes earned income as defined in section 401(c)(2).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsections (b) and (c) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

"(A) INDIVIDUAL RETIREMENT PLANS.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an individual retirement plan on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof).

"(B) QUALIFIED EMPLOYER OR GOVERNMENT PLANS.—For purposes of this section, if a qualified employer or government plan elects to have the provisions of this subparagraph apply, a taxpayer shall be deemed to have made a voluntary contribution to such plan on the last day of the preceding calendar year (if, without regard to this paragraph, such contribution may be made on such date) if the contribution is made by April 15 of the calendar year or such earlier time as is provided by the plan administrator.

"(4) REPORTS.—The Secretary shall prescribe regulations which prescribe the time and the manner in which reports to the

Secretary and plan participants shall be made by the plan administrator of a qualified employer or government plan receiving qualified voluntary employee contributions.

"(5) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to an individual retirement plan shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the amount was contributed, whether or not a deduction for such payment is allowable under this section to the employee.

"(6) EXCESS CONTRIBUTIONS TREATED AS CONTRIBUTION MADE DURING SUBSEQUENT YEAR FOR WHICH THERE IS AN UNUSED LIMITATION.—

"(A) IN GENERAL.—If for the taxable year the maximum amount allowable as a deduction under this section for contributions to an individual retirement plan exceeds the amount contributed, then the taxpayer shall be treated as having made an additional contribution for the taxable year in an amount equal to the lesser of—

"(i) the amount of such excess, or

"(ii) the amount of the excess contributions for such taxable year (determined under section 4973(b)(2) without regard to subparagraph (C) thereof).

"(B) AMOUNT CONTRIBUTED.—For purposes of this paragraph, the amount contributed—

"(i) shall be determined without regard to this paragraph, and

"(ii) shall not include any rollover contribution.

"(C) SPECIAL RULE WHERE EXCESS DEDUCTION WAS ALLOWED FOR CLOSED YEAR.—Proper reduction shall be made in the amount allowable as a deduction by reason of this paragraph for any amount allowed as a deduction under this section for a prior taxable year for which the period for assessing deficiency has expired if the amount so allowed exceeds the amount which should have been allowed for such prior taxable year.

"(g) CROSS REFERENCE.—

"For failure to provide required reports, see section 6652(h)."

(b) TREATMENT OF DISTRIBUTIONS FROM EMPLOYER PLAN TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

26 USC 72.

(1) IN GENERAL.—Section 72 (relating to annuities; certain proceeds of endowment and life insurance contracts) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

"(o) SPECIAL RULES FOR DISTRIBUTIONS FROM QUALIFIED PLANS TO WHICH EMPLOYEE MADE DEDUCTIBLE CONTRIBUTIONS.—

"(1) TREATMENT OF CONTRIBUTIONS.—For purposes of this section and sections 402, 403, and 405, notwithstanding section 414(h), any deductible employee contribution made to a qualified employer plan or government plan shall be treated as an amount contributed by the employer which is not includible in the gross income of the employee.

"(2) ADDITIONAL TAX IF AMOUNT RECEIVED BEFORE AGE 59½.—If—

"(A) any accumulated deductible employee contributions are received from a qualified employer plan or government

plan to which the employee made one or more deductible employee contributions,

"(B) such amount is received by the employee before the employee attains the age of 59½, and

"(C) such amount is not attributable to such employee's becoming disabled (within the meaning of subsection (m)(7)),

then the employee's tax under this chapter for the taxable year in which such amount is received shall be increased by an amount equal to 10 percent of the amount so received to the extent that such amount is includible in gross income. For purposes of this title, any tax imposed by this paragraph shall be treated as a tax imposed by subsection (m)(5)(B).

"(3) AMOUNTS CONSTRUCTIVELY RECEIVED.—

"(A) IN GENERAL.—For purposes of this subsection, rules similar to the rules provided by subsection (m) (4) and (8) shall apply.

"(B) PURCHASE OF LIFE INSURANCE.—To the extent any amount of accumulated deductible employee contributions of an employee are applied to the purchase of life insurance contracts, such amount shall be treated as distributed to the employee in the year so applied.

"(4) SPECIAL RULE FOR TREATMENT OF ROLLOVER AMOUNTS.—For purposes of sections 402(a)(5), 402(a)(7), 403(a)(4), 408(d)(3), and 409(b)(3)(C), the Secretary shall prescribe regulations providing for such allocations of amounts attributable to accumulated deductible employee contributions, and for such other rules, as may be necessary to insure that such accumulated deductible employee contributions do not become eligible for additional tax benefits (or freed from limitations) through the use of rollovers. 26 USC 402.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—The term 'deductible employee contributions' means any qualified voluntary employee contribution (as defined in section 219(e)(2)) made after December 31, 1981, in a taxable year beginning after such date and allowable as a deduction under section 219(a) for such taxable year. *Ante*, p. 274.

"(B) ACCUMULATED DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—The term 'accumulated deductible employee contributions' means the deductible employee contributions—

"(i) increased by the amount of income and gain allocable to such contributions, and

"(ii) reduced by the sum of the amount of loss and expense allocable to such contributions and the amounts distributed with respect to the employee which are attributable to such contributions (or income or gain allocable to such contributions).

"(C) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given to such term by section 219(e)(3).

"(D) GOVERNMENT PLAN.—The term 'government plan' has the meaning given such term by section 219(e)(4).

"(6) ORDERING RULES.—Unless the plan specifies otherwise, any distribution from such plan shall not be treated as being made from the accumulated deductible employee contributions until all other amounts to the credit of the employee have been distributed."

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26 USC 402.

(2) 10-YEAR AVERAGING AND CAPITAL GAINS NOT TO APPLY.—Subparagraph (A) of section 402(e)(4) (defining lump sum distribution) is amended by adding at the end thereof the following new sentence: "For purposes of this section and section 403, the balance to the credit of the employee does not include the accumulated deductible employee contributions under the plan (within the meaning of section 72(o)(5))."

Ante, p. 278.

(3) CONFORMING AMENDMENTS RELATING TO ROLLOVER DISTRIBUTIONS.—

26 USC 402.

(A) Paragraph (5) of section 402(a) (relating to rollover amounts) is amended—

(i) by inserting "(other than accumulated deductible employee contributions within the meaning of section 72(o)(5))" after "contributions" in subparagraph (B),

(ii) by striking out "or" at the end of subparagraph (D)(i)(I),

(iii) by striking out the period at the end of subparagraph (D)(i)(II) and inserting in lieu thereof ", or", and

(iv) by inserting at the end of subparagraph (D) the following new subclause:

"(III) which constitute a distribution of accumulated deductible employee contributions (within the meaning of section 72(o)(5))."

26 USC 403.

(B) Paragraph (8) of section 403(b) (relating to rollover amounts) is amended by inserting ", or 1 or more distributions of accumulated deductible employee contributions (within the meaning of section 72(o)(5))" after "subsection (a)" in subparagraph (B)(i).

(c) UNREALIZED APPRECIATION OF EMPLOYER SECURITIES.—

(1) Paragraph (1) of section 402(a) (relating to taxability of beneficiary of exempt trust) is amended by striking out in the second sentence thereof "by the employee" and inserting in lieu thereof "by the employee (other than deductible employee contributions within the meaning of section 72(o)(5))."

(2) Subparagraph (J) of section 402(e) (relating to tax on lump sum distribution) is amended by adding at the end thereof the following new sentence: "This subparagraph shall not apply to distributions of accumulated deductible employee contributions (within the meaning of section 77(o)(5))."

(d) ESTATE AND GIFT TAX EXCLUSION.—

26 USC 2039.

(1) ESTATE TAX.—Subsection (c) of section 2039 (relating to exemption of annuities under certain trusts and plans) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any deductible employee contributions (within the meaning of paragraph (5) of section 72(o)) shall be considered as made by a person other than the decedent."

26 USC 2517.

(2) GIFT TAX.—Subsection (b) of section 2517 (relating to transfers attributable to employee contributions) is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, any deductible employee contributions (within the meaning of paragraph (5) of section 72(o)) shall be considered as made by a person other than the employee."

26 USC 220.

(e) REPEAL OF SECTION 220.—Section 220 (relating to deduction for retirement savings for certain married individuals) is hereby repealed.

(f) PENALTIES FOR FAILURE TO PROVIDE NECESSARY REPORTS.—Section 6652 is amended by redesignating subsection (h) as subsection (i) and inserting after subsection (g) the following new subsection: 26 USC 6652.

"(h) INFORMATION REQUIRED IN CONNECTION WITH DEDUCTIBLE EMPLOYEE CONTRIBUTIONS.—In the case of failure to make a report required by section 219(f)(4) which contains the information required by such section on the date prescribed therefor (determined with regard to any extension of time for filing), there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing so to file, an amount equal to $25 for each participant with respect to whom there was a failure to file such information, multiplied by the number of years during which such failure continues, but the total amount imposed under this subsection on any person for failure to file shall not exceed $10,000." *Ante*, p. 274.

(g) AMENDMENTS RELATING TO INCREASE IN IRA LIMITATIONS.—

(1) The following provisions are each amended by striking out "$1,500" each place it appears and inserting in lieu thereof "$2,000":

(A) Section 408(a)(1) (defining individual retirement account). 26 USC 408.

(B) Section 408(b) (defining individual retirement annuity).

(C) Section 408(j) (relating to increase in maximum limitations for simplified employee pensions).

(D) Section 409(a)(4) (defining retirement bond). 26 USC 409.

(2) Subparagraph (A) of section 408(d)(5) is amended by striking out "$1,750" and inserting in lieu thereof "$2,250".

(3) Subparagraph (A) of section 409(b)(3) (relating to redemption within 12 months) is amended by adding the following sentence at the end thereof: "The preceding sentence shall not apply to the extent that the bond was purchased with a rollover contribution described in subparagraph (C) of this paragraph or in section 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), 405(b)(3), or 408(d)(3)."

(4)(A) Paragraph (2) of section 415(a) is amended to read as follows: 26 USC 415.

"(2) SECTION APPLIES TO CERTAIN ANNUITIES AND ACCOUNTS.—In the case of—

"(A) an employee annuity plan described in section 403(a),

"(B) an annuity contract described in section 403(b),

"(C) a simplified employee pension described in section 408(k), or

"(D) a plan described in section 405(a),

such a contract, plan, or pension shall not be considered to be described in section 403(a), 403(b), 405(a), or 408(k), as the case may be, unless it satisfies the requirements of subparagraph (A) or subparagraph (B) of paragraph (1), whichever is appropriate, and has not been disqualified under subsection (g). In the case of an annuity contract described in section 403(b), the preceding sentence shall apply only to the portion of the annuity contract which exceeds the limitation of subsection (b) or the limitation of subsection (c), whichever is appropriate, and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)."

(B) The last sentence of paragraph (2) of section 415(c) is amended to read as follows: "For the purposes of this paragraph, employee contributions under subparagraph (B) are determined without regard to any rollover contributions (as defined in sections 402(a)(5), 403(a)(4), 403(b)(8), 405(d)(3), 408(d)(3), and

409(b)(3)(C)) without regard to employee contributions to a simplified employee pension allowable as a deduction under section 219(a), and without regard to deductible employee contributions within the meaning of section 72(o)(5)."

Ante, p. 278.

26 USC 415.

(C) Paragraph (5) of section 415(e) is amended to read as follows:

"(5) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) (except in the case of a participant who has elected under subsection (c)(4)(D) to have the provisions of subsection (c)(4)(C) apply) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year. In the case of any annuity contract described in section 403(b), the amount of the contribution disqualified by reason of subsection (g) shall reduce the exclusion allowance as provided in section 403(b)(2)."

(h) AMENDMENTS CONFORMING TO THE REPEAL OF SECTION 220.—

26 USC 62.

(1) Paragraph (10) of section 62 (defining adjusted gross income) is amended by striking out "and the deduction allowed by section 220 (relating to retirement savings for certain married individuals)".

26 USC 408.

(2) Paragraphs (4) and (5) of section 408(d) (relating to tax treatment of distributions) are each amended by striking out "section 219 or 220" each place it appears and inserting in lieu thereof "section 219".

26 USC 415.

(3) Subsection (a) of section 415 is amended by striking out paragraph (3).

26 USC 2039.

(4) Subsection (e) of section 2039 (relating to exclusion of individual retirement accounts, etc.) is amended by striking out "section 219 or 220" each place it appears and inserting in lieu thereof "section 219".

26 USC 2503.

(5) Subsection (d) of section 2503 is hereby repealed.

26 USC 3401.

(6) Subparagraph (D) of section 3401(a)(12) is amended by striking out "section 219(a) or 220(a)" and inserting in lieu thereof "section 219(a)".

26 USC 4973.

(7) Subsection (b) of section 4973 is amended by striking out "section 219 or 220" each place it appears and inserting in lieu thereof "section 219".

26 USC 6047.

(8) Subsection (d) of section 6047 is amended by striking out "section 219(a) or 220(a)" and inserting in lieu thereof "section 219(a)".

(9) Subsection (a) of section 4973 is amended by striking out the last sentence and inserting in lieu thereof the following: "The tax imposed by this subsection shall be paid by such individual."

(10) Subparagraph (C) of section 4973(b)(2) is amended by striking out "sections 219(c)(5) and 220(c)(6)" and inserting in lieu thereof "section 219(f)(6)".

(11) The table of sections for part VII of subchapter B of chapter 1 is amended by striking out the item relating to section 220.

26 USC 219 note.

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to taxable years beginning after December 31, 1981.

(2) TRANSITIONAL RULE.—For purposes of the Internal Revenue Code of 1954, any amount allowed as a deduction under section 220 of such Code (as in effect before its repeal by this Act) shall be treated as if it were allowed by section 219 of such Code. *Ante*, p. 274.

(3) CERTAIN BOND ROLLOVER PROVISIONS.—The amendment made by subsection (g)(3) shall apply to taxable years beginning after December 31, 1974.

(4) SECTION 415 AMENDMENTS.—The amendments made by subsections (g)(4) and (h)(3) shall apply to years after December 31, 1981.

SEC. 312. INCREASE IN AMOUNT OF SELF-EMPLOYED RETIREMENT PLAN DEDUCTION.

(a) IN GENERAL.—Subsection (e) of section 404 (relating to special limitations for self-employed individuals) is amended by striking out "$7,500" in paragraphs (1) and (2) and inserting in lieu thereof "$15,000". 26 USC 404.

(b) MAXIMUM AMOUNT OF COMPENSATION TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (17) of section 401(a) (relating to maximum amount of compensation which may be taken into account) is amended by striking out all after "only" and inserting in lieu thereof "if— 26 USC 401.

"(A) the annual compensation of each employee taken into account under the plan does not exceed the first $200,000 of compensation, and

"(B) in the case of—

"(i) a defined contribution plan with respect to which compensation in excess of $100,000 is taken into account, contributions on behalf of each employee (other than an employee within the meaning of section 401(c)(1)) to the plan or plans are at a rate (expressed as a percentage of compensation) not less than 7.5 percent, or

"(ii) a defined benefit plan with respect to which compensation in excess of $100,000 is taken into account, the annual benefit accrual for each employee (other than an employee within the meaning of section 401(c)(1)) is a percentage of compensation which is not less than one-half of the applicable percentage provided by subsection (j)(3)." *Post*, p. 284.

(2) SIMPLIFIED EMPLOYEE PENSIONS.—Subparagraph (C) of section 408(k)(3) (relating to uniform relationships of contributions) is amended to read as follows: 26 USC 408.

"(C) CONTRIBUTIONS MUST BEAR A UNIFORM RELATIONSHIP TO TOTAL COMPENSATION.—For purposes of subparagraph (A), employer contributions to simplified employee pensions shall be considered discriminatory unless—

"(i) contributions thereto bear a uniform relationship to the total compensation (not in excess of the first $200,000) of each employee maintaining a simplified employee pension, and

"(ii) if compensation in excess of $100,000 is taken into account under a simplified employee pension for an employee, contributions to a simplified employee pension on behalf of each employee for whom a contribution

is required are at a rate (expressed as a percentage of compensation) not less than 7.5 percent."

(c) CONFORMING AMENDMENTS.—

Ante, p. 274.

(1) Subparagraphs (A) and (C) of section 219(b)(2), as amended by section 311(a), are each amended by striking out "$7,500" and inserting in lieu thereof "$15,000".

26 USC 401.

(2) Subsection (e) of section 401 is amended by striking out "for all such years exceeds $7,500" and inserting in lieu thereof "for such taxable year exceeds $15,000".

(3) Subparagraph (A) of section 401(j)(2) (relating to benefit plans for self-employed individuals and shareholder-employees) is amended by striking out "$50,000" and inserting in lieu thereof "$100,000".

(4) Paragraph (3) of section 401(j) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, a change in the annual compensation taken into account under subparagraph (A) of subsection (j)(2) shall be treated as beginning a new period of plan participation.".

26 USC 408.

(5) Subsections (d)(5) and (j) of section 408 are each amended by striking out "$7,500" and inserting in lieu thereof "$15,000".

26 USC 1379.

(6) Subparagraph (B) of section 1379(b)(1) (relating to certain qualified pension, etc., plans) is amended by striking out "$7,500" and inserting in lieu thereof "$15,000".

26 USC 72.

(d) LOANS TO PARTICIPANTS.—Subsection (m) of section 72 (relating to special rules) is amended—

(1) by adding at the end of paragraph (6) the following new sentence: "For purposes of the preceding sentence, the term 'owner-employee' shall except in applying paragraph (5), include an employee within the meaning of section 401(c)(1).", and

(2) by adding at the end thereof the following new paragraph:

"(8) LOANS TO OWNER-EMPLOYEES.—If, during any taxable year, an owner-employee receives, directly or indirectly, any amount as a loan from a trust described in section 401(a) which is exempt from tax under section 501(a), such amount shall be treated as having been received by such owner-employee as a distribution from such trust."

(e) CORRECTION OF EXCESS CONTRIBUTION PERMITTED WITHOUT PENALTY.—

(1) Subsection (m) of section 72 (relating to special rules applicable to employee annuities and distributions under employee plans) (as amended by subsection (d)) is amended by adding at the end thereof the following new paragraph:

"(9) RETURN OF EXCESS CONTRIBUTIONS BEFORE DUE DATE OF RETURN.—

"(A) IN GENERAL.—If an excess contribution is distributed in a qualified distribution—

"(i) such distribution of such excess contribution shall not be included in gross income, and

"(ii) this section (other than this paragraph) shall be applied as if such excess contribution and such distribution had not been made.

"(B) EXCESS CONTRIBUTION.—For purposes of this paragraph, the term 'excess contribution' means any contribution to a qualified trust described in section 401(a) or under a plan described in section 403(a) or 405(a) made on behalf of an employee (within the meaning of section 401(c)) for any taxable year to the extent such contribution exceeds the amount allowable as a deduction under section 404(a).

"(C) QUALIFIED DISTRIBUTION.—The term 'qualified distribution' means any distribution of an excess contribution which meets requirements similar to the requirements of subparagraphs (A), (B), and (C) of section 408(d)(4). In the case of such a distribution, the rules of the last sentence of section 408(d)(4) shall apply."

(2) Paragraph (4) of section 401(d) (relating to additional requirements for qualification of trusts and plans benefiting owner-employees) is amended by adding at the end thereof the following new sentence: "Subparagraph (B) shall not apply to any distribution to which section 72(m)(9) applies." 26 USC 401.

Ante, p. 283.

(3) Subsection (b) of section 4972 (defining excess contributions) is amended by adding at the end thereof the following new paragraph: 26 USC 4972.

"(6) EXCESS CONTRIBUTIONS RETURNED BEFORE DUE DATE.—For purposes of this subsection, any contribution which is distributed in a distribution to which section 72(m)(9) applies shall be treated as an amount not contributed."

(f) EFFECTIVE DATE.— 26 USC 72 note.

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plans which include employees within the meaning of section 401(c)(1) with respect to taxable years beginning after December 31, 1981.

(2) TRANSITIONAL RULE.—The amendments made by subsection (d) shall not apply to any loan from a plan to a self-employed individual who is an employee within the meaning of section 401(c)(1) which is outstanding on December 31, 1981. For purposes of the preceding sentence, any loan which is renegotiated, extended, renewed, or revised after such date shall be treated as a new loan.

SEC. 313. ROLLOVERS UNDER BOND PURCHASE PLANS.

(a) GENERAL RULE.—Subsection (d) of section 405 (relating to taxability of beneficiary of qualified bond purchase plan) is amended by adding at the end thereof the following new paragraph: 26 USC 405.

"(3) ROLLOVER INTO AN INDIVIDUAL RETIREMENT ACCOUNT OR ANNUITY.—

"(A) IN GENERAL.—If—

"(i) any qualified bond is redeemed,

"(ii) any portion of the excess of the proceeds from such redemption over the basis of such bond is transferred to an individual retirement plan which is maintained for the benefit of the individual redeeming such bond, and

"(iii) such transfer is made on or before the 60th day after the day on which the individual received the proceeds of such redemption,

then, gross income shall not include the proceeds to the extent so transferred and the transfer shall be treated as a rollover contribution described in section 408(d)(3).

"(B) QUALIFIED BOND.—For purposes of this paragraph, the term 'qualified bond' means any bond described in subsection (b) which is distributed under a qualified bond purchase plan or from a trust described in section 401(a) which is exempt from tax under section 501(a)."

(b) TECHNICAL AMENDMENTS.—

26 USC 405.

(1) The second sentence of paragraph (1) of section 405(d) is amended by striking out "the proceeds" and inserting "except as provided in paragraph (3), the proceeds".

Ante, p. 274.

(2) Sections 219(d)(2) (as amended by section 311(a) of this Act), 408(a)(1), and 4973(b)(1)(A) are each amended by inserting "405(d)(3)," after "403(b)(8),".

26 USC 2039.

(3) Subsection (e) of section 2039 is amended by inserting "405(d)(3)," after "a contract described in subsection (c)(3)),".

26 USC 405 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to redemptions after the date of the enactment of this Act in taxable years ending after such date.

SEC. 314. MISCELLANEOUS PROVISIONS.

(a) REMOVAL OF FIVE-YEAR BAN ON CONTRIBUTIONS TO OWNER-EMPLOYEE PLANS WHERE PLAN TERMINATES.—

26 USC 401.

(1) IN GENERAL.—Paragraph (5) of section 401(d) (relating to additional requirements for qualifications of trusts and plans benefiting owner-employees) is amended by adding at the end thereof the following: "Subparagraph (C) shall not apply to a distribution on account of the termination of the plan."

26 USC 401 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to distributions after December 31, 1980, in taxable years beginning after such date.

(b) INVESTMENT BY INDIVIDUAL RETIREMENT ACCOUNTS, ETC., IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—

26 USC 408.

(1) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

"(n) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—

"(1) IN GENERAL.—The acquisition by an individual retirement account or by an individually-directed account under a plan described in section 401(a) of any collectible shall be treated (for purposes of this section and section 402) as a distribution from such account in an amount equal to the cost to such account of such collectible.

"(2) COLLECTIBLE DEFINED.—For purposes of this subsection, the term 'collectible' means—

"(A) any work of art,

"(B) any rug or antique,

"(C) any metal or gem,

"(D) any stamp or coin,

"(E) any alcoholic beverage, or

"(F) any other tangible personal property specified by the Secretary for purposes of this subsection."

26 USC 408 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to property acquired after December 31, 1981, in taxable years ending after such date.

(c) TAXABILITY OF DISTRIBUTIONS TO EMPLOYEES.—

26 USC 402.

(1) CONTRIBUTIONS MADE AVAILABLE.—Paragraph (1) of section 402(a) (relating to taxability of beneficiary of exempt trust) is amended by striking out each place it appears "or made available".

26 USC 402 note.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1981.

Subtitle C—Reinvestment of Dividends in Public Utilities

SEC. 321. ENCOURAGEMENT OF REINVESTMENT OF DIVIDENDS IN THE STOCK OF PUBLIC UTILITIES.

(a) AMENDMENT OF SECTION 305.—Section 305 (relating to distributions of stock and stock rights) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection: 26 USC 305.

"(e) DIVIDEND REINVESTMENT IN STOCK OF PUBLIC UTILITIES.—

"(1) IN GENERAL.—Subsection (b) shall not apply to any qualified reinvested dividend.

"(2) QUALIFIED REINVESTED DIVIDEND DEFINED.—For purposes of this subsection, the term 'qualified reinvested dividend' means—

"(A) a distribution by a qualified public utility of shares of its qualified common stock to an individual with respect to the common or preferred stock of such corporation pursuant to a plan under which shareholders may elect to receive dividends in the form of stock instead of property, but

"(B) only if the shareholder elects to have this subsection apply to such shares.

"(3) QUALIFIED PUBLIC UTILITY DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified public utility' means, for any taxable year of the corporation, a domestic corporation which, for the 10-year period ending on the day before the beginning of the taxable year, acquired public utility recovery property having a cost equal to at least 60 percent of the aggregate cost of all tangible property described in section 1245(a)(3) (other than subparagraphs (C) and (D) thereof) acquired by the corporation during such period. *Ante*, p. 218.

"(B) SPECIAL RULES.—For purposes of subparagraph (A)—

"(i) all members of an affiliated group shall be treated as one corporation,

"(ii) a successor corporation shall take into account the acquisitions of its predecessor, and

"(iii) a new corporation to which clause (ii) does not apply shall substitute its period of existence for the 10-year period set forth in subparagraph (A).

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) AFFILIATED GROUP.—The term 'affiliated group' has the meaning given to such term by subsection (a) of section 1504 (determined without regard to subsection (b) of section 1504).

"(ii) PUBLIC UTILITY RECOVERY PROPERTY.—The term 'public utility recovery property' means public utility property (within the meaning of section 167(l)(3)(A)) which is recovery property which is 10-year property or 15-year public utility property (within the meaning of section 168), except that any requirement that the property be placed in service after December 31, 1980, shall not apply. *Ante*, p. 204.

"(4) QUALIFIED COMMON STOCK DEFINED.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'qualified common stock' means authorized but unissued common stock of the corporation—

"(i) which has been designated by the board of directors of the corporation as issued for purposes of this subsection, but

"(ii) only if the number of shares to be issued to a shareholder was determined by reference to a value which is not less than 95 percent and not more than 105 percent of the stock's fair market value during the period immediately before the distribution (determined under regulations prescribed by the Secretary).

"(B) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—Except as provided in subparagraph (D), if a corporation has purchased or purchases its common stock within a 2-year period beginning 1 year before the date of the distribution and ending 1 year after such date, such distribution shall be treated as not being a qualified reinvested dividend.

"(C) MEMBERS OF AFFILIATED GROUP.—For purposes of subparagraph (B), the purchase by any corporation which is a member of the same affiliated group (as defined in paragraph (3)(C)(i)) as the distributing corporation of common stock in any corporation which is a member of such group from any person (other than a member of such group) shall be treated as a purchase by the distributing corporation of its common stock.

"(D) WAIVER OF SUBPARAGRAPH (B) WHERE THERE IS BUSINESS PURPOSE.—Under regulations prescribed by the Secretary, subparagraph (B) shall not apply where the distributing corporation establishes that there was a business purpose for the purchase of the stock and such purchase is not inconsistent with the purposes of this subsection.

"(5) SHARE INCLUDES FRACTIONAL SHARE.—For purposes of this subsection, the term 'share' includes a fractional share.

"(6) LIMITATION.—

"(A) IN GENERAL.—In the case of any individual, the aggregate amount of distributions to which this subsection applies for the taxable year shall not exceed $750 ($1,500 in the case of a joint return).

"(B) APPLICATION OF CEILING.—If, but for this subparagraph, a share of stock would, by reason of subparagraph (A), be treated as partly within this subsection and partly outside this subsection, such share shall be treated as outside this subsection.

"(7) BASIS AND HOLDING PERIOD.—In the case of stock received as a qualified reinvested dividend—

26 USC 307.

"(A) notwithstanding section 307, the basis shall be zero, and

"(B) the holding period shall begin on the date the dividend would (but for this subsection) be includible in income.

"(8) ELECTION.—An election under this subsection with respect to any share shall be made on the shareholder's return for the taxable year in which the dividend would (but for this subsection) be includible in income. Any such election, once made, shall be revocable only with the consent of the Secretary.

"(9) DISPOSITIONS WITHIN 1 YEAR OF DISTRIBUTION.—Under regulations prescribed by the Secretary—

"(A) DISPOSITION OF OTHER COMMON STOCK.—If—

"(i) a shareholder receives any qualified reinvested dividend from a corporation, and

"(ii) during the period which begins on the record date for the qualified reinvested dividend and ends 1 year after the date of the distribution of such dividend, the shareholder disposes of any common stock of such corporation,

the shareholder shall be treated as having disposed of the stock received as a qualified reinvested dividend (to the extent there remains such stock to which this paragraph has not applied).

"(B) ORDINARY INCOME TREATMENT.—If any stock received as a qualified reinvested dividend is disposed of within 1 year after the date such stock is distributed, such disposition shall be treated as a disposition of property which is not a capital asset.

"(10) NO REDUCTION IN EARNINGS AND PROFITS FOR DISTRIBUTION OF QUALIFIED COMMON STOCK.—The earnings and profits of any corporation shall not be reduced by reason of the distribution of any qualified common stock of such corporation pursuant to a plan under which shareholders may elect to receive dividends in the form of stock instead of property.

"(11) CERTAIN INDIVIDUALS INELIGIBLE.—

"(A) IN GENERAL.—This subsection shall not apply to any individual who is—

"(i) a trust or estate, or

"(ii) a nonresident alien individual.

"(B) 5 PERCENT SHAREHOLDERS INELIGIBLE.—Any distribution by a corporation to a 5 percent shareholder in such corporation shall not be treated as a qualified reinvested dividend.

"(C) 5 PERCENT SHAREHOLDER DEFINED.—For purposes of subparagraph (B), the term '5 percent shareholder' means any individual who, immediately before the distribution, owns (directly or through the application of section 318)—

"(i) stock possessing more than 5 percent of the total combined voting power of the distributing corporation, or

"(ii) more than 5 percent of the total value of all classes of stock of the distributing corporation.

"(12) TERMINATION.—This subsection shall not apply to distributions after December 31, 1985."

(b) AMENDMENT OF SECTION 305(d).—Paragraph (1) of section 305(d) (defining stock) is amended by striking out "this section" and inserting in lieu thereof "this section (other than subsection (e))". 26 USC 305.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 1981, in taxable years ending after such date. 26 USC 305 note.

Subtitle D—Employee Stock Ownership Provisions

SEC. 331. PAYROLL-BASED CREDIT FOR ESTABLISHING EMPLOYEE STOCK OWNERSHIP PLAN.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowed), as amended by section 221 of this Act, is further amended by inserting immediately after section 44F the following new section: *Ante*, p. 241.

26 USC 44G.

"SEC. 44G. EMPLOYEE STOCK OWNERSHIP CREDIT.

"(a) GENERAL RULE.—

"(1) CREDIT ALLOWED.—In the case of a corporation which elects to have this section apply for the taxable year and which meets the requirements of subsection (c)(1), there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of the credit determined under paragraph (2) for such taxable year.

"(2) DETERMINATION OF AMOUNT.—

"(A) IN GENERAL.—The amount of the credit determined under this paragraph for the taxable year shall be equal to the lesser of—

"(i) the aggregate value of employer securities transferred by the corporation for the taxable year to a tax credit employee stock ownership plan maintained by the corporation, or

"(ii) the applicable percentage of the amount of the aggregate compensation (within the meaning of section 415(c)(3)) paid or accrued during the taxable year to all employees under a tax credit employee stock ownership plan.

"(B) APPLICABLE PERCENTAGE.—For purposes of applying subparagraph (A)(ii), the applicable percentage shall be determined in accordance with the following table:

"For aggregate compensation paid or accrued during a portion of the taxable year occurring in calendar year:	The applicable percentage is:
1983	0.5
1984	0.5
1985	0.75
1986	0.75
1987	0.75
1988 or thereafter	0.

"(b) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) LIABILITY FOR TAX.—

"(A) IN GENERAL.—The credit allowed by subsection (a) for any taxable year shall not exceed an amount equal to the sum of—

"(i) so much of the liability for tax for the taxable year as does not exceed $25,000, plus

"(ii) 90 percent of so much of the liability for tax for the taxable year as exceeds $25,000.

"(B) LIABILITY FOR TAX DEFINED.—For purposes of this paragraph, the term 'liability for tax' means the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowed under a section of this subpart having a lower number designation than this section, other than credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(C) CONTROLLED GROUPS.—In the case of a controlled group of corporations, the $25,000 amount specified in subparagraph (A) shall be reduced for each component member of such group by apportioning $25,000 among the component members of such group in such manner as the Secretary shall by regulations prescribe. For purposes of the preceding

sentence, the term 'controlled group of corporations' has the meaning assigned to such term by section 1563(a) (determined without regard to subsections (a)(4) and (e)(3)(C) of such section). 26 USC 1563.

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided under paragraph (1)(A) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) an employee stock ownership credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) an employee stock ownership credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year ending before January 1, 1983, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided under paragraph (1)(A) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(3) CERTAIN REGULATED COMPANIES.—No credit shall be allowed under this section to a taxpayer if—

"(A) the taxpayer's cost of service for ratemaking purposes or in its regulated books of account is reduced by reason of any portion of such credit which results from the transfer of employer securities or cash to a tax credit employee stock ownership plan which meets the requirements of section 409A;

"(B) the base to which the taxpayer's rate of return for ratemaking purposes is applied is reduced by reason of any portion of such credit which results from a transfer described in subparagraph (A) to such employee stock ownership plan; or

"(C) any portion of the amount of such credit which results from a transfer described in subparagraph (A) to such employee stock ownership plan is treated for ratemaking purposes in any way other than as though it had been contributed by the taxpayer's common shareholders.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) REQUIREMENTS FOR CORPORATION.—A corporation meets the requirements of this paragraph if it—

"(A) establishes a plan—

26 USC 409A.

"(i) which meets the requirements of section 409A, and

"(ii) under which no more than one-third of the employer contributions for the taxable year are allocated to the group of employees consisting of—

"(I) officers,

"(II) shareholders owning more than 10 percent of the employer's stock (within the meaning of section 415(c)(6)(B)(iv)), or

"(III) employees described in section 415(c)(6)(B)(iii), and

"(B) agrees, as a condition for the allowance of the credit allowed by this subsection—

"(i) to make transfers of employer securities to a tax credit employee stock ownership plan maintained by the corporation having an aggregate value of not more than the applicable percentage for the taxable year (determined under subsection (a)(2)) of the amount of the aggregate compensation (within the meaning of section 415(c)(3)) paid or accrued by the corporation during the taxable year, and

"(ii) to make such transfers at the times prescribed in paragraph (2).

"(2) TIMES FOR MAKING TRANSFERS.—The transfers required under paragraph (1)(B) shall be made not later than 30 days after the due date (including extensions) for filing the return for the taxable year.

"(3) ADJUSTMENTS TO CREDIT.—If the credit allowed under this section is reduced by a final determination, the employer may reduce the amount required to be transferred to the tax credit employee stock ownership plan under paragraph (1)(B) for the taxable year in which the final determination occurs or any succeeding taxable year by an amount equal to such reduction to the extent such reduction is not taken into account in any deduction allowed under section 404(i)(2).

"(4) CERTAIN CONTRIBUTIONS OF CASH TREATED AS CONTRIBUTIONS OF EMPLOYER SECURITIES.—For purposes of this section, a transfer of cash shall be treated as a transfer of employer securities if the cash is, under the tax credit employee stock ownership plan, used within 30 days to purchase employer securities.

"(5) DISALLOWANCE OF DEDUCTION.—Except as provided in section 404(i), no deduction shall be allowed under section 162, 212, or 404 for amounts required to be transferred to a tax credit employee stock ownership plan under this section.

"(6) EMPLOYER SECURITIES.—For purposes of this section, the term 'employer securities' has the meaning given such term in section 409A(1).

"(7) VALUE.—For purposes of this section, the term 'value' means—

"(A) in the case of securities listed on a national exchange, the average of closing prices of such securities for the 20 consecutive trading days immediately preceding the date on which the securities are contributed to the plan, or

"(B) in the case of securities not listed on a national exchange, the fair market value as determined in good faith and in accordance with regulations prescribed by the Secretary."

(b) DEDUCTIBILITY OF UNUSED PORTIONS OF THE CREDIT.—Section 404 is amended by adding at the end thereof the following new subsection: 26 USC 404.

"(i) DEDUCTIBILITY OF UNUSED PORTIONS OF EMPLOYEE STOCK OWNERSHIP CREDIT.—

"(1) UNUSED CREDIT CARRYOVERS.—There shall be allowed as a deduction (without regard to any limitations provided under this section) for the last taxable year to which an unused employee stock ownership credit carryover (within the meaning of section 44G(b)(2)(A)) may be carried, an amount equal to the portion of such unused credit carryover which expires at the close of such taxable year. *Ante*, p. 290.

"(2) REDUCTIONS IN CREDIT.—There shall be allowed as a deduction (subject to the limitations provided under this section) an amount equal to any reduction of the credit allowed under section 44G resulting from a final determination of such credit to the extent such reduction is not taken into account in section 44G(c)(3)."

(c) CONFORMING AMENDMENTS.—

(1) Section 409A (relating to qualifications for tax credit employee stock ownership plans) is amended— 26 USC 409A.

(A) by inserting "or 44G(c)(1)(B)" after "section 48(n)(1)(A)" in subsection (b)(1)(A),

(B) by inserting "or the credit allowed under section 44G (relating to the employee stock ownership credit)" after "basic employee plan credit" in subsection (b)(4),

(C) by inserting "or 44G(c)(1)(B)" after "section 48(n)(1)" in subsection (g),

(D) by inserting "or the credit allowed under section 44G (relating to employee stock ownership credit)" after "employee plan credit" in subsection (g),

(E) by inserting "or 44G(c)(1)(B)" after "section 48(n)(1)" in subsection (i)(1)(A),

(F) by inserting "section 44G(c)(1)(B), or" after "required under" in subsection (m),

(G) by inserting "or employee stock ownership credit" after "employee plan credit" in subsection (n)(2), and

(H) by adding at the end of subsection (n) the following new paragraph:

"(3) For requirements for allowance of an employee stock ownership credit, see section 44G."

(2) Subsection (c) of section 56 (relating to regular tax deductions defined) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44G". 26 USC 56.

(3) Subsection (a) of section 6699 (relating to assessable penalties relating to tax credit employee stock ownership plan) is amended— 26 USC 6699.

(A) by inserting "or a credit allowable under section 44G (relating to the employee stock ownership credit)" after "employee plan credit",

(B) by striking out "section 409A, or" in paragraph (1) and inserting in lieu thereof "section 409A with respect to a qualified investment made before January 1, 1983,",

(C) by inserting after paragraph (2) the following new paragraphs:

"(3) fails to satisfy any requirement provided under section 409A with respect to a credit claimed under section 44G in taxable years ending after December 31, 1982, or

Ante, p. 290.

"(4) fails to make any contribution which is required under section 44G(c)(1)(B) within the period required for making such contribution,".

26 USC 6699.

(4) Paragraph (2) of section 6699 is amended to read as follows:

"(2) MAXIMUM AND MINIMUM AMOUNT.—

"(A) The amount determined under paragraph (1) with respect to a failure described in paragraph (1) or (2) of subsection (a)—

"(i) shall not exceed the amount of the employee plan credit claimed by the employer to which such failure relates, and

"(ii) shall not be less than the product of one-half of 1 percent of the amount referred to in subparagraph (A), multiplied by the number of months (or parts thereof) during which such failure continues.

"(B) The amount determined under paragraph (1) with respect to a failure described in paragraph (3) or (4) of subsection (a)—

"(i) shall not exceed the amount of the credit claimed by the employer under section 44G to which such failure relates, and

"(ii) shall not be less than the product of one-half of 1 percent of the amount referred to in subparagraph (A), multiplied by the number of months (or parts thereof) during which such failure continues."

(d) TECHNICAL AMENDMENTS RELATED TO CARRYOVER AND CARRYBACK OF CREDITS.—

(1) CARRYOVER OF CREDIT.—

Ante, p. 246.

(A) Subparagraph (A) of section 55(c)(4) (relating to credits), as amended by this Act, is amended by inserting "44G(b)(1)," before "53(b)".

Ante, p. 226.

(B) Subsection (c) of section 381 (relating to items of the distributor or transferor corporation), as amended by this Act, is amended by adding at the end thereof the following new paragraph:

"(29) CREDIT UNDER SECTION 44G.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44G, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44G in respect of the distributor or transferor corporation."

(C) Section 383 (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning with and after the first taxable year to which the amendments made by the Tax Reform Act of 1976 apply, is amended—

26 USC 1 note.

(i) by inserting "to any unused credit of the corporation under section 44G(b)(2)," after "44F(g)(2),", and

(ii) by inserting "EMPLOYEE STOCK OWNERSHIP CREDITS," after "RESEARCH CREDITS," in the section heading.

26 USC 383.

(D) Section 383 (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44G(b)(2)," after "44F(g)(2),", and

(ii) by inserting "**EMPLOYEE STOCK OWNERSHIP CREDITS,**" after "**RESEARCH CREDITS,**" in the section heading.

(E) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "employee stock ownership credits," after "research credits," in the item relating to section 383.

(2) CARRYBACK OF CREDIT.—

(A) Subparagraph (C) of section 6511(d)(4) (defining credit carryback), as amended by this Act, is amended by striking out "and research credit carryback" and inserting in lieu thereof "research credit carryback, and employee stock ownership credit carryback". *Ante*, p. 247.

(B) Section 6411 (relating to quick refunds in respect of tentative carryback adjustments), as amended by this Act, is amended— *Ante*, p. 247.

(i) by striking out "or unused research credit" each place it appears and inserting in lieu thereof "unused research credit, or unused employee stock ownership credit";

(ii) by inserting "by an employee stock ownership credit carryback provided by section 44G(b)(2)" after "by a research and experimental credit carryback provided in section 44F(g)(2)", in the first sentence of subsection (a); *Ante*, p. 290. *Ante*, p. 241.

(iii) by striking out "or a research credit carryback from" each place it appears and inserting in lieu thereof "a research credit carryback, or employee stock ownership credit carryback from"; and

(iv) by striking out "new employee credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "new employee credit carryback, or, in the case of an employee stock ownership credit carryback, to an investment credit carryback, a new employee credit carryback or a research and experimental credit carryback)".

(e) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund), as amended by this Act, is amended by striking out "and 44F" and inserting in lieu thereof "44F, and 44G". *Ante*, p. 247.

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 44F the following new item:

"Sec. 44G. Employee stock ownership credit."

(f) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall apply to aggregate compensation (within the meaning of section 415(c)(3) of the Internal Revenue Code of 1954), paid or accrued after December 31, 1982, in taxable years ending after such date. 26 USC 44G note.

(2) The amendments made by subsections (b) and (c) shall apply to taxable years ending after December 31, 1982. 26 USC 404 note.

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SEC. 332. TERMINATION OF THE PORTION OF THE INVESTMENT CREDIT ATTRIBUTABLE TO EMPLOYEE PLAN PERCENTAGE.

26 USC 46.

(a) IN GENERAL.—Subparagraph (E) of section 46(a)(2) (relating to employee plan percentage) is amended—

(1) by striking out "December 31, 1983" in clauses (i) and (ii) and inserting in lieu thereof "December 31, 1982",

(2) by striking out "and" at the end of clause (i),

(3) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", and", and

(4) by inserting after clause (ii) the following new clause:

"(iii) with respect to any period beginning after December 31, 1982, zero."

26 USC 48.

(b) TECHNICAL AMENDMENT.—Clause (i) of section 48(n)(1)(A) (relating to requirements for allowance of employee plan percentage) is amended by striking out "equal to" and inserting in lieu thereof "which does not exceed".

(c) EFFECTIVE DATES.—

26 USC 46 note.

(1) The amendments made by subsection (a) shall be effective on the date of enactment of this Act.

26 USC 48 note.

(2) The amendment made by subsection (b) shall apply to qualified investments made after December 31, 1981.

SEC. 333. TAX TREATMENT OF CONTRIBUTIONS ATTRIBUTABLE TO PRINCIPAL AND INTEREST PAYMENTS IN CONNECTION WITH AN EMPLOYEE STOCK OWNERSHIP PLAN.

26 USC 404.

(a) DEDUCTIBILITY.—Section 404(a) (relating to deductions for employer contributions to an employees' trust) is amended by adding at the end thereof the following new paragraph:

"(10) CERTAIN CONTRIBUTIONS TO EMPLOYEE STOCK OWNERSHIP PLANS.—

"(A) PRINCIPAL PAYMENTS.—Notwithstanding the provisions of paragraphs (3) and (7), if contributions are paid into a trust which forms a part of an employee stock ownership plan (as described in section 4975(e)(7)), and such contributions are, on or before the time prescribed in paragraph (6), applied by the plan to the repayment of the principal of a loan incurred for the purpose of acquiring qualifying employer securities (as described in section 4975(e)(8)), such contributions shall be deductible under this paragraph for the taxable year determined under paragraph (6). The amount deductible under this paragraph shall not, however, exceed 25 percent of the compensation otherwise paid or accrued during the taxable year to the employees under such employee stock ownership plan. Any amount paid into such trust in any taxable year in excess of the amount deductible under this paragraph shall be deductible in the succeeding taxable years in order of time to the extent of the difference between the amount paid and deductible in each such succeeding year and the maximum amount deductible for such year under the preceding sentence.

"(B) INTEREST PAYMENT.—Notwithstanding the provisions of paragraphs (3) and (7), if contributions are made to an employee stock ownership plan (described in subparagraph (A)) and such contributions are applied by the plan to the repayment of interest on a loan incurred for the purpose of acquiring qualifying employer securities (as described in subparagraph (A)), such contributions shall be deductible for

the taxable year with respect to which such contributions are made as determined under paragraph (6)."

(b) EXCLUSION FROM LIMITATION ON ANNUAL ADDITIONS.—

(1) IN GENERAL.—Section 415(c)(6) (relating to limitations on benefits and contributions made under qualified plans) is amended by adding at the end thereof the following new subparagraph: 26 USC 415.

"(C) In the case of an employee stock ownership plan (as described in section 4975(e)(7)), under which no more than one-third of the employer contributions for a year which are deductible under paragraph (10) of section 404(a) are allocated to the group of employees consisting of officers, shareholders owning more than 10 percent of the employer's stock (determined under subparagraph (B)(iv)), or employees described in subparagraph (B)(iii), the limitations imposed by this section shall not apply to—

"(i) forfeitures of employer securities under an employee stock ownership plan (as described in section 4975(e)(7)) if such securities were acquired with the proceeds of a loan (as described in section 404(a)(10)(A)), or

"(ii) employer contributions to such an employee stock ownership plan which are deductible under section 404(a)(10)(B) and charged against the participant's account." *Ante*, p. 296.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 1981. 26 USC 415 note.

SEC. 334. CASH DISTRIBUTIONS FROM AN EMPLOYEE STOCK OWNERSHIP PLAN.

Section 409A(h)(2) (relating to right to demand employer securities) is amended— 26 USC 409A.

(1) by adding at the end thereof the following new sentence: "In the case of an employer whose charter or bylaws restrict the ownership of substantially all outstanding employer securities to employees or to a trust described in section 401(a), a plan which otherwise meets the requirements of this subsection or section 4975(e)(7) shall not be considered to have failed to meet the requirements of section 401(a) merely because it does not permit a participant to exercise the right described in paragraph (1)(A) if such plan provides that participants entitled to a distribution from the plan shall have a right to receive such distribution in cash."; and

(2) by striking out "this section" in the first sentence thereof and inserting in lieu thereof "this subsection".

SEC. 335. PUT OPTION FOR STOCK BONUS PLANS.

Section 401(a)(23) (relating to cash distribution option for stock bonus plans) is amended by striking out "409A(h)(2)" and inserting in lieu thereof "409A(h), except that in applying section 409A(h) for purposes of this paragraph, the term 'employer securities' shall include any securities of the employer held by the plan". 26 USC 401.

SEC. 336. PUT OPTION REQUIREMENTS FOR BANKS; PUT OPTION PERIOD.

Section 409A(h) (relating to put options for employee stock ownership plans) is amended by adding at the end thereof the following new paragraphs: *Supra.*

"(3) SPECIAL RULE FOR BANKS.—In the case of a plan established and maintained by a bank (as defined in section 581) which is prohibited by law from redeeming or purchasing its own securities, the requirements of paragraph (1)(B) shall not apply if the plan provides that participants entitled to a distribution from the plan shall have a right to receive a distribution in cash.

"(4) PUT OPTION PERIOD.—An employer shall be deemed to satisfy the requirements of paragraph (1)(B) if it provides a put option for a period of at least 60 days following the date of distribution of stock of the employer and, if the put option is not exercised within such 60-day period, for an additional period of at least 60 days in the following plan year (as provided in regulations promulgated by the Secretary)."

SEC. 337. DISTRIBUTION OF EMPLOYER SECURITIES FROM A TAX CREDIT EMPLOYEE STOCK OWNERSHIP PLAN IN THE CASE OF A SALE OF EMPLOYER ASSETS OR STOCK.

26 USC 409A.

(a) IN GENERAL.—Section 409A(d) (relating to distribution of employer securities) is amended by striking out the last sentence thereof and inserting in lieu thereof the following: "To the extent provided in the plan, the preceding sentence shall not apply in the case of—

"(1) death, disability, or separation from service;

"(2) a transfer of a participant to the employment of an acquiring employer from the employment of the selling corporation in the case of—

"(A) a sale to the acquiring employer of substantially all of the assets used by the selling corporation in a trade or business conducted by the selling corporation, or

"(B) the sale of substantially all of the stock of a subsidiary of the employer, or

"(3) with respect to the stock of a selling corporation, a disposition of such selling corporation's interest in a subsidiary when the participant continues employment with such subsidiary."

26 USC 409A note.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions described in section 409A(d) of the Internal Revenue Code of 1954 (or any corresponding provision of prior law) made after March 29, 1975.

SEC. 338. PASS THROUGH OF VOTING RIGHTS ON EMPLOYER SECURITIES.

26 USC 401.

(a) IN GENERAL.—Paragraph (22) of section 401(a) (relating to qualified pension, profit-sharing, and stock bonus plans) is amended to read as follows:

"(22) if a defined contribution plan (other than a profit-sharing plan)—

"(A) is established by an employer whose stock is not publicly traded, and

"(B) after acquiring securities of the employer, more than 10 percent of the total assets of the plan are securities of the employer,

any trust forming part of such plan shall not constitute a qualified trust under this section unless the plan meets the requirements of subsection (e) of section 409A."

26 USC 401 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to acquisitions of securities after December 31, 1979.

SEC. 339. EFFECTIVE DATE. 26 USC 401 note.

Except as otherwise provided, the amendments made by this subtitle shall apply to taxable years beginning after December 31, 1981.

TITLE IV—ESTATE AND GIFT TAX PROVISIONS

Subtitle A—Increase in Unified Credit; Rate Reduction; Unlimited Marital Deduction

SEC. 401. INCREASE IN UNIFIED CREDIT.

(a) CREDIT AGAINST ESTATE TAX.—

(1) IN GENERAL.—Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800". 26 USC 2010.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (b) of section 2010 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

"In the case of decedents dying in:	Subsection (a) shall be applied by substituting for '$192,800' the following amount:
1982	$62,800
1983	79,300
1984	96,300
1985	121,800
1986	155,800."

(B) Subsection (a) of section 6018 (relating to estate tax returns by executors) is amended— 26 USC 6018.

(i) by striking out "$175,000" in paragraph (1) and inserting in lieu thereof "$600,000"; and

(ii) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) PHASE-IN OF FILING REQUIREMENT AMOUNT.—

"In the case of decedents dying in:	Paragraph (1) shall be applied by substituting for '$600,000' the following amount:
1982	$225,000
1983	275,000
1984	325,000
1985	400,000
1986	500,000."

(b) CREDIT AGAINST GIFT TAX.—

(1) IN GENERAL.—Paragraph (1) of section 2505(a) (relating to unified credit against gift tax) is amended by striking out "$47,000" and inserting in lieu thereof "$192,800". 26 USC 2505.

(2) CONFORMING AMENDMENT.—Subsection (b) of section 2505 is amended to read as follows:

"(b) PHASE-IN OF CREDIT.—

"In the case of gifts made in:	Subsection (a)(1) shall be applied by substituting for '$192,800' the following amount:
1982	$62,800
1983	79,300
1984	96,300
1985	121,800
1986	155,800."

26 USC 2010 note.

26 USC 2505 note.

(c) EFFECTIVE DATES.—The amendments made—

(1) by subsection (a) shall apply to the estates of decedents dying after December 31, 1981, and

(2) by subsection (b) shall apply to gifts made after such date.

SEC. 402. REDUCTION IN MAXIMUM RATES OF TAX.

26 USC 2001.

(a) 50 PERCENT MAXIMUM RATE.—Subsection (c) of section 2001 (relating to rate schedule) is amended by striking out the item beginning "Over $2,500,000" and all that follows and inserting in lieu thereof the following new item:

"Over $2,500,000	$1,025,800, plus 50% of the excess over $2,500,000."

(b) PHASE-IN OF 50 PERCENT MAXIMUM RATE.—Subsection (c) of section 2001 is amended—

(1) by striking out "(c) RATE SCHEDULE.—" and inserting in lieu thereof the following:

"(c) RATE SCHEDULE.—

"(1) IN GENERAL.—", and

(2) by adding at the end thereof the following new paragraph:

"(2) PHASE-IN OF 50 PERCENT MAXIMUM RATE.—

"(A) IN GENERAL.—In the case of decedents dying, and gifts made, before 1985, there shall be substituted for the last item in the schedule contained in paragraph (1) the items determined under this paragraph.

"(B) FOR 1982.—In the case of decedents dying, and gifts made, in 1982, the substitution under this paragraph shall be as follows:

"Over $2,500,000 but not over $3,000,000	$1,025,800, plus 53% of the excess over $2,500,000.
Over $3,000,000 but not over $3,500,000	$1,290,800, plus 57% of the excess over $3,000,000.
Over $3,500,000 but not over $4,000,000	$1,575,800, plus 61% of the excess over $3,500,000.
Over $4,000,000	$1,880,800, plus 65% of the excess over $4,000,000.

"(C) FOR 1983.—In the case of decedents dying, and gifts made, in 1983, the substitution under this paragraph shall be as follows:

"Over $2,500,000 but not over $3,000,000	$1,025,800, plus 53% of the excess over $2,500,000.
Over $3,000,000 but not over $3,500,000	$1,290,800, plus 57% of the excess over $3,000,000.
Over $3,500,000	$1,575,800, plus 60% of the excess over $3,500,000.

"(D) FOR 1984.—In the case of decedents dying, and gifts made, in 1984, the substitution under this paragraph shall be as follows:

"Over $2,500,000 but not over $3,000,000	$1,025,800, plus 53% of the excess over $2,500,000.
Over $3,000,000	$1,290,800, plus 55% of the excess over $3,000,000."

(c) ADJUSTMENT IN COMPUTATION OF TAX FOR GIFTS MADE AFTER DECEMBER 31, 1976.—Paragraph (2) of section 2001(b) is amended to read as follows:

"(2) the aggregate amount of tax which would have been payable under chapter 12 with respect to gifts made by the decedent after December 31, 1976, if the rate schedule set forth in subsection (c) (as in effect at the decedent's death) had been applicable at the time of such gifts."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after, and gifts made after, December 31, 1981. 26 USC 2001 note.

SEC. 403. UNLIMITED MARITAL DEDUCTION.

(a) ESTATE TAX DEDUCTION.—

(1) IN GENERAL.—Section 2056 (relating to bequests, etc., to surviving spouses) is amended— 26 USC 2056.

(A) by striking out subsection (c) and redesignating subsection (d) as subsection (c); and

(B) by striking out "subsections (b) and (c)" in subsection (a) and inserting in lieu thereof "subsection (b)".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (2) of section 2012(b) (relating to credit for gift tax) is amended to read as follows: 26 USC 2012.

"(2) if a deduction with respect to such gift is allowed under section 2056(a) (relating to marital deduction), then by the amount of such value, reduced as provided in paragraph (1); and".

(B) Paragraph (5) of section 2602(c) (relating to coordination with estate tax) is amended by striking out subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively. 26 USC 2602.

(C) Subparagraph (A) of section 691(c)(3) (relating to special rules for generation-skipping transfers) is amended by striking out "section 2602(c)(5)(C)" and inserting in lieu thereof "section 2602(c)(5)(B)". 26 USC 691.

(b) GIFT TAX DEDUCTION.—

(1) IN GENERAL.—Subsection (a) of section 2523 (relating to gift to spouse) is amended to read as follows: 26 USC 2523.

"(a) ALLOWANCE OF DEDUCTION.—Where a donor who is a citizen or resident transfers during the calendar year by gift an interest in property to a donee who at the time of the gift is the donor's spouse, there shall be allowed as a deduction in computing taxable gifts for the calendar year an amount with respect to such interest equal to its value."

(2) TECHNICAL AMENDMENT.—Section 2523 is amended by striking out subsection (f).

(3) CONFORMING AMENDMENTS.—

(A) So much of section 6019 (relating to gift tax returns) as follows the heading and precedes subsection (b) is amended to read as follows: 26 USC 6019.

"Any individual who in any calendar year makes any transfer by gift other than—

"(1) a transfer which under subsection (b) or (e) of section 2503 is not to be included in the total amount of gifts for such year, or

"(2) a transfer of an interest with respect to which a deduction is allowed under section 2523,

shall make a return for such year with respect to the gift tax imposed by subtitle B."

(B) Paragraph (2) of section 2035(b) is amended by inserting "(other than by reason of section 6019(a)(2))" after "section 6019". 26 USC 2035.

(c) ESTATE TAX ON PROPERTY HELD JOINTLY BY HUSBAND AND WIFE.

(1) IN GENERAL.—Paragraph (2) of section 2040(b) (defining qualified joint interest) is amended to read as follows: 26 USC 2040.

"(2) QUALIFIED JOINT INTEREST DEFINED.—For purposes of paragraph (1), the term 'qualified joint interest' means any interest in property held by the decedent and the decedent's spouse as—

"(A) tenants by the entirety, or

"(B) joint tenants with right of survivorship, but only if the decedent and the spouse of the decedent are the only joint tenants."

26 USC 2040.

(2) TECHNICAL AMENDMENT.—Subsection (a) of section 2040 is amended by striking out "joint tenants" each place it appears and inserting in lieu thereof "joint tenants with right of survivorship".

(3) CONFORMING AMENDMENTS.—

(A) Subsections (c), (d), and (e) of section 2040 are hereby repealed.

26 USC 2515, 2515A, 6019.

(B) Section 2515 (relating to tenancies by the entirety in real property), section 2515A (relating to tenancies by the entirety in personal property), and subsection (c) of section 6019 (relating to gift tax return) are hereby repealed.

(C) The table of sections for subchapter B of chapter 12 (relating to transfers) is amended by striking out the items relating to sections 2515 and 2515A.

(d) ELECTION TO HAVE CERTAIN LIFE INTERESTS QUALIFY FOR MARITAL DEDUCTION.—

26 USC 2056.

(1) ESTATE TAX.—Subsection (b) of section 2056 is amended by adding at the end thereof the following new paragraphs:

"(7) ELECTION WITH RESPECT TO LIFE ESTATE FOR SURVIVING SPOUSE.—

"(A) IN GENERAL.—In the case of qualified terminable interest property—

"(i) for purposes of subsection (a), such property shall be treated as passing to the surviving spouse, and

"(ii) for purposes of paragraph (1)(A), no part of such property shall be treated as passing to any person other than the surviving spouse.

"(B) QUALIFIED TERMINABLE INTEREST PROPERTY DEFINED.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified terminable interest property' means property—

"(I) which passes from the decedent,

"(II) in which the surviving spouse has a qualifying income interest for life, and

"(III) to which an election under this paragraph applies.

"(ii) QUALIFYING INCOME INTEREST FOR LIFE.—The surviving spouse has a qualifying income interest for life if—

"(I) the surviving spouse is entitled to all the income from the property, payable annually or at more frequent intervals, and

"(II) no person has a power to appoint any part of the property to any person other than the surviving spouse.

Subclause (II) shall not apply to a power exercisable only at or after the death of the surviving spouse.

"(iii) PROPERTY INCLUDES INTEREST THEREIN.—The term 'property' includes an interest in property.

"(iv) SPECIFIC PORTION TREATED AS SEPARATE PROPERTY.—A specific portion of property shall be treated as separate property.

"(v) ELECTION.—An election under this paragraph with respect to any property shall be made by the executor on the return of tax imposed by section 2001. Such an election, once made, shall be irrevocable.

"(8) SPECIAL RULE FOR CHARITABLE REMAINDER TRUSTS.—

"(A) IN GENERAL.—If the surviving spouse of the decedent is the only noncharitable beneficiary of a qualified charitable remainder trust, paragraph (1) shall not apply to any interest in such trust which passes or has passed from the decedent to such surviving spouse.

"(B) DEFINITIONS.—For purposes of subparagraph (A)—

"(i) NONCHARITABLE BENEFICIARY.—The term 'noncharitable beneficiary' means any beneficiary of the qualified charitable remainder trust other than an organization described in section 170(c).

"(ii) QUALIFIED CHARITABLE REMAINDER TRUST.—The term 'qualified charitable remainder trust' means a charitable remainder annuity trust or charitable remainder unitrust (described in section 664)."

(2) GIFT TAX.—Section 2523 is amended by adding at the end thereof the following new subsections: 26 USC 2523.

"(f) ELECTION WITH RESPECT TO LIFE ESTATE FOR DONEE SPOUSE.—

"(1) IN GENERAL.—In the case of qualified terminable interest property—

"(A) for purposes of subsection (a), such property shall be treated as transferred to the donee spouse, and

"(B) for purposes of subsection (b)(1), no part of such property shall be considered as retained in the donor or transferred to any person other than the donee spouse.

"(2) QUALIFIED TERMINABLE INTEREST PROPERTY.—For purposes of this subsection, the term 'qualified terminable interest property' means any property—

"(A) which is transferred by the donor spouse,

"(B) in which the donee spouse has a qualifying income interest for life, and

"(C) to which an election under this subsection applies.

"(3) CERTAIN RULES MADE APPLICABLE.—For purposes of this subsection, the rules of clauses (ii), (iii), and (iv) of section 2056(b)(7)(B) shall apply.

"(4) ELECTION.—An election under this subsection with respect to any property shall be made on the return of the tax imposed by section 2501 for the calendar year in which the interest was transferred. Such an election, once made, shall be irrevocable.

"(g) SPECIAL RULE FOR CHARITABLE REMAINDER TRUSTS.—

"(1) IN GENERAL.—If, after the transfer, the donee spouse is the only noncharitable beneficiary (other than the donor) of a qualified remainder trust, subsection (b) shall not apply to the interest in such trust which is transferred to the donee spouse.

"(2) DEFINITIONS.—For purposes of paragraph (1), the term 'noncharitable beneficiary' and 'qualified charitable remainder trust' have the meanings given to such terms by section 2056(b)(8)(B)."

(3) TREATMENT OF SPOUSE.—

(A) INCLUSION IN GROSS ESTATE.—

(i) IN GENERAL.—Part III of subchapter A of chapter 11 is amended by redesignating sections 2044 and 2045 as sections 2045 and 2046, respectively, and by inserting after section 2043 the following new section:

26 USC 2045, 2046.

26 USC 2044.

"SEC. 2044. CERTAIN PROPERTY FOR WHICH MARITAL DEDUCTION WAS PREVIOUSLY ALLOWED.

"(a) GENERAL RULE.—The value of the gross estate shall include the value of any property to which this section applies in which the decedent had a qualifying income interest for life.

"(b) PROPERTY TO WHICH THIS SECTION APPLIES.—This section applies to any property if—

"(1) a deduction was allowed with respect to the transfer of such property to the decedent—

Ante, p. 302.

"(A) under section 2056 by reason of subsection (b)(7) thereof, or

Ante, p. 303.

"(B) under section 2523 by reason of subsection (f) thereof, and

"(2) section 2519 (relating to dispositions of certain life estates) did not apply with respect to a disposition by the decedent of part or all of such property."

(ii) The table of sections for part III of subchapter A of chapter 11 is amended by redesignating the items relating to sections 2044 and 2045 as sections 2045 and 2046, respectively, and by inserting after the item relating to section 2043 the following new item:

"Sec. 2044. Certain property for which marital deduction was previously allowed."

(B) GIFT TAX.—

(i) IN GENERAL.—Subchapter B of chapter 11 (relating to transfers) is amended by adding at the end thereof the following new section:

26 USC 2519.

"SEC. 2519. DISPOSITIONS OF CERTAIN LIFE ESTATES.

"(a) GENERAL RULE.—Any disposition of all or part of a qualifying income interest for life in any property to which this section applies shall be treated as a transfer of such property.

"(b) PROPERTY TO WHICH THIS SUBSECTION APPLIES.—This section applies to any property if a deduction was allowed with respect to the transfer of such property to the donor—

"(1) under section 2056 by reason of subsection (b)(7) thereof, or

"(2) under section 2523 by reason of subsection (f) thereof."

(ii) The table of sections for subchapter B of chapter 11 is amended by adding at the end thereof the following new item:

"Sec. 2519. Dispositions of certain life estates."

(4)(A) Subchapter C of chapter 11 is amended by inserting after section 2207 the following new section:

26 USC 2207A.

"SEC. 2207A. RIGHT OF RECOVERY IN THE CASE OF CERTAIN MARITAL DEDUCTION PROPERTY.

"(a) RECOVERY WITH RESPECT TO ESTATE TAX.—

"(1) IN GENERAL.—If any part of the gross estate consists of property the value of which is includible in the gross estate by reason of section 2044 (relating to certain property for which marital deduction was previously allowed), the decedent's estate shall be entitled to recover from the person receiving the property the amount by which—

"(A) the total tax under this chapter which has been paid, exceeds

"(B) the total tax under this chapter which would have been payable if the value of such property had not been included in the gross estate.

"(2) DECEDENT MAY OTHERWISE DIRECT BY WILL.—Paragraph (1) shall not apply if the decedent otherwise directs by will.

"(b) RECOVERY WITH RESPECT TO GIFT TAX.—If for any calendar year tax is paid under chapter 12 with respect to any person by reason of property treated as transferred by such person under section 2519, such person shall be entitled to recover from the person receiving the property the amount by which—

Ante, p. 304.

"(1) the total tax for such year under chapter 12, exceeds

"(2) the total tax which would have been payable under such chapter for such year if the value of such property had not been taken into account for purposes of chapter 12.

"(c) MORE THAN ONE RECIPIENT OF PROPERTY.—For purposes of this section, if there is more than one person receiving the property, the right of recovery shall be against each such person.

"(d) TAXES AND INTEREST.—In the case of penalties and interest attributable to additional taxes described in subsections (a) and (b), rules similar to subsections (a), (b), and (c) shall apply."

(B) The table of sections for subchapter C of chapter 11 is amended by inserting after the item relating to section 2207 the following new item:

"Sec. 2207A. Right of recovery in the case of certain marital deduction property."

(e) EFFECTIVE DATES.—

26 USC 2056 note.

(1) Except as otherwise provided in this subsection, the amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

(2) The amendments made by paragraphs (1), (2), and (3)(A) of subsection (b), subparagraphs (B) and (C) of subsection (c)(3), and paragraphs (2) and (3)(B) of subsection (d) shall apply to gifts made after December 31, 1981.

(3) If—

(A) the decedent dies after December 31, 1981,

(B) by reason of the death of the decedent property passes from the decedent or is acquired from the decedent under a will executed before the date which is 30 days after the date of the enactment of this Act, or a trust created before such date, which contains a formula expressly providing that the spouse is to receive the maximum amount of property qualifying for the marital deduction allowable by Federal law,

(C) the formula referred to in subparagraph (B) was not amended to refer specifically to an unlimited marital deduction at any time after the date which is 30 days after the date of enactment of this Act, and before the death of the decedent, and

(D) the State does not enact a statute applicable to such estate which construes this type of formula as referring to the marital deduction allowable by Federal law as amended by subsection (a),

then the amendment made by subsection (a) shall not apply to the estate of such decedent.

Subtitle B—Other Estate Tax Provisions

SEC. 421. VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.

26 USC 2032A.

(a) INCREASE IN LIMITATION.—Paragraph (2) of section 2032A(a) (relating to limitation) is amended to read as follows:

"(2) LIMIT ON AGGREGATE REDUCTION IN FAIR MARKET VALUE.—The aggregate decrease in the value of qualified real property taken into account for purposes of this chapter which results from the application of paragraph (1) with respect to any decedent shall not exceed the applicable limit set forth in the following table:

"In the case of decedents dying in:	The applicable limit is:
1981	$600,000
1982	700,000
1983 or thereafter	750,000."

(b) DEFINITION OF QUALIFIED REAL PROPERTY.—

(1) REQUIRED USE CAN BE BY MEMBER OF FAMILY.—Paragraph (1) of section 2032A(b) (defining qualified real property) is amended by inserting "by the decedent or a member of the decedent's family" after "qualified use" each place it appears.

(2) SPECIAL RULES FOR DECEDENTS WHO ARE RETIRED OR DISABLED AND FOR SURVIVING SPOUSES.—Subsection (b) of section 2032A is amended by adding at the end thereof the following new paragraphs:

"(4) DECEDENTS WHO ARE RETIRED OR DISABLED.—

"(A) IN GENERAL.—If, on the date of the decedent's death, the requirements of paragraph (1)(C)(ii) with respect to the decedent for any property are not met, and the decedent—

"(i) was receiving old-age benefits under title II of the Social Security Act for a continuous period ending on such date, or

42 USC 401.

"(ii) was disabled for a continuous period ending on such date,

then paragraph (1)(C)(ii) shall be applied with respect to such property by substituting 'the date on which the longer of such continuous periods began' for 'the date of the decedent's death' in paragraph (1)(C).

"(B) DISABLED DEFINED.—For purposes of subparagraph (A), an individual shall be disabled if such individual has a mental or physical impairment which renders him unable to materially participate in the operation of the farm or other business.

"(C) COORDINATION WITH RECAPTURE.—For purposes of subsection (c)(6)(B)(i), if the requirements of paragraph (1)(C)(ii) are met with respect to any decedent by reason of subparagraph (A), the period ending on the date on which the continuous period taken into account under subparagraph (A) began shall be treated as the period immediately before the decedent's death.

"(5) SPECIAL RULES FOR SURVIVING SPOUSES.—

"(A) IN GENERAL.—If property is qualified real property with respect to a decedent (hereinafter in this paragraph referred to as the 'first decedent') and such property was acquired from or passed from the first decedent to the surviving spouse of the first decedent, for purposes of applying this subsection and subsection (c) in the case of the estate

of such surviving spouse, active management of the farm or other business by the surviving spouse shall be treated as material participation by such surviving spouse in the operation of such farm or business.

"(B) SPECIAL RULE.—For the purposes of subparagraph (A), the determination of whether property is qualified real property with respect to the first decedent shall be made without regard to subparagraph (D) of paragraph (1) and without regard to whether an election under this section was made."

(c) DISPOSITIONS AND FAILURES TO USE FOR QUALIFIED USE.—

(1) 10-YEAR RECAPTURE PERIOD.—

(A) IN GENERAL.—Paragraph (1) of section 2032A(c) (relating to tax treatment of dispositions and failures to use for qualified use) is amended by striking out "15 years" and inserting in lieu thereof "10 years". 26 USC 2032A.

(B) CONFORMING AMENDMENTS.—

(i) Subsection (c) of section 2032A is amended by striking out paragraph (3) and redesignating paragraphs (4) through (7) as paragraphs (3) through (6), respectively.

(ii) Subparagraph (A) of paragraph (2) of section 2032A(h) (relating to treatment of replacement property) is amended by striking out all that follows "involuntarily converted" and inserting in lieu thereof the following: "; except that with respect to such qualified replacement property the 10-year period under paragraph (1) of subsection (c) shall be extended by any period, beyond the 2-year period referred to in section 1033(a)(2)(B)(i), during which the qualified heir was allowed to replace the qualified real property,".

(iii) Subparagraph (C) of such paragraph (2) is amended by striking out "(7)" and inserting in lieu thereof "(6)".

(2) CESSATION OF QUALIFIED USE.—

(A) IN GENERAL.—Subsection (c) of section 2032A is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULES.—

"(A) NO TAX IF USE BEGINS WITHIN 2 YEARS.—If the date on which the qualified heir begins to use the qualified real property (hereinafter in this subparagraph referred to as the commencement date) is before the date 2 years after the decedent's death—

"(i) no tax shall be imposed under paragraph (1) by reason of the failure by the qualified heir to so use such property before the commencement date, and

"(ii) the 10-year period under paragraph (1) shall be extended by the period after the decedent's death and before the commencement date.

"(B) ACTIVE MANAGEMENT BY ELIGIBLE QUALIFIED HEIR TREATED AS MATERIAL PARTICIPATION.—For purposes of paragraph (6)(B)(ii), the active management of a farm or other business by—

"(i) an eligible qualified heir, or

"(ii) a fiduciary of an eligible qualified heir described in clause (ii) or (iii) of subparagraph (C),

shall be treated as material participation by such eligible qualified heir in the operation of such farm or business. In the case of an eligible qualified heir described in clause (ii), (iii), or (iv) of subparagraph (C), the preceding sentence shall apply only during periods during which such heir meets the requirements of such clause.

"(C) ELIGIBLE QUALIFIED HEIR.—For purposes of this paragraph, the term 'eligible qualified heir' means a qualified heir who—

"(i) is the surviving spouse of the decedent,

"(ii) has not attained the age of 21,

"(iii) is disabled (within the meaning of subsection (b)(4)(B)), or

"(iv) is a student.

"(D) STUDENT.—For purposes of subparagraph (C), an individual shall be treated as a student with respect to periods during any calendar year if (and only if) such individual is a student (within the meaning of section 151(e)(4)) for such calendar year."

(B) CONFORMING AMENDMENTS.—

26 USC 2032A.

(i) Subsection (e) of section 2032A (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(12) ACTIVE MANAGEMENT.—The term 'active management' means the making of the management decisions of a business (other than the daily operating decisions)."

Ante, p. 307.

(ii) Paragraph (6) of section 2032A(c) (as redesignated by paragraph (1)) is amended by striking out "3 years or more" and inserting in lieu thereof "more than 3 years".

(d) EXCHANGE OF QUALIFIED REAL PROPERTY.—

(1) IN GENERAL.—Section 2032A (relating to valuation of certain farm, etc., real property) is amended by adding at the end thereof the following new subsection:

"(i) EXCHANGES OF QUALIFIED REAL PROPERTY.—

"(1) TREATMENT OF PROPERTY EXCHANGED.—

"(A) EXCHANGES SOLELY FOR QUALIFIED EXCHANGE PROPERTY.—If an interest in qualified real property is exchanged solely for an interest in qualified exchange property in a transaction which qualifies under section 1031, no tax shall be imposed by subsection (c) by reason of such exchange.

"(B) EXCHANGES WHERE OTHER PROPERTY RECEIVED.—If an interest in qualified real property is exchanged for an interest in qualified exchange property and other property in a transaction which qualifies under section 1031, the amount of the tax imposed by subsection (c) by reason of such exchange shall be the amount of tax which (but for this subparagraph) would have been imposed on such exchange under subsection (c)(1), reduced by an amount which—

"(i) bears the same ratio to such tax, as

"(ii) the fair market value of the other property bears to the fair market value of the qualified real property exchanged.

For purposes of clause (ii) of the preceding sentence, fair market value shall be determined as of the time of the exchange.

"(2) TREATMENT OF QUALIFIED EXCHANGE PROPERTY.—For purposes of subsection (c)—

"(A) any interest in qualified exchange property shall be treated in the same manner as if it were a portion of the interest in qualified real property which was exchanged,

"(B) any tax imposed by subsection (c) by reason of the exchange shall be treated as a tax imposed on a partial disposition, and

"(C) paragraph (6) of subsection (c) shall be applied by treating material participation with respect to the exchanged property as material participation with respect to the qualified exchange property.

"(3) QUALIFIED EXCHANGE PROPERTY.—For purposes of this subsection, the term 'qualified exchange property' means real property which is to be used for the qualified use set forth in subparagraph (A), (B), or (C) of subsection (b)(2) under which the real property exchanged therefor originally qualified under subsection (a)."

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 2032A(f) (relating to statute of limitations) is amended— 26 USC 2032A.

(i) by inserting "or exchange" after "conversion",

(ii) by inserting "or (i)" after "(h)", and

(iii) by inserting "or of the exchange of property" after "replace".

(B) Paragraph (2) of section 6324B(c) (relating to special liens) is amended by inserting "and qualified exchange property (within the meaning of section 2032A(i)(3))" before the period at the end thereof. 26 USC 6324B. *Ante*, p. 308.

(e) ELECTION REQUIREMENT OF SPECIAL RULES FOR INVOLUNTARY CONVERSIONS REPEALED.—

(1) IN GENERAL.—Section 2032A(h) (relating to special rules for involuntary conversions of qualified real property) is amended— 26 USC 2032A.

(A) by striking out "and the qualified heir makes an election under this subsection" in paragraph (1)(A); and

(B) by striking out paragraph (5).

(2) CONFORMING AMENDMENT.—Paragraph (1) of section 2032A(f) is amended by striking out "to which an election under subsection (h)" and inserting in lieu thereof "to which subsection (h)".

(f) METHOD OF VALUING FARMS.—

(1) Paragraph (7) of section 2032A(e) (relating to method of valuing farms) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) VALUE BASED ON NET SHARE RENTAL IN CERTAIN CASES.—

"(i) IN GENERAL.—If there is no comparable land from which the average annual gross cash rental may be determined but there is comparable land from which the average net share rental may be determined, subparagraph (A)(i) shall be applied by substituting 'average annual net share rental' for 'average annual gross cash rental'.

"(ii) NET SHARE RENTAL.—For purposes of this paragraph, the term 'net share rental' means the excess of—

"(I) the value of the produce received by the lessor of the land on which such produce is grown, over

"(II) the cash operating expenses of growing such produce which, under the lease, are paid by the lessor."

Ante, p. 309.

(2) Subparagraph (C) of section 2032A(e)(7) (as redesignated by paragraph (1)) is amended by inserting after "determined" the following: "and that there is no comparable land from which the average net share rental may be determined".

(g) BASIS INCREASE WHERE RECAPTURE.—Subsection (c) of section 1016 (relating to adjustments to basis) is amended to read as follows:

26 USC 1016.

"(c) INCREASE IN BASIS OF PROPERTY ON WHICH ADDITIONAL ESTATE TAX IS IMPOSED.—

"(1) TAX IMPOSED WITH RESPECT TO ENTIRE INTEREST.—If an additional estate tax is imposed under section 2032A(c)(1) with respect to any interest in property and the qualified heir makes an election under this subsection with respect to the imposition of such tax, the adjusted basis of such interest shall be increased by an amount equal to the excess of—

"(A) the fair market value of such interest on the date of the decedent's death (or the alternate valuation date under section 2032, if the executor of the decedent's estate elected the application of such section), over

"(B) the value of such interest determined under section 2032A(a).

"(2) PARTIAL DISPOSITIONS.—

"(A) IN GENERAL.—In the case of any partial disposition for which an election under this subsection is made, the increase in basis under paragraph (1) shall be an amount—

"(i) which bears the same ratio to the increase which would be determined under paragraph (1) (without regard to this paragraph) with respect to the entire interest, as

"(ii) the amount of the tax imposed under section 2032A(c)(1) with respect to such disposition bears to the adjusted tax difference attributable to the entire interest (as determined under section 2032A(c)(2)(B)).

"(B) PARTIAL DISPOSITION.—For purposes of subparagraph (A), the term 'partial disposition' means any disposition or cessation to which subsection (c)(2)(D), (h)(1)(B), or (i)(1)(B) of section 2032A applies.

"(3) TIME ADJUSTMENT MADE.—Any increase in basis under this subsection shall be deemed to have occurred immediately before the disposition or cessation resulting in the imposition of the tax under section 2032A(c)(1).

"(4) SPECIAL RULE IN THE CASE OF SUBSTITUTED PROPERTY.—If the tax under section 2032A(c)(1) is imposed with respect to qualified replacement property (as defined in section 2032A(h)(3)(B)) or qualified exchange property (as defined in section 2032A(i)(3)), the increase in basis under paragraph (1) shall be made by reference to the property involuntarily converted or exchanged (as the case may be).

Ante, p. 308.

"(5) ELECTION.—

"(A) IN GENERAL.—An election under this subsection shall be made at such time and in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable.

"(B) INTEREST ON RECAPTURED AMOUNT.—If an election is made under this subsection with respect to any additional estate tax imposed under section 2032A(c)(1), for purposes of section 6601 (relating to interest on underpayments), the last date prescribed for payment of such tax shall be deemed to be the last date prescribed for payment of the tax imposed by

section 2001 with respect to the estate of the decedent (as determined for purposes of section 6601)."

(h) SPECIAL RULES FOR WOODLANDS.—

(1) VALUE OF TIMBER INCLUDED IN VALUATION; ACTIVE MANAGEMENT TREATED AS MATERIAL PARTICIPATION.—Subsection (e) of section 2032A is amended by adding at the end thereof the following new paragraph:

Ante, p. 308.

"(13) SPECIAL RULES FOR WOODLANDS.—

"(A) IN GENERAL.—In the case of any qualified woodland with respect to which the executor elects to have this subparagraph apply, trees growing on such woodland shall not be treated as a crop.

"(B) QUALIFIED WOODLAND.—The term 'qualified woodland' means any real property which—

"(i) is used in timber operations, and

"(ii) is an identifiable area of land such as an acre or other area for which records are normally maintained in conducting timber operations.

"(C) TIMBER OPERATIONS.—The term 'timber operations' means—

"(i) the planting, cultivating, caring for, or cutting of trees, or

"(ii) the preparation (other than milling) of trees for market.

"(D) ELECTION.—An election under subparagraph (A) shall be made on the return of the tax imposed by section 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable."

(2) RECAPTURE UPON DISPOSITION OF TIMBER.—Paragraph (2) of section 2032A(c) (relating to amount of additional tax) is amended by adding at the end thereof the following new subparagraph:

26 USC 2032A.

"(E) SPECIAL RULE FOR DISPOSITION OF TIMBER.—In the case of qualified woodland to which an election under subsection (e)(13)(A) applies, if the qualified heir disposes of (or severs) any standing timber on such qualified woodland—

Supra.

"(i) such disposition (or severance) shall be treated as a disposition of a portion of the interest of the qualified heir in such property, and

"(ii) the amount of the additional tax imposed by paragraph (1) with respect to such disposition shall be an amount equal to the lesser of—

"(I) the amount realized on such disposition (or, in any case other than a sale or exchange at arm's length, the fair market value of the portion of the interest disposed or severed), or

"(II) the amount of additional tax determined under this paragraph (without regard to this subparagraph) if the entire interest of the qualified heir in the qualified woodland had been disposed of, less the sum of the amount of the additional tax imposed with respect to all prior transactions involving such woodland to which this subparagraph applied.

For purposes of the preceding sentence, the disposition of a right to sever shall be treated as the disposition of the standing timber. The amount of additional tax imposed

under paragraph (1) in any case in which a qualified heir disposes of his entire interest in the qualified woodland shall be reduced by any amount determined under this subparagraph with respect to such woodland."

(i) DEFINITION OF FAMILY MEMBER.—Paragraph (2) of section 2032A(e) (defining member of family) is amended to read as follows:

26 USC 2032A.

"(2) MEMBER OF FAMILY.—The term 'member of the family' means, with respect to any individual, only—

"(A) an ancestor of such individual,

"(B) the spouse of such individual,

"(C) a lineal descendant of such individual, of such individual's spouse, or of a parent of such individual, or

"(D) the spouse of any lineal descendant described in subparagraph (C).

For purposes of the preceding sentence, a legally adopted child of an individual shall be treated as the child of such individual by blood."

(j) MISCELLANEOUS AMENDMENTS.—

(1) PROPERTY TRANSFERRED TO CERTAIN DISCRETIONARY TRUSTS.—Subsection (g) of section 2032A (relating to application of section 2032A and section 6324B to interests in partnerships, corporations, and trusts) is amended by adding at the end thereof the following new sentence: "For purposes of the preceding sentence, an interest in a discretionary trust all the beneficiaries of which are qualified heirs shall be treated as a present interest."

(2) PROPERTY PURCHASED FROM DECEDENT'S ESTATE ELIGIBLE FOR SPECIAL VALUATION.—

(A) IN GENERAL.—Paragraph (9) of section 2032A(e) is amended by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following:

"(B) such property is acquired by any person from the estate, or

"(C) such property is acquired by any person from a trust (to the extent such property is includible in the gross estate of the decedent)."

(B) NONRECOGNITION OF GAIN.—The section heading and subsections (a) and (b) of section 1040 are amended to read as follows:

94 Stat. 300.

"SEC. 1040. TRANSFER OF CERTAIN FARM, ETC., REAL PROPERTY.

"(a) GENERAL RULE.—If the executor of the estate of any decedent transfers to a qualified heir (within the meaning of section 2032A(e)(1)) any property with respect to which an election was made under section 2032A, then gain on such transfer shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds the value of such property for purposes of chapter 11 (determined without regard to section 2032A).

26 USC 2001 *et seq.*

"(b) SIMILAR RULE FOR CERTAIN TRUSTS.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where the trustee of a trust (any portion of which is included in the gross estate of the decedent) transfers property with respect to which an election was made under section 2032A."

(C) CLERICAL AMENDMENT.—The table of sections for part III of subchapter O of chapter 1 is amended by striking out

the item relating to section 1040 and inserting in lieu thereof the following:

"Sec. 1040. Transfer of certain farm, etc., real property."

(3) ELECTION MAY BE MADE ON LATE RETURNS.—Paragraph (1) of section 2032A(d) (relating to election) is amended to read as follows: 26 USC 2032A.

"(1) ELECTION.—The election under this section shall be made on the return of the tax imposed by section 2001. Such election shall be made in such manner as the Secretary shall by regulations prescribe. Such an election, once made, shall be irrevocable."

(4) TREATMENT OF REPLACEMENT PROPERTY.—Subsection (e) of section 2032A is amended by adding at the end thereof the following new paragraph: *Ante*, p. 311.

"(14) TREATMENT OF REPLACEMENT PROPERTY ACQUIRED IN SECTION 1031 OR 1033 TRANSACTIONS.—

"(A) IN GENERAL.—In the case of any qualified replacement property, any period during which there was ownership, qualified use, or material participation with respect to the replaced property by the decedent or any member of his family shall be treated as a period during which there was such ownership, use, or material participation (as the case may be) with respect to the qualified replacement property.

"(B) LIMITATION.—Subparagraph (A) shall not apply to the extent that the fair market value of the qualified replacement property (as of the date of its acquisition) exceeds the fair market value of the replaced property (as of the date of its disposition).

"(C) DEFINITIONS.—For purposes of this paragraph—

"(i) QUALIFIED REPLACEMENT PROPERTY.—The term 'qualified replacement property' means any real property which is—

"(I) acquired in an exchange which qualifies under section 1031, or

"(II) the acquisition of which results in the nonrecognition of gain under section 1033.

Such term shall only include property which is used for the same qualified use as the replaced property was being used before the exchange.

"(ii) REPLACED PROPERTY.—The term 'replaced property' means—

"(I) the property transferred in the exchange which qualifies under section 1031, or

"(II) the property compulsorily or involuntarily converted (within the meaning of section 1033)."

(k) EFFECTIVE DATES.— 26 USC 2032A note.

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply with respect to the estates of decedents dying after December 31, 1981.

(2) INCREASE IN LIMITATION.—The amendment made by subsection (a) shall apply with respect to the estates of decedents dying after December 31, 1980.

(3) SUBSECTION (d).—The amendments made by subsection (d) shall apply with respect to exchanges after December 31, 1981.

(4) SUBSECTION (e).—The amendments made by subsection (e) shall apply with respect to involuntary conversions after December 31, 1981.

26 USC 2032A note.

(5) CERTAIN AMENDMENTS MADE RETROACTIVE TO 1976.—

(A) IN GENERAL.—The amendments made by subsections (b)(1), (c)(2), (j)(1), and (j)(2) shall apply with respect to the estates of decedents dying after December 31, 1976.

(B) TIMELY ELECTION REQUIRED.—Subparagraph (A) shall only apply in the case of an estate if a timely election under section 2032A was made with respect to such estate. If the time for making an election under section 2032A with respect to any estate would have otherwise expired after July 28, 1980, the time for making such election shall not expire before the date 6 months after the date of the enactment of this Act.

(C) REINSTATEMENT OF ELECTIONS.—If any election under section 2032A was revoked before the date of the enactment of this Act, such election may be reinstated within 6 months after the date of the enactment of this Act.

(D) STATUTE OF LIMITATIONS.—If on the date of the enactment of this Act (or at any time within 6 months after such date of enactment) the making of a credit or refund of any overpayment of tax resulting from the amendments described in subparagraph (A) is barred by any law or rule of law, such credit or refund shall nevertheless be made if claim therefor is made before the date 6 months after such date of enactment.

SEC. 422. COORDINATION OF EXTENSIONS OF TIME FOR PAYMENT OF ESTATE TAX WHERE ESTATE CONSISTS LARGELY OF INTEREST IN CLOSELY HELD BUSINESS.

(a) ELIGIBILITY REQUIREMENTS.—

26 USC 6166.

(1) IN GENERAL.—Paragraph (1) of section 6166(a) (relating to alternate extension of time for payment of estate tax where estate consists largely of interest in closely held business) is amended by striking out "65 percent" and inserting in lieu thereof "35 percent".

(2) INTERESTS IN 2 OR MORE CLOSELY HELD BUSINESSES.—Subsection (c) of section 6166 (relating to interests in 2 or more closely held businesses) is amended by striking out "more than 20 percent" and inserting in lieu thereof "20 percent or more".

26 USC 303.

(b) COORDINATION WITH SECTION 303.—

(1) IN GENERAL.—Subparagraph (A) of section 303(b)(2) (relating to relationship of stock to decedent's estate) is amended by striking out "50 percent" and inserting in lieu thereof "35 percent".

(2) CONFORMING AMENDMENT.—Subparagraph (B) of section 303(b)(2) is amended to read as follows:

"(B) SPECIAL RULE FOR STOCK IN 2 OR MORE CORPORATIONS.—For purposes of subparagraph (A), stock of 2 or more corporations, with respect to each of which there is included in determining the value of the decedent's gross estate 20 percent or more in value of the outstanding stock, shall be treated as the stock of a single corporation. For purposes of the 20-percent requirement of the preceding sentence, stock which, at the decedent's death, represents the surviving spouse's interest in property held by the decedent and the surviving spouse as community property or as joint tenants, tenants by the entirety, or tenants in common shall be treated as having been included in determining the value of the decedent's gross estate."

(c) ACCELERATION OF PAYMENT.—

(1) AMOUNT OF DISPOSITION.—Subparagraph (A) of section 6166(g)(1) (relating to acceleration of payment in the case of disposition of interest or withdrawal of funds from business) is amended to read as follows: 26 USC 6166.

"(A) If—

"(i)(I) any portion of an interest in a closely held business which qualifies under subsection (a)(1) is distributed, sold, exchanged, or otherwise disposed of, or

"(II) money and other property attributable to such an interest is withdrawn from such trade or business, and

"(ii) the aggregate of such distributions, sales, exchanges, or other dispositions and withdrawals equals or exceeds 50 percent of the value of such interest,

then the extension of time for payment of tax provided in subsection (a) shall cease to apply, and the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary."

(2) FAILURE TO MAKE PAYMENTS.—Paragraph (3) of section 6166(g) (relating to failure to pay installments) is amended to read as follows:

"(3) FAILURE TO MAKE PAYMENT OF PRINCIPAL OR INTEREST.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if any payment of principal or interest under this section is not paid on or before the date fixed for its payment by this section (including any extension of time), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary.

"(B) PAYMENT WITHIN 6 MONTHS.—If any payment of principal or interest under this section is not paid on or before the date determined under subparagraph (A) but is paid within 6 months of such date—

"(i) the provisions of subparagraph (A) shall not apply with respect to such payment,

"(ii) the provisions of section 6601(j) shall not apply with respect to the determination of interest on such payment, and

"(iii) there is imposed a penalty in an amount equal to the product of—

"(I) 5 percent of the amount of such payment, multiplied by

"(II) the number of months (or fractions thereof) after such date and before payment is made.

The penalty imposed under clause (iii) shall be treated in the same manner as a penalty imposed under subchapter B of chapter 68." 26 USC 6671.

(3) NO DISQUALIFICATION IN CASE OF SUBSEQUENT DEATHS.—Subparagraph (D) of section 6166(g)(1) is amended by adding at the end thereof the following new sentence: "A similar rule shall apply in the case of a series of subsequent transfers of the property by reason of death so long as each transfer is to a member of the family (within the meaning of section 267(c)(4)) of the transferor in such transfer."

(d) REPEAL OF SECTION 6166A.—Section 6166A (relating to extension of time for payment of estate tax where estate consists largely of interest in a closely held business) is hereby repealed. Repeal. 26 USC 6166A.

(e) TECHNICAL AMENDMENTS.—

26 USC 303, 2204, 6161.

(1) Sections 303(b)(1)(C), 2204(c), and 6161(a)(2)(B) are each amended by striking out "or 6166A" each place it appears.

26 USC 2011.

(2) Paragraph (2) of section 2011(c) is amended by striking out "6161, 6166 or 6166A" and inserting in lieu thereof "6161 or 6166".

26 USC 2204.

(3) Subsections (a) and (b) of section 2204 are each amended by striking out "6166 or 6166A" and inserting in lieu thereof "or 6166".

26 USC 2621.

(4) Subsection (b) of section 2621 is amended—

(A) by striking out "sections 6166 and 6166A (relating to extensions" and inserting in lieu thereof "section 6166 (relating to extension", and

(B) by striking out "SECTIONS 6166 AND 6166A" in the subsection heading and inserting in lieu thereof "SECTION 6166".

26 USC 6166.

(5)(A) Subsection (a) of section 6166 is amended by striking out paragraph (4).

(B) The section heading for section 6166 is amended by striking out "ALTERNATE".

(C) The table of sections for subchapter B of chapter 62 is amended by striking out the items relating to sections 6166 and 6166A and inserting in lieu thereof the following:

"Sec. 6166. Extension of time for payment of estate tax where estate consists largely of interest in closely held business."

26 USC 6324A.

(6)(A) Subsections (a), (c)(2), and (e) of section 6324A are each amended by striking out "or 6166A" each place it appears.

(B) Paragraphs (3) and (5) of section 6324A(d) are each amended by striking out "or 6166A(h)".

(C) The section heading for section 6324A is amended by striking out "OR 6166A".

(D) The table of sections for subchapter C of chapter 64 is amended by striking out "or 6166A" in the item relating to section 6324A.

26 USC 6503.

(7) Subsection (d) of section 6503 is amended by striking out "6163, 6166, or 6166A" and inserting in lieu thereof "6163 or 6166".

26 USC 7403.

(8) Subsection (a) of section 7403 is amended by striking out "or 6166A(h)".

26 USC 6166 note.

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to the estates of decedents dying after December 31, 1981.

(2) ACCELERATION BY REASON OF SUBSEQUENT DEATH.—The amendment made by subsection (c)(3) shall apply to transfers after December 31, 1981.

SEC. 423. TREATMENT OF CERTAIN CONTRIBUTIONS OF WORKS OF ART, ETC.

26 USC 2055.

(a) ESTATE TAX.—Subsection (e) of section 2055 (relating to disallowance of deduction in certain cases) is amended by adding at the end thereof the following new paragraph:

"(4) WORKS OF ART AND THEIR COPYRIGHTS TREATED AS SEPARATE PROPERTIES IN CERTAIN CASES.—

"(A) IN GENERAL.—In the case of a qualified contribution of a work of art, the work of art and the copyright on such work of art shall be treated as separate properties for purposes of paragraph (2).

"(B) WORK OF ART DEFINED.—For purposes of this paragraph, the term 'work of art' means any tangible personal property with respect to which there is a copyright under Federal law.

"(C) QUALIFIED CONTRIBUTION DEFINED.—For purposes of this paragraph, the term 'qualified contribution' means any transfer of property to a qualified organization if the use of the property by the organization is related to the purpose or function constituting the basis for its exemption under section 501.

"(D) QUALIFIED ORGANIZATION DEFINED.—For purposes of this paragraph, the term 'qualified organization' means any organization described in section 501(c)(3) other than a private foundation (as defined in section 509). For purposes of the preceding sentence, a private operating foundation (as defined in section 4942(j)(3)) shall not be treated as a private foundation."

Post, p. 351.

(b) GIFT TAX.—Subsection (c) of section 2522 is amended by adding at the end thereof the following new paragraph: 26 USC 2522.

"(3) Rules similar to the rules of section 2055(e)(4) shall apply for purposes of paragraph (2)." *Ante*, p. 316.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to the estates of decedents dying after December 31, 1981. 26 USC 2055 note.

(2) SUBSECTION (b).—The amendment made by subsection (b) shall apply to transfers after December 31, 1981. 26 USC 2522 note.

SEC. 424. GIFTS MADE WITHIN 3 YEARS OF DECEDENT'S DEATH NOT INCLUDED IN GROSS ESTATE.

(a) GENERAL RULE.—Section 2035 (relating to adjustments for gifts made within 3 years of decedent's death) is amended by adding at the end thereof the following new subsection: 26 USC 2035.

"(d) DECEDENTS DYING AFTER 1981.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, subsection (a) shall not apply to the estate of a decedent dying after December 31, 1981.

"(2) EXCEPTIONS FOR CERTAIN TRANSFERS.—Paragraph (1) shall not apply to a transfer of an interest in property which is included in the value of the gross estate under section 2036, 2037, 2038, 2041, or 2042 or would have been included under any of such sections if such interest had been retained by the decedent.

"(3) 3-YEAR RULE RETAINED FOR CERTAIN PURPOSES.—Paragraph (1) shall not apply for purposes of—

"(A) section 303(b) (relating to distributions in redemption of stock to pay death taxes),

"(B) section 2032A (relating to special valuation of certain farm, etc., real property),

"(C) section 6166 (relating to extension of time for payment of estate tax where estate consists largely of interest in closely held business), and

"(D) subchapter C of chapter 64 (relating to lien for taxes)." 26 USC 6321.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to the estates of decedents dying after December 31, 1981. 26 USC 2035 note.

SEC. 425. BASIS OF CERTAIN APPRECIATED PROPERTY TRANSFERRED TO DECEDENT BY GIFT WITHIN 1 YEAR OF DEATH.

26 USC 1014.

(a) GENERAL RULE.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end thereof the following new subsection:

"(e) APPRECIATED PROPERTY ACQUIRED BY DECEDENT BY GIFT WITHIN 1 YEAR OF DEATH.—

"(1) IN GENERAL.—In the case of a decedent dying after December 31, 1981, if—

"(A) appreciated property was acquired by the decedent by gift during the 1-year period ending on the date of the decedent's death, and

"(B) such property is acquired from the decedent by (or passes from the decedent to) the donor of such property (or the spouse of such donor),

the basis of such property in the hands of such donor (or spouse) shall be the adjusted basis of such property in the hands of the decedent immediately before the death of the decedent.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) APPRECIATED PROPERTY.—The term 'appreciated property' means any property if the fair market value of such property on the day it was transferred to the decedent by gift exceeds its adjusted basis.

"(B) TREATMENT OF CERTAIN PROPERTY SOLD BY ESTATE.—In the case of any appreciated property described in subparagraph (A) of paragraph (1) sold by the estate of the decedent or by a trust of which the decedent was the grantor, rules similar to the rules of paragraph (1) shall apply to the extent the donor of such property (or the spouse of such donor) is entitled to the proceeds from such sale."

26 USC 1014 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to property acquired after the date of the enactment of this Act by decedents dying after December 31, 1981.

SEC. 426. DISCLAIMERS.

26 USC 2518.

(a) IN GENERAL.—Subsection (c) of section 2518 (relating to disclaimers) is amended by adding at the end thereof the following new paragraph:

"(3) CERTAIN TRANSFERS TREATED AS DISCLAIMERS.—For purposes of subsection (a), a written transfer of the transferor's entire interest in the property—

"(A) which meets requirements similar to the requirements of paragraphs (2) and (3) of subsection (b), and

"(B) which is to a person or persons who would have received the property had the transferor made a qualified disclaimer (within the meaning of subsection (b)),

shall be treated as a qualified disclaimer."

26 USC 2518 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers creating an interest in the person disclaiming made after December 31, 1981.

SEC. 427. REPEAL OF DEDUCTION FOR BEQUESTS, ETC., TO CERTAIN MINOR CHILDREN.

Repeal. 26 USC 2057.

(a) IN GENERAL.—Section 2057 (relating to bequests, etc., to certain minor children) is hereby repealed.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 is amended by striking out the item relating to section 2057.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1981. 26 USC 2057 note.

SEC. 428. POSTPONEMENT OF GENERATION-SKIPPING TAX EFFECTIVE DATE.

Section 2006(c) of the Tax Reform Act of 1976 (relating to the effective dates of generation-skipping provisions), as amended by section 702(n)(1) of the Revenue Act of 1978 is amended by striking out "January 1, 1982" in paragraph (2)(B) of such section and inserting in lieu thereof "January 1, 1983". 26 USC 2601 note.

SEC. 429. CREDIT AGAINST ESTATE TAX FOR TRANSFER TO SMITHSONIAN.

Upon transfer to the Smithsonian Institution, within thirty days following the date of the enactment of this Act, of all right, title, and interests held by the Dorothy Meserve Kunhardt trust and the estate of Dorothy Meserve Kunhardt in the collection of approximately seven thousand two hundred and fifty Mathew Brady glass plate negatives and the Alexander Gardner imperial portrait print of Abraham Lincoln, there shall be allowed as a credit, effective as of the date upon which the return was due to be filed, against the tax imposed by section 2001 (relating to the imposition of estate tax) on such estate an amount equal to the lesser of—

(1) such tax,

(2) the fair market value of such negatives and such print, or

(3) $700,000.

Subtitle C—Other Gift Tax Provisions

SEC. 441. INCREASE IN ANNUAL GIFT TAX EXCLUSION; UNLIMITED EXCLUSION FOR CERTAIN TRANSFERS.

(a) INCREASE IN ANNUAL EXCLUSION.—Subsection (b) of section 2503 (relating to annual gift tax exclusion) is amended by striking out "$3,000" and inserting in lieu thereof "$10,000". 26 USC 2503.

(b) UNLIMITED EXCLUSION FOR CERTAIN TRANSFERS.—Section 2503 (defining taxable gifts) is amended by adding at the end thereof the following new subsection:

"(e) EXCLUSION FOR CERTAIN TRANSFERS FOR EDUCATIONAL EXPENSES OR MEDICAL EXPENSES.—

"(1) IN GENERAL.—Any qualified transfer shall not be treated as a transfer of property by gift for purposes of this chapter.

"(2) QUALIFIED TRANSFER.—For purposes of this subsection, the term 'qualified transfer' means any amount paid on behalf of an individual—

"(A) as tuition to an educational organization described in section 170(b)(1)(A)(ii) for the education or training of such individual, or

"(B) to any person who provides medical care (as defined in section 213(e)) with respect to such individual as payment for such medical care."

(c) EFFECTIVE DATES.— 26 USC 2503 note.

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to transfers after December 31, 1981.

(2) TRANSITIONAL RULE.—If—

(A) an instrument executed before the date which is 30 days after the date of the enactment of this Act provides for a

power of appointment which may be exercised during any period after December 31, 1981,

(B) such power of appointment is expressly defined in terms of, or by reference to, the amount of the gift tax exclusion under section 2503(b) of the Internal Revenue Code of 1954 (or the corresponding provision of prior law),

(C) the instrument described in subparagraph (A) has not been amended on or after the date which is 30 days after the date of the enactment of this Act, and

(D) the State has not enacted a statute applicable to such gift under which such power of appointment is to be construed as being defined in terms of, or by reference to, the amount of the exclusion under such section 2503(b) after its amendment by subsection (a),

then the amendment made by subsection (a) shall not apply to such gift.

SEC. 442. TIME FOR PAYMENT OF GIFT TAXES.

(a) AMENDMENTS TO SUBCHAPTER A OF CHAPTER 12.—

26 USC 2501.

(1) SECTION 2501.—Subsection (a) of section 2501 (relating to imposition of gift tax) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

26 USC 2502.

(2) SECTION 2502.—Section 2502 (relating to rate of tax) is amended to read as follows:

"SEC. 2502. RATE OF TAX.

"(a) COMPUTATION OF TAX.—The tax imposed by section 2501 for each calendar year shall be an amount equal to the excess of—

"(1) a tentative tax, computed in accordance with the rate schedule set forth in section 2001(c), on the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

Ante, p. 300.

"(2) a tentative tax, computed in accordance with such rate schedule, on the aggregate sum of the taxable gifts for each of the preceding calendar periods.

"(b) PRECEDING CALENDAR PERIOD.—Whenever used in this title in connection with the gift tax imposed by this chapter, the term 'preceding calendar period' means—

"(1) calendar years 1932 and 1970 and all calendar years intervening between calendar year 1932 and calendar year 1970,

"(2) the first calendar quarter of calendar year 1971 and all calendar quarters intervening between such calendar quarter and the first calendar quarter of calendar year 1982, and

"(3) all calendar years after 1981 and before the calendar year for which the tax is being computed.

For purposes of paragraph (1), the term 'calendar year 1932' includes only that portion of such year after June 6, 1932.

"(c) TAX TO BE PAID BY DONOR.—The tax imposed by section 2501 shall be paid by the donor."

26 USC 2503.

(3) SECTION 2503.—

(A) Subsection (a) of section 2503 is amended to read as follows:

"(a) GENERAL DEFINITION.—The term 'taxable gifts' means the total amount of gifts made during the calendar year, less the deductions provided in subchapter C (section 2522 and following)."

(B) The first sentence of subsection (b) of section 2503 is amended to read as follows: "In the case of gifts (other than

gifts of future interests in property) made to any person by the donor during the calendar year, the first $10,000 of such gifts to such person shall not, for purposes of subsection (a), be included in the total amount of gifts made during such year."

(4) SECTION 2504.— 26 USC 2504.

(A) Subsection (a) of section 2504 is amended to read as follows:

"(a) IN GENERAL.—In computing taxable gifts for preceding calendar periods for purposes of computing the tax for any calendar year—

"(1) there shall be treated as gifts such transfers as were considered to be gifts under the gift tax laws applicable to the calendar period in which the transfers were made,

"(2) there shall be allowed such deductions as were provided for under such laws, and

"(3) the specific exemption in the amount (if any) allowable under section 2521 (as in effect before its repeal by the Tax Reform Act of 1976) shall be applied in all computations in respect of preceding calendar periods ending before January 1, 1977, for purposes of computing the tax for any calendar year."

(B) Subsection (b) of section 2504 is amended—

(i) by striking out "preceding calendar years and calendar quarters" and inserting in lieu thereof "preceding calendar periods",

(ii) by striking out "the years and calendar quarters" and inserting in lieu thereof "the periods",

(iii) by striking out "such years and calendar quarters" and inserting in lieu thereof "such preceding calendar periods", and

(iv) by striking out "PRECEDING YEARS AND QUARTERS" in the subsection heading and inserting in lieu thereof "PRECEDING CALENDAR PERIODS".

(C) Subsection (c) of section 2504 is amended—

(i) by striking out "preceding calendar year or calendar quarter" each place it appears and inserting in lieu thereof "preceding calendar period",

(ii) by striking out "under this chapter for any calendar quarter" and inserting in lieu thereof "under this chapter for any calendar year",

(iii) by striking out "section 2502(c)" and inserting in lieu thereof "section 2502(b)", and

(iv) by striking out "PRECEDING CALENDAR YEARS AND QUARTERS" in the subsection heading and inserting in lieu thereof "PRECEDING CALENDAR PERIODS".

(D) The section heading for section 2504 is amended by striking out "PRECEDING YEARS AND QUARTERS" and inserting in lieu thereof "PRECEDING CALENDAR PERIODS".

(E) The table of sections for subchapter A of chapter 12 is amended by striking out "preceding years and quarters" in the item relating to section 2504 and inserting in lieu thereof "preceding calendar periods".

(5) SECTION 2505.— 26 USC 2505.

(A) Subsection (a) of section 2505 is amended—

(i) by striking out "each calendar quarter" and inserting in lieu thereof "each calendar year", and

(ii) by striking out "preceding calendar quarters" and inserting in lieu thereof "preceding calendar periods".

(B) Subsection (d) of section 2505 is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(b) AMENDMENTS TO SUBCHAPTER B OF CHAPTER 12.—

26 USC 2512.

(1) SECTION 2512.—Subsection (b) of section 2512 is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year".

26 USC 2513.

(2) SECTION 2513.—

(A) Section 2513(a) is amended by striking out "calendar quarter" each place it appears and inserting in lieu thereof "calendar year".

(B) Paragraph (2) of section 2513(b) is amended by striking out "calendar quarter" in the matter preceding subparagraph (A) and inserting in lieu thereof "calendar year".

(C) Subparagraph (A) of subsection (b)(2) of section 2513 is amended to read as follows:

"(A) The consent may not be signified after the 15th day of April following the close of such year, unless before such 15th day no return has been filed for such year by either spouse, in which case the consent may not be signified after a return for such year is filed by either spouse."

(D) Subparagraph (B) of subsection (b)(2) of section 2513 is amended—

(i) by striking out "the consent" and inserting in lieu thereof "The consent", and

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

(E) Subsection (c) of section 2513 is amended—

(i) by striking out "calendar quarter" and inserting in lieu thereof "calendar year", and

(ii) by striking out "15th day of the second month following the close of such quarter" and inserting in lieu "15th day of April following the close of such year".

(F) Subsection (d) of section 2513 is amended—

(i) by striking out "any calendar quarter" and inserting in lieu thereof "any calendar year", and

(ii) by striking out "such calendar quarter" and inserting in lieu thereof "such year".

26 USC 2522.

(c) AMENDMENT TO SUBCHAPTER C OF CHAPTER 12.—Section 2522 is amended by striking out "quarter" each place it appears and inserting in lieu thereof "year".

(d) MISCELLANEOUS AMENDMENTS.—

26 USC 1015.

(1) Paragraph (2) of subsection (d) of section 1015 (relating to increased basis for gift tax paid) is amended—

(A) by striking out "calendar quarter (or calendar year if the gift was made before January 1, 1971)" and inserting in lieu thereof "calendar year (or preceding calendar period)", and

(B) by striking out "calendar quarter or year" each place it appears and inserting in lieu thereof "calendar year or period".

26 USC 6019.

(2) Section 6019 (relating to gift tax returns) is amended by striking out subsection (b).

26 USC 6075.

(3) Subsection (b) of section 6075 (relating to time for filing gift tax returns) is amended to read as follows:

"(b) GIFT TAX RETURNS.—

"(1) GENERAL RULE.—Returns made under section 6019 (relating to gift taxes) shall be filed on or before the 15th day of April following the close of the calendar year.

"(2) EXTENSION WHERE TAXPAYER GRANTED EXTENSION FOR FILING INCOME TAX RETURN.—Any extension of time granted the taxpayer for filing the return of income taxes imposed by subtitle A for any taxable year which is a calendar year shall be deemed to be also an extension of time granted the taxpayer for filing the return under section 6019 for such calendar year.

"(3) COORDINATION WITH DUE DATE FOR ESTATE TAX RETURN.—Notwithstanding paragraphs (1) and (2), the time for filing the return made under section 6019 for the calendar year which includes the date of death of the donor shall not be later than the time (including extensions) for filing the return made under section 6018 (relating to estate tax returns) with respect to such donor."

(4) Paragraph (1) of section 6212(c) (relating to notice of deficiency) is amended by striking out "calendar quarter" and inserting in lieu thereof "calendar year". 26 USC 6212.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to gifts made after December 31, 1981. 26 USC 2501 note.

TITLE V—TAX STRADDLES

SEC. 501. POSTPONEMENT OF RECOGNITION OF LOSSES, ETC.

(a) GENERAL RULE.—Part VII of subchapter O of chapter 1 (relating to wash sales of stock or securities) is amended by adding at the end thereof the following new section:

"SEC. 1092. STRADDLES. 26 USC 1092.

"(a) RECOGNITION OF LOSS IN CASE OF STRADDLES, ETC.—

"(1) LIMITATION ON RECOGNITION OF LOSS.—

"(A) IN GENERAL.—Any loss with respect to 1 or more positions shall be taken into account for any taxable year only to the extent that the amount of such loss exceeds the unrealized gain (if any) with respect to 1 or more positions which—

"(i) were acquired by the taxpayer before the disposition giving rise to such loss,

"(ii) were offsetting positions with respect to the 1 or more positions from which the loss arose, and

"(iii) were not part of an identified straddle as of the close of the taxable year.

"(B) CARRYOVER OF LOSS.—Any loss which may not be taken into account under subparagraph (A) for any taxable year shall, subject to the limitations under subparagraph (A), be treated as sustained in the succeeding taxable year.

"(2) SPECIAL RULE FOR IDENTIFIED STRADDLES.—

"(A) IN GENERAL.—In the case of any straddle which is an identified straddle as of the close of any taxable year—

"(i) paragraph (1) shall not apply for such taxable year, and

"(ii) any loss with respect to such straddle shall be treated as sustained not earlier than the day on which all of the positions making up the straddle are disposed of.

"(B) IDENTIFIED STRADDLE.—The term 'identified straddle' means any straddle—

"(i) which is clearly identified on the taxpayer's records, before the close of the day on which the straddle is acquired, as an identified straddle,

"(ii) all of the original positions of which (as identified by the taxpayer) are acquired on the same day and with respect to which—

"(I) all of such positions are disposed of on the same day during the taxable year, or

"(II) none of such positions has been disposed of as of the close of the taxable year, and

"(iii) which is not part of a larger straddle.

"(3) UNREALIZED GAIN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'unrealized gain' means the amount of gain which would be taken into account with respect to any position held by the taxpayer as of the close of the taxable year if such position were sold on the last business day of such taxable year at its fair market value.

"(B) REPORTING OF GAIN.—

"(i) IN GENERAL.—Each taxpayer shall disclose to the Secretary, at such time and in such manner and form as the Secretary may prescribe by regulations—

"(I) each position (whether or not part of a straddle) which is held by such taxpayer as of the close of the taxable year and with respect to which there is unrealized gain, and

"(II) the amount of such unrealized gain.

"(ii) REPORTS NOT REQUIRED IN CERTAIN CASES.—Clause (i) shall not apply—

"(I) to any position which is part of an identified straddle,

"(II) to any position which, with respect to the taxpayer, is property described in paragraph (1) or (2) of section 1221 or to any position which is part of a hedging transaction (as defined in section 1256(e)), or

Post, p. 327.

"(III) with respect to any taxable year if no loss on a position (including a regulated futures contract) has been sustained during such taxable year or if the only loss sustained on such position is a loss described in subclause (II).

"(b) CHARACTER OF GAIN OR LOSS; WASH SALES.—Under regulations prescribed by the Secretary, in the case of gain or loss with respect to any position of a straddle, rules which are similar to the rules of subsections (a) and (d) of section 1091 and of subsections (b) and (d) of section 1233 and which are consistent with the purposes of this section shall apply.

"(c) STRADDLE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'straddle' means offsetting positions with respect to personal property.

"(2) OFFSETTING POSITIONS.—

"(A) IN GENERAL.—A taxpayer holds offsetting positions with respect to personal property if there is a substantial diminution of the taxpayer's risk of loss from holding any position with respect to personal property by reason of his holding 1 or more other positions with respect to personal property (whether or not of the same kind).

"(B) ONE SIDE LARGER THAN OTHER SIDE.—If 1 or more positions offset only a portion of 1 or more other positions, the Secretary shall by regulations prescribe the method for determining the portion of such other positions which is to be taken into account for purposes of this section.

"(C) SPECIAL RULE FOR IDENTIFIED STRADDLES.—In the case of any position which is not part of an identified straddle (within the meaning of subsection (a)(3)(B)), such position shall not be treated as offsetting with respect to any position which is part of an identified straddle.

"(3) PRESUMPTION.—

"(A) IN GENERAL.—For purposes of paragraph (2), 2 or more positions shall be presumed to be offsetting if—

"(i) the positions are in the same personal property (whether established in such property or a contract for such property),

"(ii) the positions are in the same personal property, even though such property may be in a substantially altered form,

"(iii) the positions are in debt instruments of a similar maturity or other debt instruments described in regulations prescribed by the Secretary,

"(iv) the positions are sold or marketed as offsetting positions (whether or not such positions are called a straddle, spread, butterfly, or any similar name),

"(v) the aggregate margin requirement for such positions is lower than the sum of the margin requirements for each such position (if held separately), or

"(vi) there are such other factors (or satisfaction of subjective or objective tests) as the Secretary may by regulations prescribe as indicating that such positions are offsetting.

For purposes of the preceding sentence, 2 or more positions shall be treated as described in clause (i), (ii), (iii), or (vi) only if the value of 1 or more of such positions ordinarily varies inversely with the value of 1 or more other such positions.

"(B) PRESUMPTION MAY BE REBUTTED.—Any presumption established pursuant to subparagraph (A) may be rebutted.

"(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) PERSONAL PROPERTY.—The term 'personal property' means any personal property (other than stock) of a type which is actively traded.

"(2) POSITION.—

"(A) IN GENERAL.—The term 'position' means an interest (including a futures or forward contract or option) in personal property.

"(B) SPECIAL RULE FOR STOCK OPTIONS.—The term 'position' includes any stock option which is a part of a straddle and which is an option to buy or sell stock which is actively traded, but does not include a stock option which—

"(i) is traded on a domestic exchange or on a similar foreign exchange designated by the Secretary, and

"(ii) is of a type with respect to which the maximum period during which such option may be exercised is less than the minimum period for which a capital asset must be held for gain to be treated as long-term capital gain under section 1222(3).

"(3) POSITIONS HELD BY RELATED PERSONS, ETC.—

"(A) IN GENERAL.—In determining whether 2 or more positions are offsetting, the taxpayer shall be treated as holding any position held by a related person.

"(B) RELATED PERSON.—For purposes of subparagraph (A), a person is a related person to the taxpayer if with respect to any period during which a position is held by such person, such person—

"(i) is the spouse of the taxpayer, or

"(ii) files a consolidated return (within the meaning of section 1501) with the taxpayer for any taxable year which includes a portion of such period.

"(C) CERTAIN FLOWTHROUGH ENTITIES.—If part or all of the gain or loss with respect to a position held by a partnership, trust, or other entity would properly be taken into account for purposes of this chapter by a taxpayer, then, except to the extent otherwise provided in regulations, such position shall be treated as held by the taxpayer.

"(4) SPECIAL RULE FOR REGULATED FUTURES CONTRACTS.—In the case of a straddle—

"(A) at least 1 (but not all) of the positions of which are regulated futures contracts, and

"(B) with respect to which the taxpayer has elected not to have the provisions of section 1256 apply,

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the provisions of this section shall apply to any regulated futures contract and any other position making up such straddle.

"(5) REGULATED FUTURES CONTRACT.—The term 'regulated futures contract' has the same meaning given such term by section 1256(b).

"(e) EXCEPTION FOR HEDGING TRANSACTIONS.—This section shall not apply in the case of any hedging transaction (as defined in section 1256(e)).

"(f) CROSS REFERENCE.—

"For provision requiring capitalization of certain interest and carrying charges where there is a straddle, see section 263(g)."

26 USC 6653.

(b) PENALTY FOR FAILURE TO DISCLOSE.—Section 6653 (relating to failure to pay tax) is amended by adding at the end thereof the following new subsection:

"(g) SPECIAL RULE IN CASES OF FAILURE TO REPORT UNREALIZED GAIN ON POSITION IN PERSONAL PROPERTY.—If—

"(1) a taxpayer fails to make the report required under section 1092(a)(3)(B) in the manner prescribed by such section and such failure is not due to reasonable cause, and

Ante, p. 323.

"(2) such taxpayer has an underpayment of any tax attributable (in whole or in part) to the denial of a deduction of a loss with respect to any position (within the meaning of section 1092(d)(2)),

then such underpayment shall, for purposes of subsection (a), be treated as an underpayment due to negligence or intentional disregard of rules and regulations (but without intent to defraud)."

26 USC 1233.

(c) APPLICATION WITH SECTION 1233.—Paragraph (2) of section 1233(e) (defining property to which section applies) is amended by inserting ", but does not include any position to which section 1092(b) applies" after "taxpayer" in subparagraph (A).

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for such part VII is amended by adding at the end thereof the following new item:

"Sec. 1092. Straddles."

(2) The heading for such part VII is amended to read as follows:

"PART VII—WASH SALES; STRADDLES".

(3) The table of parts for subchapter O of chapter 1 is amended by striking out the item relating to part VII and inserting in lieu thereof the following:

"Part VII. Wash sales; straddles."

SEC. 502. CAPITALIZATION OF CERTAIN INTEREST AND CARRYING CHARGES IN THE CASE OF STRADDLES.

Section 263 (relating to capital expenditures) is amended by adding at the end thereof the following new subsection: 26 USC 263.

"(g) CERTAIN INTEREST AND CARRYING COSTS IN THE CASE OF STRADDLES.—

"(1) GENERAL RULE.—No deduction shall be allowed for interest and carrying charges properly allocable to personal property which is part of a straddle (as defined in section 1092(c)). Any amount not allowed as a deduction by reason of the preceding sentence shall be chargeable to the capital account with respect to the personal property to which such amount relates. *Ante*, p. 323.

"(2) INTEREST AND CARRYING CHARGES DEFINED.—For purposes of paragraph (1), the term 'interest and carrying charges' means the excess of—

"(A) the sum of—

"(i) interest on indebtedness incurred or continued to purchase or carry the personal property, and

"(ii) amounts paid or incurred to insure, store, or transport the personal property, over

"(B) the sum of—

"(i) the amount of interest (including original issue discount) includible in gross income for the taxable year with respect to the property described in subparagraph (A), and

"(ii) any amount treated as ordinary income under section 1232(a)(4)(A) with respect to such property for the taxable year. *Post*, p. 331.

"(3) EXCEPTION FOR HEDGING TRANSACTIONS.—This subsection shall not apply in the case of any hedging transaction (as defined in section 1256(e))."

SEC. 503. REGULATED FUTURES CONTRACTS MARKED TO MARKET.

(a) GENERAL RULE.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by adding at the end thereof the following new section:

"SEC. 1256. REGULATED FUTURES CONTRACTS MARKED TO MARKET. 26 USC 1256.

"(a) GENERAL RULE.—For purposes of this subtitle—

"(1) each regulated futures contract held by the taxpayer at the close of the taxable year shall be treated as sold for its fair market value on the last business day of such taxable year (and any gain or loss shall be taken into account for the taxable year),

"(2) proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account by reason of paragraph (1),

"(3) any gain or loss with respect to a regulated futures contract shall be treated as—

"(A) short-term capital gain or loss, to the extent of 40 percent of such gain or loss, and

"(B) long-term capital gain or loss, to the extent of 60 percent of such gain or loss, and

"(4) if all the offsetting positions making up any straddle consist of regulated futures contracts to which this section applies (and such straddle is not part of a larger straddle), sections 1092 and 263(g) shall not apply with respect to such straddle.

Ante, pp. 323, 327.

"(b) REGULATED FUTURES CONTRACTS DEFINED.—For purposes of this section, the term 'regulated futures contract' means a contract—

"(1) which requires delivery of personal property (as defined in section 1092(d)(1)) or an interest in such property;

"(2) with respect to which the amount required to be deposited and the amount which may be withdrawn depends on a system of marking to market; and

"(3) which is traded on or subject to the rules of a domestic board of trade designated as a contract market by the Commodity Futures Trading Commission or of any board of trade or exchange which the Secretary determines has rules adequate to carry out the purposes of this section.

"(c) TERMINATIONS.—The rules of paragraphs (1), (2), and (3) of subsection (a) shall also apply to the termination during the taxable year of the taxpayer's obligation with respect to a regulated futures contract by offsetting, by taking or making delivery, or otherwise. For purposes of the preceding sentence, fair market value at the time of the termination shall be taken into account.

"(d) ELECTIONS WITH RESPECT TO MIXED STRADDLES.—

"(1) ELECTION.—The taxpayer may elect to have this section not to apply to all regulated futures contracts which are part of a mixed straddle.

"(2) TIME AND MANNER.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary may by regulations prescribe.

"(3) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under paragraph (1) shall apply to the taxpayer's taxable year for which made and to all subsequent taxable years, unless the Secretary consents to a revocation of such election.

"(4) MIXED STRADDLE.—For purposes of this subsection, the term 'mixed straddle' means any straddle (as defined in section 1092(c))—

"(A) at least 1 (but not all) of the positions of which are regulated futures contracts, and

"(B) with respect to which each position forming part of such straddle is clearly identified, before the close of the day on which such position is acquired, as being part of such straddle.

"(e) MARK TO MARKET NOT TO APPLY TO HEDGING TRANSACTIONS.—

"(1) SECTION NOT TO APPLY.—Subsection (a) shall not apply in the case of a hedging transaction.

"(2) DEFINITION OF HEDGING TRANSACTION.—For purposes of this subsection, the term 'hedging transaction' means any transaction if—

"(A) such transaction is entered into by the taxpayer in the normal course of the taxpayer's trade or business primarily—

"(i) to reduce risk of price change or currency fluctuations with respect to property which is held or to be held by the taxpayer, or

"(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to borrowings made or to be made, or obligations incurred or to be incurred, by the taxpayer,

"(B) the gain or loss on such transactions is treated as ordinary income or loss, and

"(C) before the close of the day on which such transaction was entered into, the taxpayer clearly identifies such transaction as being a hedging transaction.

"(3) SPECIAL RULE FOR SYNDICATES.—

"(A) IN GENERAL.—Notwithstanding paragraph (2), the term 'hedging transaction' shall not include any transaction entered into by or for a syndicate.

"(B) SYNDICATE DEFINED.—For purposes of subparagraph (A), the term 'syndicate' means any partnership or other entity (other than a corporation which is not an electing small business corporation within the meaning of section 1371(b)) if more than 35 percent of the losses of such entity during the taxable year are allocable to limited partners or limited entrepreneurs (within the meaning of section 464(e)(2)).

"(C) HOLDINGS ATTRIBUTABLE TO ACTIVE MANAGEMENT.—For purposes of subparagraph (B), an interest in an entity shall not be treated as held by a limited partner or a limited entrepreneur (within the meaning of section 464(e)(2))—

"(i) for any period if during such period such interest is held by an individual who actively participates at all times during such period in the management of such entity,

"(ii) for any period if during such period such interest is held by the spouse, children, grandchildren, and parents of an individual who actively participates at all times during such period in the management of such entity,

"(iii) if such interest is held by an individual who actively participated in the management of such entity for a period of not less than 5 years,

"(iv) if such interest is held by the estate of an individual who actively participated in the management of such entity or is held by the estate of an individual if with respect to such individual such interest was at any time described in clause (ii), or

"(v) if the Secretary determines that such interest should be treated as held by an individual who actively participates in the management of such entity, and that such entity and such interest are not used (or to be used) for tax-avoidance purposes.

For purposes of this subparagraph, a legally adopted child of an individual shall be treated as a child of such individual by blood.

"(4) SPECIAL RULE FOR BANKS.—In the case of a bank (as defined in section 581), subparagraph (A) of paragraph (2) shall be applied without regard to clause (i) or (ii) thereof.

"(f) SPECIAL RULES.—

"(1) DENIAL OF CAPITAL GAINS TREATMENT FOR PROPERTY IDENTIFIED AS PART OF A HEDGING TRANSACTION.—For purposes of this title, gain from any property shall in no event be considered as gain from the sale or exchange of a capital asset if such property was at any time personal property (as defined in section 1092(d)(1)) identified under subsection (e)(2)(C) by the taxpayer as being part of a hedging transaction.

Ante, p. 323.

"(2) SUBSECTION (a)(3) NOT TO APPLY TO ORDINARY INCOME PROPERTY.—Paragraph (3) of subsection (a) shall not apply to any gain or loss which, but for such paragraph, would be ordinary income or loss."

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1256. Regulated futures contracts marked to market.".

SEC. 504. CARRYBACK OF LOSSES FROM REGULATED FUTURES CONTRACTS TO OFFSET PRIOR GAINS FROM SUCH CONTRACTS.

26 USC 1212.

Section 1212 (relating to capital loss carrybacks and carryovers) is amended by adding at the end thereof the following new subsection:

"(c) CARRYBACK OF LOSSES FROM REGULATED FUTURES CONTRACTS TO OFFSET PRIOR GAINS FROM SUCH CONTRACTS.—

"(1) IN GENERAL.—If a taxpayer (other than a corporation) has a net commodity futures loss for the taxable year and elects to have this subsection apply to such taxable year, the amount of such net commodity futures loss—

"(A) shall be a carryback to each of the 3 taxable years preceding the loss year, and

"(B) to the extent that, after the application of paragraphs (2) and (3), such loss is allowed as a carryback to any such preceding taxable year—

"(i) 40 percent of the amount so allowed shall be treated as a short-term capital loss from regulated futures contracts, and

"(ii) 60 percent of the amount so allowed shall be treated as a long-term capital loss from regulated futures contracts.

"(2) AMOUNT CARRIED TO EACH TAXABLE YEAR.—The entire amount of the net commodity futures loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried back under paragraph (1). The portion of such loss which shall be carried to each of the 2 other taxable years to which such loss may be carried back shall be the excess (if any) of such loss over the portion of such loss which, after the application of paragraph (3), was allowed as a carryback for any prior taxable year.

"(3) AMOUNT WHICH MAY BE USED IN ANY PRIOR TAXABLE YEAR.—An amount shall be allowed as a carryback under paragraph (1) to any prior taxable year only to the extent—

"(A) such amount does not exceed the net commodity futures gain for such year, and

"(B) the allowance of such carryback does not increase or produce a net operating loss (as defined in section 172(c)) for such year.

"(4) NET COMMODITY FUTURES LOSS.—For purposes of paragraph (1), the term 'net commodity futures loss' means the lesser of—

"(A) the net capital loss for the taxable year determined by taking into account only gains and losses from regulated

futures contracts and positions to which section 1256 applies, or

Ante, p. 327.

"(B) the sum of the amounts which, but for paragraph (6)(A), would be treated as capital losses in the succeeding taxable year under subparagraphs (A) and (B) of subsection (b)(1).

"(5) NET COMMODITY FUTURES GAIN.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'net commodity futures gain' means the lesser of—

"(i) the capital gain net income for the taxable year determined by taking into account only gains and losses from regulated futures contracts, or

"(ii) the capital gain net income for the taxable year.

"(B) SPECIAL RULE.—The net commodity futures gain for any taxable year before the loss year shall be computed without regard to the net commodity futures loss for the loss year or for any taxable year thereafter.

"(6) COORDINATION WITH CARRYFORWARD PROVISIONS OF SUBSECTION (b)(1).—

"(A) CARRYFORWARD AMOUNT REDUCED BY AMOUNT USED AS CARRYBACK.—For purposes of applying subsection (b)(1), if any portion of the net commodity futures loss for any taxable year is allowed as a carryback under paragraph (1) to any preceding taxable year—

"(i) 40 percent of the amount allowed as a carryback shall be treated as a short-term capital gain for the loss year, and

"(ii) 60 percent of the amount allowed as a carryback shall be treated as a long-term capital gain for the loss year.

"(B) CARRYOVER LOSS RETAINS CHARACTER AS ATTRIBUTABLE TO REGULATED FUTURES CONTRACT.—Any amount carried forward as a short-term or long-term capital loss to any taxable year under subsection (b)(1) (after the application of subparagraph (A)) shall, to the extent attributable to losses from regulated futures contracts, be treated as loss from regulated futures contracts for such taxable year.

"(7) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) REGULATED FUTURES CONTRACT.—The term 'regulated futures contract' means any regulated futures contract (as defined in section 1256(b)) to which section 1256 applies.

"(B) EXCLUSION FOR ESTATES AND TRUSTS.—This subsection shall not apply to any estate or trust."

SEC. 505. CERTAIN GOVERNMENTAL OBLIGATIONS ISSUED AT DISCOUNT TREATED AS CAPITAL ASSETS.

(a) GENERAL RULE.—Section 1221 (defining capital asset) is amended by striking out paragraph (5) and by redesignating paragraph (6) as paragraph (5).

26 USC 1221.

(b) TREATMENT OF AMOUNTS RECEIVED ON SALE OR OTHER DISPOSITION.—Subsection (a) of section 1232 (relating to bonds and other evidences of indebtedness) is amended by adding at the end thereof the following new paragraph:

26 USC 1232.

"(4) CERTAIN SHORT-TERM GOVERNMENT OBLIGATIONS.—

"(A) IN GENERAL.—On the sale or exchange of any short-term Government obligation, any gain realized which does

not exceed an amount equal to the ratable share of the acquisition discount shall be treated as ordinary income. Gain in excess of such amount shall be considered gain from the sale or exchange of a capital asset held less than 1 year.

"(B) SHORT-TERM GOVERNMENT OBLIGATION.—For purposes of this paragraph, the term 'short-term Government obligation' means any obligation of the United States or any of its possessions, or of a State or any political subdivision thereof, or of the District of Columbia which is issued on a discount basis and payable without interest at a fixed maturity date not exceeding 1 year from the date of issue. Such term does not include any obligation the interest on which is not includible in gross income under section 103 (relating to certain governmental obligations).

"(C) ACQUISITION DISCOUNT.—For purposes of this paragraph, the term 'acquisition discount' means the excess of the stated redemption price at maturity over the taxpayer's basis for the obligation.

"(D) RATABLE SHARE.—For purposes of this paragraph, the ratable share of the acquisition discount is an amount which bears the same ratio to such discount as—

"(i) the number of days which the taxpayer held the obligation, bears to

"(ii) the number of days after the date the taxpayer acquired the obligation and up to (and including) the date of its maturity."

(c) TECHNICAL AMENDMENTS.—

26 USC 1231.

(1) Subparagraph (D) of section 1231(b)(1) is amended by striking out "paragraph (6)" and inserting in lieu thereof "paragraph (5)".

26 USC 341.

(2) Subparagraph (B) of section 341(c)(2) is amended by striking out "(and governmental obligations described in section 1221(5))".

SEC. 506. PROMPT IDENTIFICATION OF SECURITIES BY DEALERS IN SECURITIES.

26 USC 1236.

(a) IN GENERAL.—Subsection (a) of section 1236 (relating to dealers in securities) is amended—

(1) by striking out "before the expiration of the 30th day after the date of its acquisition" and inserting in lieu thereof "before the close of the day on which it was acquired (before the close of the following day in the case of an acquisition before January 1, 1982)", and

(2) by striking out "expiration of such 30th day" and inserting in lieu thereof "close of such day".

(b) SPECIAL RULE FOR FLOOR SPECIALISTS.—Section 1236 (relating to dealers in securities) is amended by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR FLOOR SPECIALISTS.—

"(1) IN GENERAL.—In the case of a floor specialist (but only with respect to acquisitions, in connection with his duties on an exchange, of stock in which the specialist is registered with the exchange), subsection (a) shall be applied—

"(A) by inserting 'the 7th business day following' before 'the day' the first place it appears in paragraph (1) and by inserting '7th business' before 'day' in paragraph (2), and

"(B) by striking the parenthetical phrase in paragraph (1).

"(2) FLOOR SPECIALIST.—The term 'floor specialist' means a person who is—

"(A) a member of a national securities exchange,

"(B) is registered as a specialist with the exchange, and

"(C) meets the requirements for specialists established by the Securities and Exchange Commission."

SEC. 507. TREATMENT OF GAIN OR LOSS FROM CERTAIN TERMINATIONS.

(a) GENERAL RULE.—Part IV of subchapter P of chapter 1 (relating to special rules for determining capital gains and losses) is amended by inserting after section 1234 the following new section:

"SEC. 1234A. GAINS OR LOSSES FROM CERTAIN TERMINATIONS. 26 USC 1234A.

"Gain or loss attributable to the cancellation, lapse, expiration, or other termination of a right or obligation with respect to personal property (as defined in section 1092(d)(1)) which is (or on acquisition would be) a capital asset in the hands of the taxpayer shall be treated as gain or loss from the sale of a capital asset." *Ante*, p. 323.

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter P of chapter 1 is amended by inserting after the item relating to section 1234 the following new item:

"Sec. 1234A. Gains or losses from certain terminations."

SEC. 508. EFFECTIVE DATES. 26 USC 1092 note.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this title shall apply to property acquired and positions established by the taxpayer after June 23, 1981, in taxable years ending after such date.

(b) IDENTIFICATION REQUIREMENTS.—

(1) UNDER SECTION 1236 OF CODE.—The amendments made by section 506 shall apply to property acquired by the taxpayer after the date of the enactment of this Act in taxable years ending after such date.

(2) UNDER SECTION 1256(e)(2)(C) OF CODE.—Section 1256(e)(2)(C) of the Internal Revenue Code of 1954 (as added by this title) shall apply to property acquired and positions established by the taxpayer after December 31, 1981, in taxable years ending after such date. *Ante*, p. 327.

(c) ELECTION WITH RESPECT TO PROPERTY HELD ON JUNE 23, 1981.—If the taxpayer so elects (at such time and in such manner as the Secretary of the Treasury or his delegate shall prescribe) with respect to all regulated futures contracts or positions held by the taxpayer on June 23, 1981, the amendments made by this title shall apply to all such contracts and positions, effective for periods after such date in taxable years ending after such date. For purposes of the preceding sentence, the term "regulated futures contract" has the meaning given to such term by section 1256(b) of the Internal Revenue Code of 1954, and the term "position" has the meaning given to such term by section 1092(d)(2) of such Code.

SEC. 509. ELECTION FOR EXTENSION OF TIME FOR PAYMENT AND APPLICATION OF SECTION 1256 FOR THE TAXABLE YEAR INCLUDING JUNE 23, 1981.

(a) ELECTION.— 26 USC 1256 note.

(1) IN GENERAL.—In the case of any taxable year beginning before June 23, 1981, and ending after June 22, 1981, the taxpayer may elect, in lieu of any election under section 508(c), to

have this section apply to all regulated futures contracts held during such taxable year.

Ante, p. 327.

(2) APPLICATION OF SECTION 1256.—If a taxpayer elects to have the provisions of this section apply to the taxable year described in paragraph (1).—

(A) the provisions of section 1256 of the Internal Revenue Code of 1954 (other than section 1256(e)(2)(C)) shall apply to regulated futures contracts held by the taxpayer at any time during such taxable year, and

(B) for purposes of determining the rate of tax applicable to gains and losses from regulated futures contracts held at any time during such year, such gains and losses shall be treated as gain or loss from a sale or exchange occurring in a taxable year beginning in 1982.

(3) DETERMINATION OF DEFERRED TAX LIABILITY.—If the taxpayer makes an election under this subsection.—

(A) the taxpayer may pay part or all of the tax for such year in two or more (but not exceeding five) equal installments;

(B) the maximum amount of tax which may be paid in installments under this section shall be the excess of—

(i) the tax for such year, determined by taking into account paragraph (2), over

(ii) the tax for such year, determined by taking into account paragraph (2) and by treating all regulated futures contracts which were held by the taxpayer on the first day of the taxable year described in paragraph (1), and which were acquired before the first day of such taxable year, as having been acquired for a purchase price equal to their fair market value on the last business day of the preceding taxable year.

(4) DATE FOR PAYMENT OF INSTALLMENT.—

(A) If an election is made under this subsection, the first installment under subsection (a)(3)(A) shall be paid on or before the due date for filing the return for the taxable year described in paragraph (1), and each succeeding installment shall be paid on or before the date which is one year after the date prescribed for payment of the preceding installment.

(B) If a bankruptcy case or insolvency proceeding involving the taxpayer is commenced before the final installment is paid, the total amount of any unpaid installments shall be treated as due and payable on the day preceding the day on which such case or proceeding is commenced.

26 USC 6601.

(5) INTEREST IMPOSED.—For purposes of section 6601 of the Internal Revenue Code of 1954, the time for payment of any tax with respect to which an election is made under this subsection shall be determined without regard to this subsection.

(b) FORM OF ELECTION.—An election under this section shall be made not later than the time for filing the return for the taxable year described in subsection (a)(1) and shall be made in the manner and form required by regulations prescribed by the Secretary. The election shall set forth—

(1) the amount determined under subsection (a)(3)(B) and the number of installments elected by the taxpayer,

(2) each regulated futures contract held by the taxpayer on the first day of the taxable year described in subsection (a)(1), and the date such contract was acquired,

(3) the fair market value on the last business day of such taxable year for each regulated futures contract described in subparagraph (B), and

(4) such other information for purposes of carrying out the provisions of this section as may be required by such regulations.

TITLE VI—ENERGY PROVISIONS

Subtitle A—Changes in Windfall Profit Tax

SEC. 601. $2,500 ROYALTY CREDIT FOR 1981; EXEMPTION FOR 1982 AND THEREAFTER.

(a) $2,500 ROYALTY CREDIT FOR 1981.—

(1) IN GENERAL.—Subsection (a) of section 6429 (relating to treatment as overpayment) is amended to read as follows: 26 USC 6429.

"(a) TREATMENT AS OVERPAYMENT.—In the case of a qualified royalty owner, that portion of the tax imposed by section 4986 which is paid in connection with qualified royalty production removed from the premises during calendar year 1981 shall be treated as an overpayment of the tax imposed by section 4986."

(2) INCREASE IN AMOUNT OF CREDIT.—Paragraph (1) of section 6429(c) (relating to $1,000 limitation on credit or refund) is amended to read as follows:

"(1) IN GENERAL.—The aggregate amount which may be treated as an overpayment under subsection (a) with respect to any qualified royalty owner for production removed from the premises during calendar year 1981 shall not exceed $2,500."

(3) CONFORMING AMENDMENTS.—Subsection (c) of section 6429 is amended—

(A) by striking out "$1,000" each place it appears and inserting in lieu thereof "$2,500", and

(B) by striking out "qualified period" each place it appears and inserting in lieu thereof "calendar year".

(4) DEFINITION OF QUALIFIED ROYALTY PRODUCTION.—Subsection (d) of section 6429 is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following new paragraphs:

"(2) QUALIFIED ROYALTY PRODUCTION.—The term 'qualified royalty production' means, with respect to any qualified royalty owner, taxable crude oil which is attributable to an economic interest of such royalty owner other than an operating mineral interest (within the meaning of section 614(d)). Such term does not include taxable crude oil attributable to any overriding royalty interest, production payment, net profits interest, or similar interest of the qualified royalty owner which—

"(A) is created after June 9, 1981, out of an operating mineral interest in property which is proven oil or gas property (within the meaning of section 613A(c)(9)(A)) on the date such interest is created, and

"(B) is not created pursuant to a binding contract entered into prior to June 10, 1981.

"(3) PRODUCTION FROM TRANSFERRED PROPERTY.—

"(A) IN GENERAL.—In the case of a transfer of an interest in any property, the qualified royalty production of the transferee shall not include any production attributable to

an interest that has been transferred after June 9, 1981, in a transfer which—

"(i) is described in section 613A(c)(9)(A), and

"(ii) is not described in section 613A(c)(9)(B).

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply in the case of any transfer so long as the transferor and the transferee are required by paragraph (3) or (4) of subsection (c) to share the $2,500 amount in subsection (c)(1). The preceding sentence shall apply to the case of any property only if the production from the property was qualified royalty production of the transferor.

"(C) TRANSFERS INCLUDE SUBLEASES.—For purposes of this paragraph, a sublease shall be treated as a transfer.

"(D) ESTATES.—For purposes of this paragraph, property held by any estate shall be treated as owned both by such estate and proportionately by the beneficiaries of such estate."

(5) QUALIFIED FAMILY FARM CORPORATION DEFINED.—Paragraph (4) of section 6429(d) is amended to read as follows:

26 USC 6429.

"(4) QUALIFIED FAMILY FARM CORPORATION.—The term 'qualified family farm corporation' means a corporation—

"(A) all the outstanding shares of stock of which at all times during the calendar year are held by members of the same family (within the meaning of section 2032A(e)(2)), and

Ante, p. 312.

"(B) 80 percent in value of the assets of which (other than royalty interests described in paragraph (2)(A)) are held by the corporation at all times during such calendar year for use for farming purposes (within the meaning of section 2032A(e)(5))."

(6) CONFORMING AMENDMENTS.—

26 USC 6654.

(A) Paragraph (3) of section 6654(f) (relating to failure by individuals to pay estimated income tax) is amended to read as follows:

"(3) the sum of—

"(A) the credits against tax allowed by part IV of subchapter A of chapter 1, other than the credit against tax provided by section 31 (relating to tax withheld on wages), plus

"(B) to the extent allowed under regulations prescribed by the Secretary, any amount which is treated under section 6429 as an overpayment of the tax imposed by section 4986."

26 USC 6655.

(B) Paragraph (2) of section 6655(e) (relating to failure by corporation to pay estimated income tax) is amended to read as follows:

"(2) the sum of—

"(A) the credits against tax provided by part IV of subchapter A of chapter 1, plus

26 USC 31.

"(B) to the extent allowed under regulations prescribed by the Secretary, any amount which is treated under section 6429 as an overpayment of the tax imposed by section 4986."

(b) EXEMPTION FOR 1982 AND THEREAFTER.—

94 Stat. 235.

(1) IN GENERAL.—Subsection (b) of section 4991 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4), and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(5) exempt royalty oil."

(2) EXEMPT ROYALTY OIL.—Section 4994 is amended by adding at the end thereof the following new subsection: 94 Stat. 241.

"(f) EXEMPT ROYALTY OIL.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'exempt royalty oil' means that portion of the qualified royalty owner's qualified royalty production for the quarter which does not exceed the royalty limit for such quarter.

"(2) ROYALTY LIMIT.—For purposes of this subsection—

"(A) IN GENERAL.—A qualified royalty owner's royalty limit for any quarter is the product of—

"(i) the number of days in such quarter, multiplied by

"(ii) the limitation in barrels determined under the following table:

"In the case of qualified royalty production during:	The limitation in barrels is:
1982	2
1983	2
1984	2
1985 and thereafter	3.

"(B) PRODUCTION EXCEEDS LIMITATION.—If a qualified royalty owner's qualified royalty production for any quarter exceeds the royalty limitation for such quarter, such royalty owner may allocate such limit to any qualified royalty production which he selects.

"(3) DEFINITIONS.—

"(A) IN GENERAL.—The terms 'qualified royalty owner' and 'qualified royalty production' have the meanings given to such terms by section 6429; except that the reference to qualified taxable crude oil in section 6429(d) shall be treated as a reference to oil which would have been taxable crude oil but for this section.

"(B) ALLOCATION.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 6429(c) shall apply to the limitation determined under subsection (b)(1)."

(3) ADJUSTMENTS TO WITHHOLDING.—Subsection (a) of section 4995 is amended by adding at the end thereof the following new paragraph: 94 Stat. 244.

"(9) ADJUSTMENTS TO TAKE INTO ACCOUNT ROYALTY EXEMPTION.—The Secretary shall prescribe such regulations as may be necessary so that the withholding required under this subsection shall be reduced to take into account the exemption provided by section 4991(b)(5) (relating to exempt royalty oil), and he may prescribe such other regulations as may be necessary to administer such exemption." *Ante*, p. 336.

(c) EFFECTIVE DATES.—

(1) Except as provided in paragraph (2), subsection (a) shall take effect on January 1, 1981. 26 USC 6429 note.

(2) The amendments made by paragraph (6) of subsection (a) shall take effect on January 1, 1980.

(3) The amendments made by subsection (b) shall apply to oil removed after December 31, 1981. 26 USC 4991 note.

SEC. 602. REDUCTION IN TAX IMPOSED ON NEWLY DISCOVERED OIL.

(a) IN GENERAL.—Paragraph (3) of section 4987(b) (relating to applicable percentage) is amended to read as follows: 94 Stat. 230.

"(3) TIER 3 OIL.—

"(A) IN GENERAL.—The applicable percentage for tier 3 oil which is not newly discovered oil is 30 percent.

"(B) NEWLY DISCOVERED OIL.—The applicable percentage for newly discovered oil shall be determined in accordance with the following table:

"For taxable periods beginning in:	The applicable percentage is:
1982	27½
1983	25
1984	22½
1985	20
1986 and thereafter	15".

26 USC 4987 note.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable periods beginning after December 31, 1981.

SEC. 603. EXEMPT INDEPENDENT PRODUCER STRIPPER WELL OIL.

Ante, p. 336.

(a) IN GENERAL.—Subsection (b) of section 4991 (as amended by section 601(b)) is amended by striking out "and" at the end of paragraph (4), by striking out the period at the end of paragraph (5), and inserting in lieu thereof ", and", and by adding at the end thereof the following new paragraph:

"(6) exempt stripper well oil."

26 USC 4994.

(b) EXEMPT STRIPPER WELL OIL.—Section 4994 (as amended by section 601(b)) is amended by adding at the end thereof the following new subsection:

"(g) EXEMPT STRIPPER WELL OIL.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'exempt stripper well oil' means any oil—

"(A) the producer of which is an independent producer (within the meaning of section 4992(b)(1)),

"(B) which is from a stripper well property within the meaning of the June 1979 energy regulations, and

"(C) which is attributable to the independent producer's working interest in the stripper well property.

"(2) LIMITATION FOR CERTAIN TRANSFERRED PROPERTIES.—Exempt stripper well oil does not include production attributable to an interest in any property which at any time after July 22, 1981, was owned by a person other than an independent producer (within the meaning of section 4992(b)(1))."

94 Stat. 236.

(c) CONFORMING AMENDMENT.—Paragraph (2) of section 4992(c) (defining independent producer amount) is amended by adding at the end thereof the following new sentence:

"For purposes of the preceding sentence, tier 1 oil and tier 2 oil shall be treated as not including exempt stripper well oil."

26 USC 4991 note.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to oil removed from the premises after December 31, 1982.

SEC. 604. EXEMPTION FROM WINDFALL PROFIT TAX OF OIL PRODUCED FROM INTERESTS HELD BY OR FOR THE BENEFIT OF RESIDENTIAL CHILD CARE AGENCIES.

94 Stat. 241.

(a) EXEMPTION OF CHILD CARE AGENCIES FROM TAX.—Subparagraph (A) of section 4994(b)(1) (relating to charitable interests exempt from windfall profit tax) is amended by redesignating clause (ii) as clause (iii) and by adding after clause (i) the following new clause:

"(ii) held by an organization described in section 170(c)(2) which is organized and operated primarily for the residential placement, care, or treatment of delinquent, dependent, orphaned, neglected, or handicapped children, or".

(b) PERIOD INTEREST REQUIRED TO BE HELD.—

(1) IN GENERAL.—Subparagraph (B) of section 4994(b)(1) is amended to read as follows: 94 Stat. 241.

"(B) such interest was held on January 21, 1980, and at all times thereafter before the last day of the taxable period, by the organization described in clause (i) or (ii) of subparagraph (A), or subclause (I) of subparagraph (A)(iii)."

(2) INTERESTS HELD FOR THE BENEFIT OF CHILD CARE AGENCIES.—Paragraph (2) of section 4994(b) is amended—

(A) by striking out "paragraph (1)(A)(ii)" and inserting in lieu thereof "clause (ii) or (iii) of paragraph (1)(A)", and

(B) by striking out "paragraph (1)(A)(i)" each place it appears and inserting in lieu thereof "clause (i) or (ii) of paragraph (1)(A)".

(c) CONFORMING AMENDMENTS.—

(1) Clause (i) of section 4994(b)(1)(A) is amended by striking out "or" at the end thereof.

(2) Subclause (II) of section 4994(b)(1)(A)(ii) is amended by inserting "or (ii)" after "clause (i)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable periods beginning after December 31, 1980. 26 USC 4994 note.

Subtitle B—Miscellaneous Provision

SEC. 611. APPLICATION OF CREDIT FOR PRODUCING NATURAL GAS FROM A NONCONVENTIONAL SOURCE WITH THE NATURAL GAS POLICY ACT OF 1978.

(a) IN GENERAL.—Subsection (e) of section 44D (relating to the credit for producing fuel from a nonconventional source) is amended to read as follows: 94 Stat. 268.

"(e) APPLICATION WITH THE NATURAL GAS POLICY ACT OF 1978.—

"(1) NO CREDIT IF SECTION 107 OF THE NATURAL GAS POLICY ACT OF 1978 IS UTILIZED.—Subsection (a) shall apply with respect to any natural gas described in subsection (c)(1)(B)(i) which is sold during the taxable year only if such natural gas is sold at a lawful price which is determined without regard to the provisions of section 107 of the Natural Gas Policy Act of 1978 and subtitle B of title I of such Act. 15 USC 3317. 15 USC 3331.

"(2) TREATMENT OF THIS SECTION.—For purposes of section 107(d) of the Natural Gas Policy Act of 1978, this section shall not be treated as allowing any credit, exemption, deduction, or comparable adjustment applicable to the computation of any Federal tax."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 1979. 26 USC 44D note.

TITLE VII—ADMINISTRATIVE PROVISIONS

Subtitle A—Prohibition of Disclosure of Audit Methods

SEC. 701. PROHIBITION OF DISCLOSURE OF METHODS FOR SELECTION OF TAX RETURNS FOR AUDITS.

26 USC 6103.

(a) GENERAL RULE.—Paragraph (2) of section 6103(b) (defining return information) is amended by adding at the end thereof the following new sentence: "Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining such standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws."

26 USC 6103 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to disclosures after July 19, 1981.

Subtitle B—Changes in Interest Rate for Overpayments and Underpayments

SEC. 711. CHANGES IN RATE OF INTEREST FOR OVERPAYMENTS AND UNDERPAYMENTS.

26 USC 6621.

(a) ANNUAL ADJUSTMENT TO RATE OF INTEREST.—Subsection (b) of section 6621 (relating to adjustment of interest rate) is amended by striking out the last sentence thereof.

(b) RATE OF INTEREST TO BE BASED ON 100 PERCENT OF PRIME RATE.—Subsection (c) of section 6621 is amended by striking out "90 percent of".

(c) NEW RATE TO TAKE EFFECT ON JANUARY 1 OF EACH YEAR AFTER 1982.—Subsection (b) of section 6621 is amended by striking out "February 1" and inserting in lieu thereof "January 1".

26 USC 6621 note.

(d) EFFECTIVE DATES.—

(1) FOR SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to adjustments made after the date of the enactment of this Act.

(2) FOR SUBSECTION (c).—The amendment made by subsection (c) shall apply to adjustments made for periods after 1982.

Subtitle C—Changes in Certain Penalties and in Requirements Relating to Returns

SEC. 721. CHANGES IN PENALTIES FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.

26 USC 6682.

(a) CIVIL PENALTY.—Section 6682 (relating to false information with respect to withholding allowances based on itemized deductions) is amended to read as follows:

"SEC. 6682. FALSE INFORMATION WITH RESPECT TO WITHHOLDING.

"(a) CIVIL PENALTY.—In addition to any criminal penalty provided by law, if—

"(1) any individual makes a statement under section 3402 which results in a decrease in the amounts deducted and withheld under chapter 24, and

"(2) as of the time such statement was made, there was no reasonable basis for such statement,

26 USC 3401 *et seq.*

such individual shall pay a penalty of $500 for such statement.

"(b) EXCEPTION.—The Secretary may waive (in whole or in part) the penalty imposed under subsection (a) if the taxes imposed with respect to the individual under subtitle A for the taxable year are equal to or less than the sum of—

"(1) the credits against such taxes allowed by part IV of subchapter A of chapter 1, and

26 USC 31.

"(2) the payments of estimated tax which are considered payments on account of such taxes.

"(c) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect to the assessment or collection of any penalty imposed by subsection (a)."

26 USC 6211.

(b) CRIMINAL PENALTY.—Section 7205 (relating to fraudulent withholding exemption certificate or failure to supply information) is amended by striking out "$500" and inserting in lieu thereof "$1,000".

26 USC 7205.

(c) CLERICAL AMENDMENT.—The table of sections for subchapter B of chapter 68 is amended by striking out the item relating to section 6682 and inserting in lieu thereof the following:

"Sec. 6682. False information with respect to withholding."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to acts and failures to act after December 31, 1981.

26 USC 6682 note.

SEC. 722. ADDITIONS TO TAX IN THE CASE OF VALUATION OVERSTATEMENTS, INCREASE IN NEGLIGENCE PENALTY.

(a) VALUATION OVERSTATEMENTS.—

(1) IN GENERAL.—Subchapter A of chapter 68 (relating to additions to tax) is amended by redesignating section 6659 as section 6660 and by inserting after section 6658 the following new section:

26 USC 6660.

"SEC. 6659. ADDITION TO TAX IN THE CASE OF VALUATION OVERSTATEMENTS FOR PURPOSES OF THE INCOME TAX.

26 USC 6659.

"(a) ADDITION TO THE TAX.—If—

"(1) an individual, or

"(2) a closely held corporation or a personal service corporation,

has an underpayment of the tax imposed by chapter 1 for the taxable year which is attributable to a valuation overstatement, then there shall be added to the tax an amount equal to the applicable percentage of the underpayment so attributable.

"(b) APPLICABLE PERCENTAGE DEFINED.—For purposes of subsection (a), the applicable percentage shall be determined under the following table:

"If the valuation claimed is the following percent of the correct valuation—	The applicable percentage is:
150 percent or more but not more than 200 percent	10
More than 200 percent but not more than 250 percent	20
More than 250 percent	30

"(c) VALUATION OVERSTATEMENT DEFINED.—

"(1) IN GENERAL.—For purposes of this section, there is a valuation overstatement if the value of any property, or the adjusted basis of any property, claimed on any return exceeds 150 percent of the amount determined to be the correct amount of such valuation or adjusted basis (as the case may be).

"(2) PROPERTY MUST HAVE BEEN ACQUIRED WITHIN LAST 5 YEARS.—This section shall not apply to any property which, as of the close of the taxable year for which there is a valuation overstatement, has been held by the taxpayer for more than 5 years.

"(d) UNDERPAYMENT MUST BE AT LEAST $1,000.—This section shall not apply if the underpayment for the taxable year attributable to the valuation overstatement is less than $1,000.

"(e) AUTHORITY TO WAIVE.—The Secretary may waive all or any part of the addition to the tax provided by this section on a showing by the taxpayer that there was a reasonable basis for the valuation or adjusted basis claimed on the return and that such claim was made in good faith.

"(f) OTHER DEFINITIONS.—For purposes of this section—

"(1) UNDERPAYMENT.—The term 'underpayment' has the meaning given to such term by section 6653(c)(1).

"(2) CLOSELY HELD CORPORATION.—The term 'closely held corporation' means any corporation described in section 465(a)(1)(C).

"(3) PERSONAL SERVICE CORPORATION.—The term 'personal service corporation' means any corporation which is a service organization (within the meaning of section 414(m)(3))."

(2) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 68 is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 6659. Addition to tax in the case of valuation overstatements for purposes of the income tax.
"Sec. 6660. Applicable rules."

(3) TECHNICAL AMENDMENT.—Subsection (c) of section 5684 (relating to penalties for the payment and collection of liquor taxes) and subsection (d) of section 5761 (relating to civil penalties) are each amended by striking out "6659" in the heading and text thereof and inserting in lieu thereof "6660".

26 USC 5684, 5761.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to returns filed after December 31, 1981.

26 USC 6659 note.

(b) INCREASE IN NEGLIGENCE PENALTY.—

(1) IN GENERAL.—Subsection (a) of section 6653 (relating to failure to pay tax) is amended to read as follows:

26 USC 6653.

"(a) NEGLIGENCE OR INTENTIONAL DISREGARD OF RULES AND REGULATIONS WITH RESPECT TO INCOME, GIFT, OR WINDFALL PROFIT TAXES.—

"(1) IN GENERAL.—If any part of any underpayment (as defined in subsection (c)(1)) of any tax imposed by subtitle A, by chapter 12 of subtitle B, or by chapter 45 (relating to windfall profit tax) is due to negligence or intentional disregard of rules or regulations (but without intent to defraud), there shall be added to the tax an amount equal to 5 percent of the underpayment.

26 USC 1, 2501 *et seq.*
94 Stat. 230.
26 USC 4986 *et seq.*

"(2) ADDITIONAL AMOUNT FOR PORTION ATTRIBUTABLE TO NEGLIGENCE, ETC.—There shall be added to the tax (in addition to the amount determined under paragraph (1)) an amount equal to 50 percent of the interest payable under section 6601—

"(A) with respect to the portion of the underpayment described in paragraph (1) which is attributable to the

negligence or intentional disregard referred to in paragraph (1), and

"(B) for the period beginning on the last date prescribed by law for payment of such underpayment (determined without regard to any extension) and ending on the date of the assessment of the tax."

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxes the last date prescribed for payment of which is after December 31, 1981. 26 USC 6653 note.

SEC. 723. CHANGES IN REQUIREMENTS RELATING TO INFORMATION RETURNS.

(a) INCREASES IN PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS OR FURNISH CERTAIN STATEMENTS.—

(1) CERTAIN RETURNS.—Paragraph (1) of section 6652(a) (relating to failure to file certain information returns, registration statements, etc.) is amended to read as follows: 26 USC 6652.

"(1) to file a statement of the aggregate amount of payments to another person required by—

"(A) section 6041 (a) or (b) (relating to certain information at source),

"(B) section 6042(a)(1) (relating to payments of dividends aggregating $10 or more),

"(C) section 6044(a)(1) (relating to payments of patronage dividends aggregating $10 or more),

"(D) section 6049(a)(1) (relating to payments of interest aggregating $10 or more),

"(E) section 6050A(a) (relating to reporting requirements of certain fishing boat operators), or

"(F) section 6051(d) (relating to information returns with respect to income tax withheld), or".

(2) CERTAIN STATEMENTS.—Section 6678 (relating to failure to furnish certain statements) is amended by striking out "or" at the end of paragraph (1), by inserting "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph: 26 USC 6678.

"(3) to furnish a statement under—

"(A) section 6050A(b) (relating to statements furnished by certain fishing boat operators),

"(B) section 6050C (relating to information regarding windfall profit tax on crude oil),

"(C) section 6051 (relating to information returns with respect to income tax withheld) if the statement is required to be furnished to the employee, or

"(D) section 6053(b) (relating to statements furnished by employers with respect to tips),

on the date prescribed therefor to a person with respect to whom such a statement is required,".

(3) RETENTION OF EXISTING PENALTIES FOR FAILURE TO FILE CERTAIN STATEMENTS.—Subsection (b) of section 6652 is amended to read as follows: 26 USC 6652.

"(b) OTHER RETURNS.—In the case of each failure to file a statement of a payment to another person required under the authority of—

"(1) section 6042(a)(2) (relating to payments of dividends aggregating less than $10),

"(2) section 6044(a)(2) (relating to payments of patronage dividends aggregating less than $10),

"(3) section 6049(a)(2) (relating to payments of interest aggregating less than $10), or

"(4) section 6049(a)(3) (relating to other payments of interest by corporations),

on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to so file the statement, $1 for each such statement not so filed, but the total amount imposed on the delinquent person for all such failures during the calendar year shall not exceed $1,000."

(4) CLERICAL AMENDMENT.—The subsection heading of subsection (a) of section 6652 is amended by inserting "INFORMATION AT SOURCE," before "PAYMENTS OF DIVIDENDS".

(b) REQUIREMENT OF STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED ON PAYMENTS OF $600 OR MORE.—

26 USC 6041.

(1) IN GENERAL.—Section 6041 (relating to information at source) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS FURNISHED.—Every person making a return under subsection (a) shall furnish to each person whose name is set forth in such return a written statement showing—

"(1) the name, address, and identification number of the person making such return, and

"(2) the aggregate amount of payments to the person shown on the return.

The written statement required under the preceding sentence shall be furnished to the person on or before January 31 of the year following the calendar year for which the return under subsection (a) was made. To the extent provided in regulations prescribed by the Secretary, this subsection shall also apply to persons making returns under subsection (b)."

26 USC 6678.

(2) PENALTY FOR FAILURE TO FURNISH STATEMENT.—Paragraph (1) of section 6678 (relating to failure to furnish certain statements) is amended—

(A) by inserting "6041(d)," before "6042(c)", and

(B) by inserting "6041(a)," before "6042(a)(1)".

26 USC 6652 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns and statements required to be furnished after December 31, 1981.

SEC. 724. PENALTY FOR OVERSTATED DEPOSIT CLAIMS.

26 USC 6656.

(a) GENERAL RULE.—Subsection (b) of section 6656 (relating to failure to make deposit of taxes) is amended to read as follows:

"(b) OVERSTATED DEPOSIT CLAIMS.—

"(1) IMPOSITION OF PENALTY.—Any person who makes an overstated deposit claim shall be subject to a penalty equal to 25 percent of such claim.

"(2) OVERSTATED DEPOSIT CLAIM DEFINED.—For purposes of this subsection, the term 'overstated deposit claim' means the excess of—

"(A) the amount of tax under this title which any person claims, in a return filed with the Secretary, that such person

has deposited in a government depositary under section 6302(c) for any period, over

"(B) the aggregate amount such person has deposited in a government depositary under section 6302(c), for such period, on or before the date such return is filed.

"(3) PENALTY NOT IMPOSED IN CERTAIN CASES.—The penalty under paragraph (1) shall not apply if it is shown that the excess described in paragraph (2) is due to reasonable cause and not due to willful neglect.

"(4) PENALTY IN ADDITION TO OTHER PENALTIES.—The penalty under paragraph (1) shall be in addition to any other penalty provided by law."

(b) CLERICAL AMENDMENTS.—

(1) The heading of section 6656 is amended by inserting "OR OVERSTATEMENT OF DEPOSITS" after "TAXES".

(2) The table of sections for subchapter A of chapter 68 is amended by striking out the item relating to section 6656 and inserting in lieu thereof the following:

"Sec. 6656. Failure to make deposit of taxes or overstatement of deposits."

(3) The heading of subsection (a) of section 6656 is amended by striking out "PENALTY" and inserting in lieu thereof "UNDERPAYMENT OF DEPOSITS".

(4)(A) Section 5684 (relating to penalties relating to the payment and collection of liquor taxes) is amended by striking out subsection (b) and by redesignating subsections (c) and (d) as subsections (b) and (c), respectively. 26 USC 5684.

(B) Subsection (c) of section 5684, as redesignated by subparagraph (A), is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

"(4) For penalty for failure to make deposits or for overstatement of deposits, see section 6656."

(5) Section 5761 (relating to civil penalties) is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following: 26 USC 5761.

"(c) APPLICABILITY OF SECTION 6659.—The penalty imposed by subsection (b) shall be assessed, collected, and paid in the same manner as taxes, as provided in section 6659(a). *Ante*, p. 341.

"(d) CROSS REFERENCES.—

"For penalty for failure to make deposits or for overstatement of deposits, see section 6656."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns filed after the date of the enactment of this Act. 26 USC 6656 note.

SEC. 725. DECLARATION OF ESTIMATED TAX NOT REQUIRED IN CERTAIN CASES.

(a) GENERAL RULE.—Section 6015 (relating to declaration of estimated tax by individuals) is amended by redesignating subsections (b) through (i) as subsections (c) through (j), respectively, and by inserting after subsection (a) the following new subsection: 26 USC 6015.

"(b) DECLARATION NOT REQUIRED IN CERTAIN CASES.—No declaration shall be required under subsection (a) if the estimated tax (as defined in subsection (d)) is less than the amount determined in accordance with the following table:

"In the case of taxable years beginning in:	The amount is:
1981	$100
1982	200
1983	300
1984	400
1985 and thereafter	500."

26 USC 6654.

(b) NO PENALTY FOR FAILURE TO PAY ESTIMATED TAX IN CERTAIN CASES.—Section 6654 (relating to failure by individual to pay estimated tax) is amended by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and by inserting after subsection (e) the following new subsection:

"(f) EXCEPTION WHERE TAX IS SMALL AMOUNT.—

"(1) IN GENERAL.—No addition to tax shall be imposed under subsection (a) for any taxable year if the tax shown on the return for such taxable year (or, if no return is filed, the tax) is less than the amount determined under the following table:

"In the case of taxable years beginning in:	The amount is:
1981	$100
1982	200
1983	300
1984	400
1985 and thereafter	500.

"(2) SPECIAL RULE.—For purposes of subsection (b), the amount of any installment required to be paid shall be determined without regard to subsection (b) of section 6015."

(c) TECHNICAL AMENDMENTS.—

26 USC 871.

(1) Paragraph (6) of section 871(g) is amended by striking out "6015(i)" and inserting in lieu thereof "6015(j)".

26 USC 6015.

(2) Subsection (a) of section 6015 is amended by striking out the last sentence.

26 USC 6153.

(3) Subsection (a) of section 6153 is amended by striking out "6015(c)" and inserting in lieu thereof "6015(d)".

26 USC 7701.

(4) Subparagraph (A) of section 7701(a)(34) is amended by striking out "6015(c)" and inserting in lieu thereof "6015(d)".

Supra.

(5) Subsection (g) of such section 6654 (as redesignated by subsection (b)) is amended by striking out "subsections (b) and (d)" and inserting in lieu thereof "subsections (b), (d), and (f)".

26 USC 6015 note.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estimated tax for taxable years beginning after December 31, 1980.

Subtitle D—Cash Management

SEC. 731. CASH MANAGEMENT.

26 USC 6655.

(a) IN GENERAL.—Paragraph (1) of section 6655(h) (relating to large corporations required to pay at least 60 percent of current year tax) is amended to read as follows:

"(1) MINIMUM PERCENTAGE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of a large corporation, paragraphs (1) and (2) of subsection (d) shall not apply.

"(B) TRANSITION RULE.—For taxable years beginning before 1984, in the case of a large corporation, the amount treated as the estimated tax for the taxable year under paragraphs (1) and (2) of subsection (d) shall in no event be less than the applicable percentage of—

"(i) the tax shown on the return for the taxable year, or

"(ii) if no return was filed, the tax for such year.

"(C) APPLICABLE PERCENTAGE.—For purposes of subparagraph (B), the applicable percentage shall be determined in accordance with the following table:

"If the taxable year begins in:	The applicable percentage is:
1982	65
1983	75."

(b) CLERICAL AMENDMENT.—The heading of subsection (h) of section 6655 (relating to failure by corporations to pay estimated income tax) is amended by striking out "AT LEAST 60 PERCENT" and inserting in lieu thereof "MINIMUM PERCENTAGE". 26 USC 6655.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981. 26 USC 6655 note.

Subtitle E—Financing of Railroad Retirement System

SEC. 741. INCREASES IN EMPLOYER AND EMPLOYEE TAXES.

(a) TAX ON EMPLOYEES.—Section 3201 (relating to rate of tax on employees) is amended by striking out all that precedes "the rate of the tax" and inserting in lieu thereof the following: 26 USC 3201.

"(a) In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to 2.0 percent of so much of the compensation paid in any calendar month to such employee for services rendered by him as is not in excess of an amount equal to one-twelfth of the current maximum annual taxable 'wages' as defined in section 3121 for any month.

"(b) The rate of tax imposed by subsection (a) shall be increased by".

(b) TAX ON EMPLOYEE REPRESENTATIVES.—Subsection (a) of section 3211 (relating to tax on employee representatives) is amended by striking out "9.5" and inserting in lieu thereof "11.75". 26 USC 3211.

(c) TAX ON EMPLOYERS.—The first sentence of section 3221(a) (relating to tax on employers) is amended by striking out "9.5" and inserting in lieu thereof "11.75". 26 USC 3221.

(d) CONFORMING AMENDMENTS.—

(1) The last sentence of section 230(c) of the Social Security Act is amended— 42 USC 430.

(A) by inserting "employee and" before "employer",

(B) by striking out "section 3221(a)" and inserting in lieu thereof "sections 3201(a) and 3221(a)", and

(C) by striking out "9.5" and inserting in lieu thereof "11.75".

(2) Paragraph (1) of section 3231(e) (defining compensation) is amended by striking out "(iii)" and all that follows through "(iv)" and inserting in lieu thereof "or (iii)". 26 USC 3231.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to compensation paid for services rendered after September 30, 1981. 26 USC 3201 note.

SEC. 742. ADVANCE TRANSFER OF AMOUNTS PAYABLE UNDER SOCIAL SECURITY FINANCIAL INTERCHANGE.

45 USC 231n.

Section 15(b) of the Railroad Retirement Act of 1974 is amended by inserting "(1)" after "(b)" and by inserting at the end thereof the following new subdivision:

"(2) In any month when the Board finds that the balance in the Railroad Retirement Account is insufficient to pay annuity amounts due to be paid during the following month, the Board shall report to the Secretary of the Treasury the additional amount of money necessary in order to make such annuity payments, and the Secretary shall transfer to the credit of the Railroad Retirement Account such additional amount upon receiving such report from the Board. The total amount of money outstanding to the Railroad Retirement Account from the general fund at any time during any fiscal year shall not exceed the total amount of money the Board and the Trustees of the Social Security Trust Funds estimate will be transferred to the Railroad Retirement Account pursuant to section 7(c)(2) of this Act with respect to such fiscal year. Whenever the Board determines that the sums in the Railroad Retirement Account are sufficient to pay annuity amounts, the Board shall request the Secretary of the Treasury to retransfer to the general fund from the Railroad Retirement Account all or any part of the amount outstanding, and the Secretary of the Treasury shall make such retransfer of the amount requested. Not later than 10 days after a transfer to the Railroad Retirement Account under section 7(c)(2) of this Act, any amount of money outstanding to the Railroad Retirement Account from the general fund under this subdivision shall be retransferred in accordance with this subdivision. Any amount retransferred shall include an amount of interest computed at a rate determined in accordance with the following two sentences: The rate of interest payable with respect to an amount outstanding for any month shall be equal to the average investment yield for the most recent auction (before such month) of United States Treasury bills with maturities of 52 weeks, deeming any amount outstanding at the beginning of a month to have been borrowed at the beginning of such month. For this purpose the amount of interest computed in accordance with the preceding sentence but not repaid by the end of such month shall be added to the amount outstanding at the beginning of the next month."

45 USC 231f.

SEC. 743. AMENDMENTS TO SECTION 3231 CLARIFYING DEFINITION OF COMPENSATION.

26 USC 3231.

(a) Paragraph (1) of section 3231(e) (defining compensation) is amended by adding after the third sentence thereof the following new sentence: "Compensation which is paid in one calendar month but which would be payable in a prior or subsequent taxable month but for the fact that prescribed date of payment would fall on a Saturday, Sunday or legal holiday shall be deemed to have been paid in such prior or subsequent taxable month."

(b) Paragraph (2) of section 3231(e) is amended by adding at the beginning thereof the following new sentence: "A payment made by an employer to an individual through the employer's payroll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made."

(c) Paragraph (2) of section 3231(e), as amended by subsection (b), is amended by striking from the second sentence thereof the words "An

employee" and inserting instead the words: "An employee receiving retroactive wage payments".

(d) The amendments made by this section shall apply for taxable years beginning after December 31, 1981. 26 USC 3231 note.

Subtitle F—Filing Fees

SEC. 751. FEES FOR FILING PETITIONS.

(a) IN GENERAL.—Section 7451 is amended by striking out "$10" and inserting in lieu thereof "$60". 26 USC 7451.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to petitions filed after December 31, 1981. 26 USC 7451 note.

TITLE VIII—MISCELLANEOUS PROVISIONS

Subtitle A—Extensions

SEC. 801. FRINGE BENEFITS.

Section 1 of the Act entitled "An Act to prohibit the issuance of regulations on the taxation of fringe benefits, and for other purposes", approved October 7, 1978 (Public Law 95-427), is amended by striking out "May 31, 1981" each place it appears and inserting in lieu thereof "December 31, 1983". 26 USC 61 note.

SEC. 802. EXCLUSION FOR PREPAID LEGAL SERVICES EXTENDED FOR 3 YEARS.

(a) EXTENSION.—Section 120 (relating to amounts received under qualified group legal services plans) is amended by adding at the end thereof the following new subsection: 26 USC 120.

"(e) TERMINATION.—This section shall not apply to taxable years ending after December 31, 1984."

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 2134(e) of the Tax Reform Act of 1976 (relating to effective date) is amended by striking out ", and ending before January 1, 1982". 26 USC 120 note.

Subtitle B—Tax-Exempt Obligations

SEC. 811. TAX-EXEMPT FINANCING FOR VEHICLES USED FOR MASS COMMUTING.

(a) GENERAL RULE.—Paragraph (4) of section 103(b) (relating to industrial development bonds) is amended by striking out "or" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", or", and by inserting after subparagraph (H) the following new subparagraph: 26 USC 103.

"(I) qualified mass commuting vehicles."

(b) DEFINITION OF QUALIFIED MASS COMMUTING VEHICLES.—Subsection (b) of section 103 is amended by redesignating paragraph (9) as paragraph (10) and by inserting after paragraph (8) the following new paragraph:

"(9) QUALIFIED MASS COMMUTING VEHICLES.—

"(A) IN GENERAL.—For purposes of paragraph (4)(I), the term 'qualified mass commuting vehicle' means any bus, subway car, rail car, or similar equipment—

"(i) which is leased to a mass transit system wholly owned by 1 or more governmental units (or agencies or instrumentalities thereof), and

"(ii) which is used by such system in providing mass commuting services.

"(B) TERMINATION.—Paragraph (4)(I) shall not apply to any obligation issued after December 31, 1984."

26 USC 103 note.

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

SEC. 812. OBLIGATIONS OF CERTAIN VOLUNTEER FIRE DEPARTMENTS.

26 USC 103.

(a) IN GENERAL.—Section 103 (relating to interest on certain governmental obligations) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) OBLIGATIONS OF CERTAIN VOLUNTEER FIRE DEPARTMENTS.—

"(1) IN GENERAL.—An obligation of a volunteer fire department shall be treated as an obligation of a political subdivision of a State if—

"(A) such department is a qualified volunteer fire department with respect to an area within the jurisdiction of such political subdivision, and

"(B) such obligation is issued as part of an issue substantially all of the proceeds of which are to be used for the acquisition, construction, reconstruction, or improvement of a firehouse or firetruck used or to be used by such department.

"(2) QUALIFIED VOLUNTEER FIRE DEPARTMENT.—For purposes of this subsection, the term 'qualified volunteer fire department' means, with respect to a political subdivision of a State, any organization—

"(A) which is organized and operated to provide firefighting or emergency medical services for persons in an area (within the jurisdiction of such political subdivision) which is not provided with any other firefighting services,

"(B) which is required (by written agreement) by the political subdivision to furnish firefighting services in such area."

26 USC 103 note.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 1980.

(2) SPECIAL RULE FOR CERTAIN OBLIGATIONS ISSUED BEFORE EFFECTIVE DATE.—

(A) IN GENERAL.—Interest on any obligation described in subparagraph (B) shall be excluded from gross income.

(B) OBLIGATION TO WHICH PARAGRAPH APPLIES.—For purposes of subparagraph (A), an obligation is described in this subparagraph if the obligation—

(i) was issued after December 31, 1969, and before January 1, 1981, to the First Bank and Trust Company of Indianapolis, Indiana,

(ii) was issued by a qualified volunteer fire department (within the meaning of section 103(i)(2) of the Internal Revenue Code of 1954), and

(iii) was issued for the acquisition, construction, reconstruction, or improvement of firefighting property.

An obligation shall be treated as described in this subparagraph only for the period which is held by the First Bank and Trust Company of Indianapolis, Indiana.

(C) FIREFIGHTING PROPERTY.—For purposes of subparagraph (B), the term "firefighting property" means property—

(i) which is of a character subject to the allowance for depreciation, and

(ii)(I) which is used in the training for the performance of, or in the performance of, firefighting or ambulance services, or

(II) which is exclusively used to house the property described in subclause (I).

Subtitle C—Excise Taxes

SEC. 821. EXTENSION OF TELEPHONE EXCISE TAX.

(a) IN GENERAL.—The table contained in paragraph (2) of section 4251(a) (relating to imposition of tax on communications) is amended by striking out the last line and inserting in lieu thereof the following:

"During 1982, 1983, or 1984 ..... 1".

(b) CONFORMING AMENDMENT.—Subsection (b) of section 4251 is amended by striking out "1983" and inserting in lieu thereof "1985". 26 USC 4251.

SEC. 822. EXCLUSION OF CERTAIN SERVICES FROM FEDERAL UNEMPLOYMENT TAX ACT.

(a) IN GENERAL.—Section 3306(c) (relating to the definition of employment under the Federal Unemployment Tax Act) is amended— 26 USC 3306.

(1) by striking out "or" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) service described in section 3121(b)(20); or".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to remuneration paid during 1981. 26 USC 3306 note.

SEC. 823. PRIVATE FOUNDATION DISTRIBUTIONS.

(a) GENERAL RULE.—

(1) Paragraph (1) of section 4942(d) (defining distributable amount) is amended by striking "or the adjusted net income (whichever is higher)". 26 USC 4942.

(2) Paragraph (3)(A) of section 4942(j) (defining operating foundation) is amended to read as follows:

"(A) which makes qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated equal to substantially all of the lesser of—

"(i) its adjusted net income (as defined in subsection (f)), and

"(ii) its minimum investment return; and".

(3) Paragraph (3) of section 4942(j) is amended by adding at the end thereof the following new sentence: "Notwithstanding the provisons of subparagraph (A), if the qualifying distributions (within the meaning of paragraph (1) or (2) of subsection (g)) of an

organization for the taxable year exceed the minimum investment return for the taxable year, clause (ii) of subparagraph (A) shall not apply unless substantially all of such qualifying distributions are made directly for the active conduct of the activities constituting the purpose or function for which it is organized and operated."

26 USC 4942 note.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

Subtitle D—Other Provisions

SEC. 831. TECHNICAL AMENDMENTS RELATING TO DISPOSITIONS OF INVESTMENT IN UNITED STATES REAL PROPERTY.

(a) GENERAL RULE.—

26 USC 897.

(1) Paragraph (1)(A)(i) of section 897(c) (defining United States real property interests) is amended by striking out "United States" and inserting in lieu thereof "United States or the Virgin Islands".

26 USC 862.

(2) Section 862(a) (relating to income from sources without the United States) is amended—

(A) by striking out "and" at the end of paragraph (5),

(B) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon,

(C) by striking out "Underwriting" in paragraph (7) and inserting in lieu thereof "underwriting",

(D) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and

(E) by adding at the end thereof the following new paragraph:

"(8) gains, profits, and income from the disposition of a United States real property interest (as defined in section 897(c)) when the real property is located in the Virgin Islands."

26 USC 6039C.

(3) Section 6039C (relating to returns with respect to United States real property interests) is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULE FOR UNITED STATES INTEREST AND VIRGIN ISLANDS INTEREST.—A nonresident alien individual or foreign corporation subject to tax under section 897(a) shall pay any tax and file any return required by this title—

"(1) to the United States, in the case of any interest in real property located in the United States and an interest (other than an interest solely as a creditor) in a domestic corporation (with respect to the United States) described in section 897(c)(1)(A)(ii), and

"(2) to the Virgin Islands, in the case of an interest in real property located in the Virgin Islands and an interest (other than an interest solely as a creditor) in a domestic corporation (with respect to the Virgin Islands) described in section 897(c)(1)(A)(ii)."

(b) PARTNERSHIP ASSETS.—Paragraph (4)(B) of section 897(c) is amended to read as follows:

"(B) ASSETS HELD BY PARTNERSHIPS, ETC.—Under regulations prescribed by the Secretary, assets held by a partnership, trust, or estate shall be treated as held proportionately by its partners or beneficiaries. Any asset treated as held by a partner or beneficiary by reason of this subparagraph which is used or held for use by the partnership, trust, or estate in a trade or business shall be treated as so used or

held by the partner or beneficiary. Any asset treated as held by a partner or beneficiary by reason of this subparagraph shall be so treated for purposes of applying this subparagraph successively to partnerships, trusts, or estates which are above the first partnership, trust, or estate in a chain thereof."

(c) NONRECOGNITION RULES OVERRIDDEN IN CERTAIN CASES.—Subparagraph (B) of section 897(d)(1) is amended to read as follows: 26 USC 897.

"(B) EXCEPTIONS.—Gain shall not be recognized under subparagraph (A)—

"(i) if—

"(I) at the time of the receipt of the distributed property, the distributee would be subject to taxation under this chapter on a subsequent disposition of the distributed property, and

"(II) the basis of the distributed property in the hands of the distributee is no greater than the adjusted basis of such property before the distribution, increased by the amount of gain (if any) recognized by the distributing corporation, or

"(ii) if such nonrecognition is provided in regulations prescribed by the Secretary under subsection (e)(2)."

(d) FOREIGN CORPORATION PERMITTED TO ELECT TO BE TREATED AS A DOMESTIC CORPORATION.—Subsection (i) of section 897 is amended to read as follows:

"(i) ELECTION BY FOREIGN CORPORATION TO BE TREATED AS DOMESTIC CORPORATION.—

"(1) IN GENERAL.—If—

"(A) a foreign corporation holds a United States real property interest, and

"(B) under any treaty obligation of the United States the foreign corporation is entitled to nondiscriminatory treatment with respect to that interest,

then such foreign corporation may make an election to be treated as a domestic corporation for purposes of this section and section 6039C.

"(2) REVOCATION ONLY WITH CONSENT.—Any election under paragraph (1), once made, may be revoked only with the consent of the Secretary.

"(3) MAKING OF ELECTION.—An election under paragraph (1) may be made only—

"(A) if all of the owners of all classes of interests (other than interests solely as a creditor) in the foreign corporation at the time of the election consent to the making of the election and agree that gain, if any, from the disposition of such interest after June 18, 1980, which would be taken into account under subsection (a) shall be taxable notwithstanding any provision to the contrary in a treaty to which the United States is a party, and

"(B) subject to such other conditions as the Secretary may prescribe by regulations with respect to the corporation or its shareholders.

In the case of a class of interest (other than an interest solely as a creditor) which is regularly traded on an established securities market, the consent described in subparagraph (A) need only be made by any person if such person held more than 5 percent of such class of interest at some time during the shorter of the periods described in subsection (c)(1)(A)(ii). The constructive

ownership rules of subsection (c)(6)(C) shall apply in determining whether a person held more than 5 percent of a class of interest.

"(4) EXCLUSIVE METHOD OF CLAIMING NONDISCRIMINATION.—The election provided by paragraph (1) shall be the exclusive remedy for any person claiming discriminatory treatment with respect to this section and section 6039C."

(e) REPORTING REQUIRED FOR CERTAIN INDIRECT HOLDINGS.—Paragraph (4)(C) of section 6039C(b) is amended to read as follows:

26 USC 6039C.

"(C) INDIRECT HOLDINGS.—For purposes of determining whether an entity to which this subsection applies has a substantial investor in United States real property, the assets of any person shall include the person's pro rata share of the United States real property interest held by any corporation (whether domestic or foreign) if the person's pro rata share of the United States real property interests exceeded $50,000."

26 USC 897.

(f) CERTAIN CONTRIBUTIONS TO CAPITAL.—Section 897 is amended by adding at the end thereof the following new subsection:

"(j) CERTAIN CONTRIBUTIONS TO CAPITAL.—Except to the extent otherwise provided in regulations, gain shall be recognized by a nonresident alien individual or foreign corporation on the transfer of a United States real property interest to a foreign corporation if the transfer is made as paid in surplus or as a contribution to capital, in the amount of the excess of—

"(1) the fair market value of such property transferred, over

"(2) the sum of—

"(A) the adjusted basis of such property in the hands of the transferor, plus

"(B) the amount of gain, if any, recognized to the transferor under any other provision at the time of the transfer."

(g) PRE-ENACTMENT ACQUISITIONS.—Section 897 is amended by adding at the end thereof the following new subsections:

"(k) FOREIGN CORPORATIONS ACQUIRED BEFORE ENACTMENT.—If—

"(1) a foreign corporation adopts, or has adopted, a plan of liquidation described in section 334(b)(2)(A), and

"(2) the 12-month period described in section 334(b)(2)(B) for the acquisition by purchase of the stock of the foreign corporation, began after December 31, 1979, and before November 26, 1980,

then such foreign corporation may make an election to be treated, for the period following June 18, 1980, as a domestic corporation pursuant to section 897(i)(1). Notwithstanding an election under the preceding sentence, any selling shareholder of such corporation shall be considered to have sold the stock of a foreign corporation.

"(l) SPECIAL RULE FOR CERTAIN UNITED STATES SHAREHOLDERS OF LIQUIDATING FOREIGN CORPORATIONS.—If a corporation adopts a plan of complete liquidation and if, solely by reason of section 897(d), section 337(a) does not apply to sales or exchanges, or section 336 does not apply to distributions, of United States real property interests by such corporation, then, in the case of any shareholder who is a United States citizen or resident and who has held stock in such corporation continuously since June 18, 1980, for the first taxable year of such shareholder in which he receives a distribution in complete liquidation with respect to such stock—

"(1) the amount realized by such shareholder on the distribution shall be increased by his proportionate share of the amount by which the tax imposed by this subtitle on such corporation

would have been reduced if section 897(d) had not been applicable, and

"(2) for purposes of this title, such shareholder shall be deemed to have paid, on the last day prescribed by law for the payment of the tax imposed by this subtitle on such shareholder for such taxable year, an amount of tax equal to the amount of the increase described in paragraph (1)."

(h) TREATY.—Paragraph (2)(B) of section 1125 of the Foreign Investment Real Property Tax Act of 1980 is amended to read as follows: 26 USC 897 note.

"(B) the new treaty is signed on or after January 1, 1981, and before January 1, 1985,

then paragraph (1) shall be applied with respect to obligations under the old treaty by substituting for 'December 31, 1984' the date (not later than 2 years after the new treaty was signed) specified in the new treaty (or accompanying exchange of notes)."

(i) EFFECTIVE DATES.—The amendments made by this section shall apply to dispositions after June 18, 1980, in taxable years ending after such date. 26 USC 897 note.

SEC. 832. MODIFICATION OF FOREIGN INVESTMENT COMPANY PROVISIONS.

(a) IN GENERAL.—Paragraph (2) of section 1246(a) (defining ratable share) is amended by striking out subparagraph (B) and inserting in lieu thereof the following: 26 USC 1246.

"(B) excluding such earnings and profits attributable to—

"(i) any amount previously included in the gross income of such taxpayer under section 951 (but only to the extent the inclusion of such amount did not result in an exclusion of any other amount from gross income under section 959), or

"(ii) any taxable year during which such corporation was not a foreign investment company but only if—

"(I) such corporation was not a foreign investment company at any time before such taxable year, and

"(II) such corporation was treated as a foreign investment company solely by reason of subsection (b)(2)."

26 USC 1246 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales or exchanges after the date of the enactment of this Act in taxable years ending after such date.

Approved August 13, 1981.

LEGISLATIVE HISTORY—H.R. 4242 (H.J. Res. 266):

HOUSE REPORTS: No. 97-201 (Comm. on Ways and Means) and No. 97-215 (Comm. of Conference).

SENATE REPORTS: No. 97-144 accompanying H.J. Res. 266 (Comm. on Finance) and No. 97-176 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 127 (1981):

May 21, H.J. Res. 266 considered and passed House.

July 29, H.R. 4242 considered and passed House.

May 21, July 15-18, 20-24, 27-29, H.J. Res. 266 considered in Senate.

July 31, H.R. 4242 considered and passed Senate, amended, in lieu of H.J. Res. 266.

Aug. 1, 3, Senate considered and agreed to conference report.

Aug. 4, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 33 (1981):

Aug. 13, Presidential statement.

Public Law 97-35
97th Congress

An Act

To provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for the fiscal year 1982.

Aug. 13, 1981
[H.R. 3982]

SHORT TITLE

SECTION 1. This Act may be cited as the "Omnibus Budget Reconciliation Act of 1981".

Omnibus Budget Reconciliation Act of 1981.

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PURPOSE

SEC. 2. It is the purpose of this Act to implement the recommendations which were made by specified committees of the House of Representatives and the Senate pursuant to directions contained in part A of title III of the first concurrent resolution on the budget for the fiscal year 1982 (H. Con. Res. 115, 97th Congress), and pursuant to the reconciliation requirements which were imposed by such concurrent resolution as provided in section 310 of the Congressional Budget Act of 1974.

31 USC 1331.

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

Subtitle A—Food Stamp Program Reductions and Other Reductions in Authorization for Appropriations

PART 1—FOOD STAMP PROGRAM REDUCTIONS

FAMILY UNIT REQUIREMENT

7 USC 2012.

SEC. 101. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence "; except that parents and children who live together shall be treated as a group of individuals who customarily purchase and prepare meals together for home consumption even if they do not do so, unless one of the parents is sixty years of age or older"; and

(2) striking out "neither" in the second sentence and inserting "no" in lieu thereof.

BOARDERS

SEC. 102. Section 3(i) of the Food Stamp Act of 1977 is amended by—

(1) striking out in clause (1) of the first sentence "or else pays compensation to the others for such meals,";

(2) striking out in clause (2) of the first sentence "or else live with others and pay compensation to the others for such meals"; and

(3) adding before the period at the end of the second sentence ", or else live with others and pay compensation to the others for meals".

ADJUSTMENT OF THE THRIFTY FOOD PLAN

SEC. 103. Section 3(o) of the Food Stamp Act of 1977 is amended by striking out "and" before clause (6) and all that follows down through the end of clause (6), and inserting in lieu thereof the following: "(6) on April 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding December 31, (7) on July 1, 1983, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding March 31, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the fifteen months ending the preceding June 30, and (9) on October 1, 1985, and each October 1, thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30".

GROSS INCOME ELIGIBILITY STANDARD

7 USC 2014.

SEC. 104. (a) Section 5 of the Food Stamp Act of 1977 is amended by—

(1) striking out everything before "adjusted annually" in the first sentence of subsection (c) and inserting the following: "(c) The income standards of eligibility shall be—

"(1) for households containing a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act or

42 USC 1381.

disability and blindness payments under titles I, II, X, XIV, and XVI of the Social Security Act, 100 per centum, and

42 USC 301, 401, 1201, 1351, 1381.

"(2) for all other households, 130 per centum,

of the nonfarm income poverty guidelines prescribed by the Office of Management and Budget"; and

(2) inserting "for purposes of determining eligibility and benefit levels for households described in subsection (c)(1) and determining benefit levels only for all other households" after "household income" in the first sentence of subsection (e).

(b) Section 8(a) of the Food Stamp Act of 1977 is amended by inserting "(d) and (e)" after "section 5" in the first sentence.

7 USC 2017.

ADJUSTMENTS OF DEDUCTIONS

SEC. 105. Section 5(e) of the Food Stamp Act of 1977 is amended by—

7 USC 2014.

(1) striking out in the first sentence everything that follows "the Secretary shall allow a standard deduction of" and inserting in lieu thereof the following: "$85 a month for each household, except that households in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States shall be allowed a standard deduction of $145, $120, $170, $50, and $75, respectively.";

(2) striking out the second sentence and inserting in lieu thereof the following: "Such standard deductions shall be adjusted (1) on July 1, 1983, to the nearest $5 increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food and the homeownership component of shelter costs, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (2) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (3) on October 1, 1985, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30."; and

(3) striking out the proviso in clause (2) of the fourth sentence and inserting in lieu thereof the following: "*Provided*, That the amount of such excess shelter expense deduction shall not exceed $115 a month in the forty-eight contiguous States and the District of Columbia, and shall not exceed, in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States, $200, $165, $140, $40, and $85, respectively, adjusted (i) on July 1, 1983, to the nearest $5 increment to reflect changes in the shelter (exclusive of homeownership costs), fuel, and utilities components of housing costs in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, as appropriately adjusted by the Bureau of Labor Statistics after consultation with the Secretary, for the fifteen months ending the preceding March 31, (ii) on October 1, 1984, to the nearest $5 increment to reflect such changes for the fifteen months ending the preceding June 30, and (iii) on October 1, 1985, and each October 1 thereafter, to the nearest $5 increment to reflect such changes for the twelve months ending the preceding June 30,".

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EARNED INCOME DEDUCTION

7 USC 2014.

SEC. 106. Section 5(e) of the Food Stamp Act of 1977 is amended by striking out "20 per centum" in the third sentence and inserting in lieu thereof "18 per centum".

RETROSPECTIVE ACCOUNTING

SEC. 107. (a) Section 5(f) of the Food Stamp Act of 1977 is amended to read as follows:

"(f)(1)(A) Household income for those households that, by contract for other than an hourly or piecework basis or by self-employment, derive their annual income in a period of time shorter than one year shall be calculated by averaging such income over a twelve-month period.

"(B) Household income for those households that receive nonexcluded income of the type described in subsection (d)(3) of this section shall be calculated by averaging such income over the period for which it is received.

"(2)(A) Household income for migrant farmworker households shall be calculated on a propsective basis, as provided in paragraph (3)(A).

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary.

"(3)(A) Calculation of household income on a prospective basis is the calculation of income on the basis of the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined. Such calculation shall be made in accordance with regulations prescribed by the Secretary which shall provide for taking into account both the income reasonably anticipated to be received by the household during the period for which eligibility or benefits are being determined and the income received by the household during the preceding thirty days.

"(B) Calculation of household income on a retrospective basis is the calculation of income for the period for which eligibility or benefits are being determined on the basis of income received in a previous period. Such calculation shall be made in accordance with regulations prescribed by the Secretary which may provide for the determination of eligibility on a prospective basis in some or all cases in which benefits are calculated under this paragraph. Such regulations shall provide for supplementing the initial allotments of newly applying households in those cases in which the determination of income under this paragraph causes serious hardship.

"(4) In promulgating regulations under this subsection, the Secretary shall consult with the Secretary of Health and Human Services in order to assure that, to the extent feasible and consistent with the purposes of this Act and the Social Security Act, the income of households receiving benefits under this Act and title IV-A of the Social Security Act is calculated on a comparable basis under the two Acts. The Secretary is authorized, upon the request of a State agency, to waive any of the provisions of this subsection to the extent necessary to permit the State agency to calculate income for purposes of this Act on the same basis that income is calculated under title IV-A of the Social Security Act in that State.".

42 USC 1305.

42 USC 601.

(b) Effective October 1, 1983, paragraph (2)(B) of section 5(f) of the Food Stamp Act of 1977, as amended by subsection (a), is amended to read as follows: 7 USC 2014.

"(B) Household income for all other households shall be calculated on a retrospective basis as provided in paragraph (3)(B).".

(c) Section 5(d) of the Food Stamp Act of 1977 is amended by striking out "5(f)(2)" and inserting "5(f)" in lieu thereof.

PERIODIC REPORTING

SEC. 108. (a) Section 3(c) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the second sentence "except that the limit of twelve months may be waived by the Secretary to improve the administration of the program". 7 USC 2012.

(b) Section 6(c) of the Food Stamp Act of 1977 is amended by— 7 USC 2015.

(1) inserting after "households" in the first sentence of paragraph (1) ", including all households with earned income, except migrant farmworker households, all households with potential earners, including individuals receiving unemployment compensation benefits and individuals required by section 6(d) of this Act to register for work, and all households required to file a similar report under title IV-A of the Social Security Act, but not including households that have no earned income and in which all members are sixty years of age or over or receive supplemental security income benefits under title XVI of the Social Security Act or disability and blindness payments under titles I, II, X, XIV, and XVI of the Social Security Act,"; 42 USC 601. 42 USC 1381. 42 USC 301, 401, 1201, 1351, 1381.

(2) striking out "5(f)(2)" in paragraph (1) and inserting "5(f)" in lieu thereof; and

(3) inserting after paragraph (3) the following new paragraph: "(4) Any household that fails to submit periodic reports required by paragraph (1) shall not receive an allotment for the payment period to which the unsubmitted report applies until such report is submitted.".

(c) Effective October 1, 1983, section 6(c)(1) of the Food Stamp Act of 1977 is further amended by— 7 USC 2015.

(1) striking out in the first sentence "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act"; and

(2) striking out the second sentence.

ELIGIBILITY OF STRIKERS

SEC. 109. (a) Section 6(d)(4) of the Food Stamp Act of 1977 is amended by—

(1) inserting before the colon at the end of the first proviso the following: ", however, such household shall not receive an increased allotment as the result of a decrease in the income of the striking member or members of the household";

(2) inserting a period in lieu of the colon at the end of the second proviso; and

(3) striking out the third proviso.

(b) Section 6(i) of the Food Stamp Act of 1977 is repealed.

PRORATING FIRST MONTH BENEFITS

SEC. 110. Section 8 of the Food Stamp Act of 1977 is amended by adding at the end thereof the following new subsection: 7 USC 2017.

"(c) The value of the allotment issued to any eligible household for the initial month or other initial period for which an allotment is issued shall have a value which bears the same ratio to the value of the allotment for a full month or other initial period for which the allotment is issued as the number of days (from the date of application) remaining in the month or other initial period for which the allotment is issued bears to the total number of days in the month or other initial period for which the allotment is issued. As used in this subsection, the term 'initial month' means (1) the first month for which an allotment is issued to a household, and (2) the first month for which an allotment is issued to a household following any period of more than thirty days which such household was not participating in the food stamp program under this Act after previous participation in such program.".

"Initial month."

OUTREACH

7 USC 2020.

SEC. 111. (a) Section 11(e)(1) of the Food Stamp Act of 1977 is amended by striking out clauses (A) and (B) and redesignating existing clause (C) as (B) and inserting the following new clause (A):

"(A) not conduct food stamp outreach activities with funds provided under this Act;".

7 USC 2025.

(b) Section 16(a) of that Act is amended by—

(1) striking out clause (1); and

(2) redesignating clauses (2), (3), (4), and (5) as clauses (1), (2), (3), and (4), respectively.

DISQUALIFICATION PENALTIES FOR FRAUD AND MISREPRESENTATION

7 USC 2015.

SEC. 112. Section 6(b) of the Food Stamp Act of 1977 is amended to read as follows:

"(b)(1) Any person who has been found by any State or Federal court or administrative agency to have intentionally (A) made a false or misleading statement, or misrepresented, concealed or withheld facts, or (B) committed any act that constitutes a violation of this Act, the regulations issued thereunder, or any State statute, for the purpose of using, presenting, transferring, acquiring, receiving, or possessing coupons or authorization cards shall, immediately upon the rendering of such determination, become ineligible for further participation in the program—

"(i) for a period of six months upon the first occasion of any such determination;

"(ii) for a period of one year upon the second occasion of any such determination; and

"(iii) permanently upon the third occasion of any such determination.

During the period of such ineligibility, no household shall receive increased benefits under this Act as the result of a member of such household having been disqualified under this subsection.

"(2) Each State agency shall proceed against an individual alleged to have engaged in such activity either by way of administrative hearings, after notice and an opportunity for a hearing at the State level, or by referring such matters to appropriate authorities for civil or criminal action in a court of law.

"(3) Such periods of ineligibility as are provided for in paragraph (1) of this subsection shall remain in effect, without possibility of administrative stay, unless and until the finding upon which the ineligibility is based is subsequently reversed by a court of appropri-

ate jurisdiction, but in no event shall the period of ineligibility be subject to review.

"(4) The Secretary shall prescribe such regulations as the Secretary may deem appropriate to ensure that information concerning any such determination with respect to a specific individual is forwarded to the Office of the Secretary by any appropriate State or Federal entity for the use of the Secretary in administering the provisions of this section. No State shall withhold such information from the Secretary or the Secretary's designee for any reason whatsoever.". Regulations.

WAIVING AND OFFSETTING CLAIMS; IMPROVED RECOVERY OF OVERPAYMENTS

SEC. 113. (a) Section 13 of the Food Stamp Act of 1977 is amended by— 7 USC 2022.

(1) inserting "(a)" immediately after the section designation;

(2) inserting before the period at the end of the first sentence ", including the power to waive claims if the Secretary determines that to do so would serve the purposes of this Act";

(3) adding the following new sentence at the end thereof: "The Secretary shall have the power to reduce amounts otherwise due to a State agency under section 16 of this Act to collect unpaid claims assessed against the State agency if the State agency has declined or exhausted its appeal rights under section 14 of this Act."; and 7 USC 2025. 7 USC 2023.

(4) adding the following new subsection at the end thereof:

"(b)(1) In the case of any ineligibility determination under section 6(b) of this Act, the household of which such ineligible individual is a member is required to agree to a reduction in the allotment of the household of which such individual is a member, or payment in cash, in accordance with a schedule determined by the Secretary, that will be sufficient to reimburse the Federal Government for the value of any overissuance of coupons resulting from the activity that was the basis of the ineligibility determination. If a household refuses to make an election, or elects to make a payment in cash under the provisions of the preceding sentence and fails to do so, the household shall be subject to an allotment reduction.

"(2) State agencies shall collect any claim against a household arising from the overissuance of coupons, other than claims the collection of which is provided for in paragraph (1) of this subsection and claims arising from an error of the State agency, by reducing the monthly allotments of the household. These collections shall be limited to 10 per centum of the monthly allotment (or $10 per month, whenever that would result in a faster collection rate).".

(b) The heading of section 13 of the Food Stamp Act of 1977 is amended to read "COLLECTION AND DISPOSITION OF CLAIMS". 7 USC 2022.

STATES' SHARE OF COLLECTED CLAIMS

SEC. 114. Section 16(a) of the Food Stamp Act of 1977 is amended by— 7 USC 2025.

(1) striking out in the first sentence "through prosecutions" and all that follows down through the end of the sentence and inserting in lieu thereof "pursuant to section 13(b)(1) of this Act and 25 per centum of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act."; and *Supra.* *Supra.*

(2) striking out in the second sentence "fraud" and inserting in lieu thereof "ineligibility".

REPEAL OF INCREASES IN DEPENDENT CARE DEDUCTIONS FOR WORKING ADULTS AND MEDICAL DEDUCTIONS FOR THE ELDERLY AND DISABLED

Repeals.
94 Stat. 358.
7 USC 2014 and note.

SEC. 115. Sections 104 and 105 of the Food Stamp Act Amendments of 1980 (Public Law 96-249) are repealed.

PUERTO RICO BLOCK GRANT

SEC. 116. (a) Effective July 1, 1982, the Food Stamp Act of 1977 is amended by—

7 USC 2012, 2014.
Ante, p. 359.

(1) striking out "Puerto Rico," in section 3(m), clause (3) of section 3(o), section 5(b), wherever it appears in section 5(c), and wherever it appears in section 5(e); and striking out "$50," and "$40," in section 5(e); and

(2) adding at the end thereof the following new section:

"BLOCK GRANT

7 USC 2028.

"SEC. 19. (a)(1)(A) From the sums appropriated under this Act the Secretary shall, subject to the provisions of this subsection and subsection (b), pay to the Commonwealth of Puerto Rico not to exceed $825,000,000 for each fiscal year to finance 100 per centum of the expenditures for food assistance provided to needy persons, and 50 per centum of the administrative expenses related to the provision of such assistance.

"(B) The payments to the Commonwealth for any fiscal year shall not exceed the expenditures by that jurisdiction during that year for the provision of the assistance the provision of which is included in the plan of the Commonwealth approved under subsection (b) and 50 per centum of the related administrative expenses.

"(2) The Secretary shall, subject to the provisions of subsection (b), pay to the Commonwealth for the applicable fiscal year, at such times and in such manner as the Secretary may determine, the amount estimated by the Commonwealth pursuant to subsection (b)(1)(A)(iv), reduced or increased to the extent of any prior overpayment or current underpayment which the Secretary determines has been made under this section and with respect to which adjustment has not already been made under this subsection.

"(b)(1)(A) In order to receive payments under this Act for any fiscal year, the Commonwealth shall have a plan for that fiscal year approved by the Secretary under this section. By July 1 of each year, if the Commonwealth wishes to receive payments, it shall submit a plan for the provision of the assistance described in subsection (a)(1)(A) for the following fiscal year which—

"(i) designates a single agency which shall be responsible for the administration, or supervision of the administration, of the program for the provision of such assistance;

"(ii) assesses the food and nutrition needs of needy persons residing in the Commonwealth;

"(iii) describes the program for the provision of such assistance, including the assistance to be provided and the persons to whom such assistance will be provided, and any agencies designated to provide such assistance, which program must meet such requirements as the Secretary may by regulation prescribe for the

purpose of assuring that assistance is provided to the most needy persons in the jurisdiction;

"(iv) estimates the amount of expenditures necessary for the provision of the assistance described in the program and related administrative expenses, up to the amount provided for payment by subsection (a)(1)(A); and

"(v) includes such other information as the Secretary may require.

"(B)(i) The Secretary shall approve or disapprove any plan submitted pursuant to subparagraph (A) no later than August 1 of the year in which it is submitted. The Secretary shall approve any plan which complies with the requirements of subparagraph (A). If a plan is disapproved because it does not comply with any of the requirements of that paragraph the Secretary shall, except as provided in subparagraph (B)(ii), notify the appropriate agency in the Commonwealth that payments will not be made to it under subsection (a) for the fiscal year to which the plan applies until the Secretary is satisfied that there is no longer any such failure to comply, and until the Secretary is so satisfied, the Secretary will make no payments.

"(ii) The Secretary may suspend the denial of payments under subparagraph (B)(i) for such period as the Secretary determines appropriate and instead withhold payments provided for under subsection (a), in whole or in part, for the fiscal year to which the plan applies, until the Secretary is satisfied that there is no longer any failure to comply with the requirements of subparagraph (A), at which time such withheld payments shall be paid.

"(2)(A) The Commonwealth shall provide for a biennial audit of expenditures under its program for the provision of the assistance described in subsection (a)(1)(A), and within 120 days of the end of each fiscal year in which the audit is made, shall report to the Secretary the findings of such audit.

"(B) Within 120 days of the end of the fiscal year, the Commonwealth shall provide the Secretary with a statement as to whether the payments received under subsection (a) for that fiscal year exceeded the expenditures by it during that year for which payment is authorized under this section, and if so, by how much, and such other information as the Secretary may require.

"(C)(i) If the Secretary finds that there is a substantial failure by the Commonwealth to comply with any of the requirements of subparagraphs (A) and (B), or to comply with the requirements of subsection (b)(1)(A) in the administration of a plan approved under subsection (b)(1)(B), the Secretary shall, except as provided in subparagraph (C)(ii), notify the appropriate agency in the Commonwealth that further payments will not be made to it under subsection (a) until the Secretary is satisfied that there will no longer be any such failure to comply, and until the Secretary is so satisfied, the Secretary shall make no further payments.

"(ii) The Secretary may suspend the termination of payments under subparagraph (C)(i) for such period as the Secretary determines appropriate, and instead withhold payments provided for under subsection (a), in whole or in part, until the Secretary is satisfied that there will no longer be any failure to comply with the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), at which time such withheld payments shall be paid.

"(iii) Upon a finding under subparagraph (C)(i) of a substantial failure to comply with any of the requirements of subparagraphs (A) and (B) and subsection (b)(1)(A), the Secretary may, in addition to or in lieu of any action taken under subparagraphs (C)(i) and (C)(ii), refer

the matter to the Attorney General with a request that injunctive relief be sought to require compliance by the Commonwealth of Puerto Rico, and upon suit by the Attorney General in an appropriate district court of the United States and a showing that noncompliance has occurred, appropriate injunctive relief shall issue.

"(c)(1) The Secretary shall provide for the review of the programs for the provision of the assistance described in subsection (a)(1)(A) for which payments are made under this Act.

"(2) The Secretary is authorized as the Secretary deems practicable to provide technical assistance with respect to the programs for the provision of the assistance described in subsection (a)(1)(A).

Violation; penalty.

"(d) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both.".

7 USC 2028 note.

(b) Notwithstanding the provisions of section 19 of the Food Stamp Act of 1977, as added by this section—

(1) the amount payable to the Commonwealth of Puerto Rico under section 19 for fiscal year 1982 shall be $206,500,000, and the Secretary of Agriculture is authorized to grant such waivers of the requirements imposed by that section with respect to that fiscal year as the Secretary determines appropriate to carry out the purposes of that section; and

Plan, submittal to Secretary.

(2) in order to receive the amounts payable under this subsection or section 19 for fiscal years 1982 and 1983, the Commonwealth shall submit, for the Secretary's approval, the plan required by the provisions of subsection (b) of section 19 by April 1, 1982.

EFFECTIVE DATES

7 USC 2012 note.

SEC. 117. Except as otherwise specifically provided, the amendments made by sections 101 through 116 of this Act shall be effective and implemented upon such dates as the Secretary of Agriculture may prescribe, taking into account the need for orderly implementation.

PART 2—OTHER REDUCTIONS IN AUTHORIZATIONS FOR APPROPRIATIONS

AGRICULTURAL AND RELATED PROGRAMS

SEC. 120. Notwithstanding any other provision of law, there are hereby authorized to be appropriated for the programs designated below not to exceed the sums shown for each of the fiscal years 1982, 1983, and 1984.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

7 USC 450j note.

For necessary expenses involved in making indemnity payments to dairy farmers under the Act of August 13, 1968 (7 U.S.C. 450j): $200,000 for fiscal year 1982, $200,000 for fiscal year 1983, and $200,000 for fiscal year 1984.

AGRICULTURAL MARKETING SERVICE

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)): $1,571,000 for fiscal year 1982, $1,651,000 for fiscal year 1983, and $1,723,000 for fiscal year 1984. 7 USC 1623 note.

FARMERS HOME ADMINISTRATION

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313): $3,565,000 for fiscal year 1982, $3,821,000 for fiscal year 1983, and $4,038,000 for fiscal year 1984. 16 USC 2106 note. 16 USC 2106.

RURAL DEVELOPMENT PLANNING GRANTS

For rural development planning grants pursuant to section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)): $4,767,000 for fiscal year 1982, $4,959,000 for fiscal year 1983, and $5,155,000 for fiscal year 1984. 7 USC 1926 note. 94 Stat. 1174.

RURAL DEVELOPMENT GRANTS

For grants pursuant to section 310B(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): $5,007,000 for fiscal year 1982, $5,280,000 for fiscal year 1983, and $5,553,000 for fiscal year 1984. 7 USC 1932 note.

SOIL CONSERVATION SERVICE

For necessary expenses for carrying out the programs administered by the Soil Conservation Service: $588,875,000 for fiscal year 1982, $596,767,000 for fiscal year 1983, and $602,865,000 for fiscal year 1984. 16 USC 590f note.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g-590o, 590p(a), and 590q), and sections 1001-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1508, and 1510): $201,325,000 for fiscal year 1982, $209,647,000 for fiscal year 1983, and $218,216,000 for fiscal year 1984. 16 USC 1510 note.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101): $15,090,000 for fiscal year 1982, $16,913,000 for fiscal year 1983, and $18,314,000 for fiscal year 1984. 16 USC 2103 note.

WATER BANK PROGRAM

16 USC 1310 note.

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311): $10,876,000 for fiscal year 1982, $10,854,000 for fiscal year 1983, and $10,813,000 for fiscal year 1984.

EMERGENCY CONSERVATION PROGRAM

16 USC 2204 note.

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205): $10,069,000 for fiscal year 1982, $10,507,000 for fiscal year 1983, and $10,958,000 for fiscal year 1984.

WATER AND WASTE GRANTS

SEC. 121. Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926 (a)(2)) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "*Provided,* That for fiscal years commencing after September 30, 1981, such grants may not exceed $154,900,000 in any fiscal year.".

FOREST SERVICE

16 USC 580o.

SEC. 122. Notwithstanding any other provision of law, there are hereby authorized to be appropriated for the necessary expenses of the Forest Service for carrying out the programs for Forest Research, State and Private Forestry, and National Forest System under the appropriations account for Forest Management, Protection, and Utilization, and the programs under the appropriations account for Construction and Land Acquisition: $1,575,552,000 for fiscal year 1981; $1,498,000,000 for fiscal year 1982; $1,560,000,000 for fiscal year 1983; and $1,620,000,000 for fiscal year 1984: *Provided,* That none of the funds authorized to be appropriated hereby may be used for carrying out the Bald Mountain road in the Siskiyou National Forest.

ASSISTANCE TO LAND-GRANT COLLEGES

7 USC 322 note.

SEC. 123. There are authorized to be appropriated for the purpose of providing assistance to land-grant colleges under the Act of August 30, 1890 (commonly referred to as the "Second Morrill Act") and the Act of March 4, 1907 (7 U.S.C. 322), not to exceed $2,800,000 for the fiscal year 1981; not to exceed $2,800,000 for the fiscal year 1982; not to exceed $2,800,000 for the fiscal year 1983; and not to exceed $2,800,000 for the fiscal year 1984.

PUBLIC LAW 480 APPROPRIATION LIMITS

7 USC 1733 note.

7 USC 1701, 1721, 1427.

SEC. 124. Notwithstanding any other provision of law, programs shall not be undertaken under title I (including title III) and title II of the Agricultural Trade Development and Assistance Act of 1954 during any calendar year which call for an appropriation of more than $1,304,836,000 for the fiscal year 1982; $1,320,292,000 for the fiscal year 1983; and $1,402,278,000 for the fiscal year 1984.

PART 3—DEPARTMENT OF AGRICULTURE PERSONNEL

ESTABLISHMENT OF PERSONNEL CEILING

SEC. 125. Notwithstanding any other provision of law, the total full-time equivalent staff year personnel ceiling for the United States Department of Agriculture shall not exceed one hundred and seventeen thousand staff years (including overtime) for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984. 7 USC 2201 note.

Subtitle B—Reduction in Direct Spending

PART 1—COMMODITY CREDIT CORPORATION PROGRAMS

MILK PRICE SUPPORT

SEC. 150. Effective October 1, 1981, section 201 of the Agricultural Act of 1949 is amended by— 7 USC 1446.

(1) striking out the second sentence of subsection (c) and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for the period beginning October 1, 1981, and ending September 30, 1985, the price of milk for the marketing year beginning on October 1 of each year shall be supported at a level determined according to the following procedure: The Secretary shall estimate Government price support purchases net of sales for unrestricted use for the marketing year using the amount of such purchases made during the most recent six-month period adjusted to an annual level on the basis of the most recent ten year experience. The Secretary shall adjust this estimate of net Government purchases to reflect the effect of current and expected availability of feed, feed prices, milk-feed price ratio, utility cow prices, dairy cow numbers and dairy heifer replacement stocks on milk production during the marketing year. After making this final estimate, the Secretary shall support the price of milk at not less than the level indicated by the following schedule, nor more than 90 per centum of the parity price therefor:

Net Government purchases, estimate.

Adjustment.

"Price as percent of parity	The higher of anticipated annual rate of net Government purchases	
	Nonfat dry milk (million pounds)	Milk equivalent (butterfat basis) of butter and cheese (billion pounds)
75	more than 500	5.5 or more.
76	450-499.9	5.0-5.499.
77	400-449.9	4.5-4.999.
78	350-399.9	4.0-4.499.
79	300-349.9	3.5-3.999.
80	250-299.9	3.0-3.499.
81	200-249.9	2.5-2.999.
82	150-199.9	2.0-2.499.
83	100-149.9	1.5-1.999.
84	50-99.9	1.0-1.499.
85	less than 50	less than 1.0.

In no event shall the support price be less than the dollar amount of the support price then currently in effect for milk: *Provided,* That if the Secretary determines that the inventory of dairy products, at the end of the marketing year, exceeds five hundred million pounds of nonfat dry milk or five and one-half billion pounds milk equivalent of butter and cheese, the support price for the next marketing year shall be established at the minimum level indicated by this schedule based upon estimated Government price support purchases net of sales for unrestricted use for such year. The Secretary shall notify, in writing, the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry and the chairman of the House Committee on Agriculture of the Secretary's decision and reasons therefor thirty days prior to the effective date of the new support level. Notwithstanding the foregoing, if during any marketing year dairy product imports into the United States are incrased as the result of an expansion of imports or termination of import restraints established pursuant to section 22 of the Agricultural Adjustment Act, the support price shall be redetermined by reducing the final estimate of net Government purchases by the milk equivalent (butterfat basis) of dairy products or nonfat dry milk or its equivalent of other products derived from such increased imports. The increased support price so determined shall become effective simultaneously with the announcement of the expansion of dairy product imports. A similar reduction in the net Government purchases for the marketing year in which the imports are entered into the United States shall be made when determining the support price level for subsequent years."; and

Notification to congressional committees.

7 USC 624.

(2) inserting a new subsection (d) as follows:

"(d) Effective for the period beginning October 1, 1982, and ending on September 30, 1985, the support price of milk shall be adjusted by the Secretary at the beginning of each semiannual period to reflect any estimated change in the parity index during said semiannual period. If a review of net Government purchases as provided for in subsection (c) indicates that purchases during the most recent six-month period are being made at an annual rate exceeding five and one-half billion pounds milk equivalent (butterfat basis), or five hundred million pounds of nonfat dry milk, the support price of milk need not be adjusted unless such adjustment is necessary to prevent a support price at less than 75 per centum of parity as determined at the beginning of the semiannual period. The Secretary shall notify, in writing, the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry and the chairman of the House Committee on Agriculture of the Secretary's decision and the reasons therefor thirty days prior to the effective date of such semiannual adjustment.".

Effective date.

Notification to congressional committees.

FARM STORAGE FACILITY LOANS

SEC. 151. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by striking out from the fourth proviso of the second sentence "shall make loans" and inserting in lieu thereof "may make loans".

REDUCTION IN CCC ADMINISTRATIVE EXPENSE LIMITATION

15 USC 713a-10.

SEC. 152. Not to exceed $52,000,000 shall be available for the fiscal year ending September 30, 1982, for administrative expenses of the Commodity Credit Corporation, within the limits of funds and bor-

rowing authority available to the Corporation as may be necessary in carrying out the programs set forth in the budget for the Corporation.

PART 2—COMMODITY INSPECTION FEES

GRAIN INSPECTION AND WEIGHING

SEC. 155. Effective for the period October 1, 1981, through September 30, 1984, inclusive, the United States Grain Standards Act is amended by— 7 USC 79 note. 7 USC 71.

(1) amending section 7(j) (7 U.S.C. 79(j)) to read as follows:

"(j)(1) The Administrator shall, under such regulations as the Administrator may prescribe, charge and collect reasonable inspection fees to cover the estimated cost to the Service incident to the performance of official inspection except when the official inspection is performed by a designated official agency or by a State under a delegation of authority. The fees authorized by this subsection shall, as nearly as practicable and after taking into consideration any proceeds from the sale of samples, cover the costs of the Service incident to its performance of official inspection services in the United States and on United States grain in Canadian ports, including administrative and supervisory costs related to such official inspection of grain. Such fees, and the proceeds from the sale of samples obtained for purposes of official inspection which become the property of the United States, shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Service incident to providing services under this Act.

"(2) Each designated official agency and each State agency to which authority has been delegated under subsection (e) of this section shall pay to the Administrator fees in such amount as the Administrator determines fair and reasonable and as will cover the estimated costs incurred by the Service relating to supervision of official agency personnel and supervision by Service personnel of its field office personnel, except costs incurred under paragraph (3) of subsection (g) of this section and sections 9, 10, and 14 of this Act. The fees shall be payable after the services are performed at such times as specified by the Administrator and shall be deposited in the fund created in paragraph (1) of this subsection. Failure to pay the fee within thirty days after it is due shall result in automatic termination of the delegation or designation, which shall be reinstated upon payment, within such period as specified by the Administrator, of the fee currently due plus interest and any further expenses incurred by the Service because of such termination. The interest rate on overdue fees shall be as prescribed by the Secretary, but not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturity, plus an additional charge of not to exceed 1 per centum per annum as determined by the Secretary and adjusted to the nearest one-eighth of 1 per centum.";

7 USC 85, 86, 87c.

Overdue fee.

Interest rate.

(2) amending section 7A(l) (7 U.S.C. 79a(l)) to read as follows:

"(l)(1) The Administrator shall, under such regulations as the Administrator may prescribe, charge and collect reasonable fees to cover the estimated costs to the Service incident to the performance of the functions provided for under this section except as otherwise provided in paragraph (2) of this subsection. The fees authorized by this paragraph shall, as nearly as practicable, cover the costs of the service incident to performance of its functions related to weighing, including administrative and supervisory costs directly related

thereto. Such fees shall be deposited into the fund created in section 7(j) of this Act.

"(2) Each agency to which authority has been delegated under this section and each agency or other person which has been designated to perform functions related to weighing under this section shall pay to the Administrator fees in such amount as the Administrator determines fair and reasonable and as will cover the costs incurred by the Service relating to supervision of the agency personnel and supervision by Service personnel of its field office personnel incurred as a result of the functions performed by such agencies, except costs incurred under sections 7(g)(3), 9, 10, and 14 of this Act. The fees shall be payable after the services are performed at such times as specified by the Administrator and shall be deposited in the fund created in section 7(j) of this Act. Failure to pay the fee within thirty days after it is due shall result in automatic termination of the delegation or designation, which shall be reinstated upon payment, within such period as specified by the Administrator, of the fee currently due plus interest and any further expenses incurred by the Service because of such termination. The interest rate on overdue fees shall be as prescribed by the Secretary, but not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturity, plus an additional charge of not to exceed 1 per centum per annum as determined by the Secretary, and adjusted to the nearest one-eighth of 1 per centum.";

7 USC 79, 85, 86 87c.

Overdue fees.

Interest rate.

(3) adding a new section 7C as follows:

"LIMITATION ON ADMINISTRATIVE AND SURPERVISORY COSTS

7 USC 79c.

"SEC. 7C. The total administrative and supervisory costs which may be incurred under this Act for inspection and weighing (excluding standardization, compliance, and foreign monitoring activities) for each of the fiscal years 1982 through 1984 shall not exceed 35 per centum of the total costs for such activities carried out by the Service for such year.";

(4) amending section 19 (7 U.S.C. 87h) to read as follows:

"APPROPRIATIONS

"SEC. 19. There are hereby authorized to be appropriated such sums as are necessary for standardization and compliance activities, monitoring in foreign ports grain officially inspected and weighed under this Act, and any other expenses necessary to carry out the provisions of this Act for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1984, to the extent that financing is not obtained from fees and sales of samples as provided for in sections 7, 7A, and 17A of this Act."; and

7 USC 79, 79a, 87f-1.

(5) adding a new section 20 as follows:

"ADVISORY COMMITTEE

Establishment. 7 USC 87i.

"SEC. 20. (a) In order to assure the normal movement of grain in an orderly and timely manner, the Secretary shall establish an advisory committee to provide advice to the Administrator with respect to the efficient and economical implementation of the United States Grain Standards Act of 1976. The advisory committee shall consist of not more than twelve members, appointed by the Secretary, representing the interests of all segments of the grain industry, including grain inspection and weighing agencies. Members of the advisory commit-

7 USC 71 note.

tee shall be appointed not later than thirty days after the date of enactment of this section.

"(b) The advisory committee shall be governed by the provisions of the Federal Advisory Committee Act. 5 USC app.

"(c) The Administrator shall provide the advisory committee with necessary clerical assistance and staff personnel.

"(d) Members of the advisory committee shall serve without compensation, if not otherwise officers or employees of the United States, except that members shall, while away from their homes or regular places of business in the performance of services under this Act, be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of title 5, United States Code.".

COTTON CLASSING AND RELATED SERVICES

SEC. 156. (a) Section 5 of the United States Cotton Standards Act (7 U.S.C. 55) is amended to read as follows:

"SEC. 5. (a) The Secretary of Agriculture shall cause to be collected such fees and charges for licenses issued to classifiers of cotton under section 3 of this Act, for determinations made under section 4 of this Act, and for the establishment of standards and sale of copies of standards under section 6 of this Act, as will cover, as nearly as practicable, and after taking into consideration net proceeds from any sale of samples, the costs incident to providing services and standards under such sections, including administrative and supervisory costs. Such fees and charges shall be credited to the current appropriation account that incurs the cost and shall remain available until expended to pay the expenses of the Secretary incident to providing services and standards under this Act and the United States Cotton Futures Act (7 U.S.C. 15b). The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this Act shall become the property of the United States and may be sold with the proceeds credited to the foregoing account: *Provided,* That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

Fees and charges.

7 USC 53, 54.

7 USC 56, 57, 57a.

"(b) The price established by the Secretary of Agriculture under the foregoing provisions of this section for practical forms representing the official cotton standards of the United States shall cover, as nearly as practicable, the estimated actual cost to the Department of Agriculture for developing and preparing such practical forms.".

(b) Effective only for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, section 3a of the Cotton Statistics and Estimates Act (7 U.S.C. 473a) is amended to read as follows:

"SEC. 3a. Effective for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, the Secretary of Agriculture shall make cotton classification services available to producers of cotton. The Secretary shall further provide for appropriate agencies of the Department of Agriculture to collect directly from participating producers reasonable fees which, together with the proceeds of sales of samples submitted under this section, shall cover as nearly as practicable the cost of the services provided under this section, including administrative and supervisory costs: *Provided,* That the Secretary's net cost estimate (after taking into account the proceeds from the sale of samples) used to calculate the uniform per-bale fee to be collected from producers for such classification services shall not

exceed $12,000,000 in the fiscal year ending September 30, 1982, $12,400,000 in the fiscal year ending September 30, 1983, and $13,000,000 in the fiscal year ending September 30, 1984. All samples of cotton submitted for classification under this section shall become the property of the United States, and shall be sold: *Provided,* That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.). Fees collected under this section and under section 3d of this Act and proceeds from sales of samples shall be credited to the current appropriation account that incurs the cost and shall remain available without fiscal year limitation to pay the expenses of the Secretary incident to providing classification services under this section. The Secretary may deposit such funds in an interest bearing account with a financial institution. If any interest is earned on this account, such interest so earned shall be credited to the account for use by the Secretary in providing such services. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section to the extent that financing is not available from fees and the proceeds from the sale of samples.".

Appropriation authorization.

(c) Subsection (f)(1)(G) of the United States Cotton Futures Act (7 U.S.C. 15b(f)(1)(G)) is amended by striking out "in such regulations." and inserting in lieu thereof "in such regulations and shall be credited to the account referred to in section 5 of the United States Cotton Standards Act (7 U.S.C. 55). The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this act shall become the property of the United States and may be sold and the proceeds credited to the foregoing account: *Provided,* That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).".

Ante, p. 373.

Meetings.
7 USC 61a.
7 USC 51, 471 note.
7 USC 241.

(d) The Secretary of Agriculture shall hold annual meetings with representatives of the cotton industry to review (1) activities and operations under the Cotton Standards Act, and the Cotton Statistics and Estimates Act, (2) activities and operations relating to cotton under the United States Warehouse Act, and (3) the effect of such activities and operations on prices received by producers and sales to domestic and foreign users, for the purpose of improving procedures for financing and administering such activities and operations for the benefit of the industry and the Government. Notwithstanding any other provision of law, the Secretary shall take such action as may be necessary to insure that the universal cotton standards system and the licensing and inspection procedures for cotton warehouses are preserved and that the Government cotton classification system continues to operate so that the United States cotton crop is provided an official quality description.

Effective date.
7 USC 61a note.

(e) The provisions of this section shall become effective October 1, 1981.

TOBACCO INSPECTION AND RELATED SERVICES

SEC. 157. (a) The Tobacco Inspection Act is amended by—

Fees and charges.

(1) in section 5 (7 U.S.C. 511d), striking out the last two sentences and inserting in lieu thereof the following: "The Secretary shall by regulation fix and collect fees and charges for inspection and certification, the establishment of standards, and other services under this section at designated auction markets. The fees and charges authorized by this section shall, as nearly as practicable, cover the costs of the services, including the administrative and supervisory costs customarily included by the

Secretary in user fee calculations. The fees and charges, when collected, shall be credited to the current appropriation account that incurs the cost and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under this Act. Such fees and charges shall be assessed against the warehouse operator, irrespective of ownership or interest in the tobacco, and shall be collected by the warehouse operator from the sellers of the tobacco. The inspection and related services under this section shall be suspended or denied if the warehouse operator fails to collect or otherwise pay the fees and charges imposed under this section. Tobacco inspection or certification services provided to designated auction markets shall take precedence over such services, other than reinspection, requested under the authority contained in section 6 of this Act or any other provision of law. In accordance with the Federal Advisory Committee Act, the Secretary shall establish a national advisory committee of tobacco producers, and advisory subcommittees for each major kind of tobacco, to advise the Secretary with regard to the level of inspection and related services and the fees and charges therefor. The advisory committee and subcommittees established under this section shall be of permanent duration. The committees shall meet at the call of the Secretary."; and

5 USC app.

(2) in section 6 (7 U.S.C. 511e), amending the first sentence of the second paragraph as follows: "The Secretary shall fix and collect such fees or charges in the administration of this section as will cover, as nearly as practicable, the costs of the services provided, including administrative and supervisory costs. Such fees and charges shall be credited to the account referred to in section 5 of this Act.".

5 USC 511d.

(b) The provisions of this section shall become effective October 1, 1981.

Effective date.
7 USC 511d note.

WAREHOUSE EXAMINATION, INSPECTION, AND LICENSING

SEC. 158. (a) The United States Warehouse Act is amended by—

(1) amending section 10 (7 U.S.C. 251) to read as follows:

Fees, collection.

"SEC. 10. The Secretary of Agriculture, or the Secretary's designated representative, shall charge, assess, and cause to be collected a reasonable fee for (1) each examination or inspection of a warehouse (including the physical facilities and records thereof and the agricultural products therein) under this Act; (2) each license issued to any person to classify, inspect, grade, sample, or weigh agricultural products stored or to be stored under provisions of this Act; (3) each annual warehouse license issued to a warehouseman to conduct a warehouse under this Act; and (4) each warehouse license amended, modified, extended, or reinstated under this Act. Such fees shall cover, as nearly as practicable, the costs of providing such services and licenses, including administrative and supervisory costs: *Provided,* That the amount of such fees collected for cotton warehouse inspections shall not exceed $400,000 in the fiscal year ending September 30, 1982, $415,000 in the fiscal year ending September 30, 1983, and $430,000 in the fiscal year ending September 30, 1984. All fees collected shall be credited to the current appropriation account that incurs the costs and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing services under this Act. The Secretary may deposit such funds in an interest bearing account with a financial institution. If any interest is

earned on this account such interest shall be credited to the account for use by the Secretary in providing such services."; and

(2) amending section 31 (7 U.S.C. 271) to read as follows:

Appropriation authorization.

"SEC. 31. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this Act other than those services for which fees are authorized pursuant to section 10. Such appropriated funds may be used by the Secretary to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the provisions of this Act.".

Effective date. 7 USC 251 note.

(b) The provisions of this section shall become effective October 1, 1981.

NAVAL STORES INSPECTION AND RELATED SERVICES

SEC. 159. (a) The Naval Stores Act is amended by—

(1) in the second sentence of section 4 (7 U.S.C. 94) striking out "on tender of the cost thereof as required by him,"; and

(2) amending section 8 (7 U.S.C. 98) to read as follows:

Fees and charges. 7 USC 93.

"SEC. 8. (a) The Secretary of Agriculture shall fix and cause to be collected fees and charges for the establishment of standards under section 3 of this Act and for examinations, analyses, classifications, and other services under section 4 of this Act which shall cover, as nearly as practicable, the costs of providing such services and standards as the Secretary shall deem necessary, including administrative and supervisory costs. Such fees and charges, when collected, shall be credited to the current appropriation account that incurs such costs and shall be available without fiscal year limitation to pay the expenses of the Secretary incident to providing such services and standards under this Act. Fees and charges shall be assessed and collected from processors and warehousers of naval stores, and inspection and related services shall be suspended or denied to any such processor or warehouser upon failure to timely pay the fees and charges assessed.

Appropriation authorization.

"(b) There are hereby authorized to be appropriated such sums as may be necessary for the enforcement and administration of this Act.".

Effective date. 7 USC 94 note.

(b) The provisions of this section shall become effective October 1, 1981.

PART 3—FARMERS HOME ADMINISTRATION PROGRAMS

INTEREST RATES ON FARMERS HOME ADMINISTRATION WATER AND WASTE DISPOSAL AND COMMUNITY FACILITY LOANS, LOANS TO LOW-INCOME LIMITED RESOURCE BORROWERS, AND LOANS FOR NONFARM FACILITIES ON PRIME FARMLANDS

SEC. 160. (a) Section 307(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)) is amended by—

(1) in paragraph (2), striking out "and (5)" and inserting in lieu thereof "(5), and (6)";

(2) in paragraph (4), striking out "The" and inserting in lieu thereof "Except as provided in paragraph (6), the";

(3) amending paragraph (3) to read as follows:

"(3)(A) Except as provided in paragraph (6), the interest rates on loans (other than guranteed loans), to public bodies or nonprofit associations (including Indian tribes on Federal and State reservations and other federally recognized Indian tribal groups) for water and waste disposal facilities and essential community facilities shall be set by the Secretary at rates not to exceed the current market yield

for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for such loans, and adjusted to the nearest one-eighth of 1 per centum; and not in excess of 5 per centum per annum for any such loans which are for the upgrading of existing facilities or construction of new facilities as required to meet applicable health or sanitary standards in areas where the median family income of the persons to be served by such facility is below the poverty line prescribed by the Office of Management and Budget as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C 2971d) and in other areas as the Secretary may designate where a significant percentage of the persons to be served by such facilities are of low income, as determined by the Secretary.

"(B) Except as provided in paragraph (6), the interest rates on loans (other than guaranteed loans) under section 310D of this title shall be as determined by the Secretary, but not in excess of one-half of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, nor less than 5 per centum per annum."; and 7 USC 1934.

(4) adding at the end thereof a new paragraph (6) as follows:

"(6)(A) Notwithstanding any other provision of this section, in the case of loans (other than guaranteed loans) made or insured under the authorities of this Act specified in subparagraph (B) for activities that involve the use of prime farmland as defined in subparagraph (C), the interest rates shall be the interest rates otherwise applicable under this section increased by 2 per centum per annum. Wherever practicable, construction by a State, municipality, or other political subdivision of local government that is supported by loans described in the preceding sentence shall be placed on land that is not prime farmland, in order to preserve the maximum practicable amount of prime farmlands for production of food and fiber. Where other options exist for the siting of such construction and where the governmental authority still desires to carry out such construction on prime farmland, the 2 per centum interest rate increase provided by this clause shall apply, but such increased interest rate shall not apply where such other options do not exist.

"(B) The authorities referred to in subparagraph (A) are—

"(i) clauses (2) and (3) of section 303(a), 7 USC 1923.

"(ii) the provisions of section 304(a) relating to the financing of outdoor recreational enterprises or the conversion of farming or ranching operations to recreational uses, 7 USC 1924.

"(iii) section 304(b),

"(iv) the provisions of section 306(a)(1) relating to loans for recreational developments and essential community facilities, 7 USC 1926.

"(v) section 306(a)(15),

"(vi) clause (1) of section 310B(a), 7 USC 1932.

"(vii) subsections (d) and (e) of section 310B, and

"(viii) section 310D(a) as it relates to the making or insuring of loans under clauses (2) and (3) of section 303(a). 7 USC 1934.

"(C) For purposes of this paragraph, the term 'prime farmland' means prime farmlands and unique farmland as those terms are defined in sections 657.5 (a) and (b) of title 7, Code of Federal Regulations (1980).". "Prime farmland."

(b) Section 316(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)) is amended by—

(1) inserting "(1)" after "(a)";

(2) inserting in the second sentence "and loans as provided in paragraphs (2) and (3)" after "except for guaranteed loans"; and

(3) adding at the end thereof new paragraphs (2) and (3) as follows:

"(2) The interest rate on any loan (other than a guaranteed loan) to a low-income, limited resource borrower under this subtitle shall be the interest rate otherwise applicable under this section reduced by 3 per centum per annum.

"(3) The interest rate on any loan (other than a guaranteed loan) made or insured under clause (5) of section 312(a) for activities that involve the use of prime farmland as defined in section 307(a)(6)(C) shall be the interest rate otherwise applicable under this section increased by 2 per centum per annum.".

7 USC 1942.
Ante, p. 376.

(c) The amendments made by this section shall apply to loans approved after September 30, 1981.

Effective date.
7USC 1927 note.

EMERGENCY LOAN AMOUNTS

SEC. 161. Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by inserting "only to the extent and in such amounts as provided in advance in appropriation Acts" after "The Secretary shall make and insure loans under this subtitle".

INTEREST RATES ON EMERGENCY LOANS FOR ACTUAL LOSS

SEC. 162. (a) Section 324(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(b)(1)) is amended to read as follows:

"(1) For loans or portions of loans up to the amount of the applicant's actual loss caused by the disaster, as limited under subsection (a)(1) of this section, the interest shall be at rates prescribed by the Secretary, but (A) if the applicant is not able to obtain sufficient credit elsewhere, not in excess of 8 per centum per annum, and (B) if the applicant is able to obtain sufficient credit elsewhere, not in excess of the rate prevailing in the private market for similar loans, as determined by the Secretary; and".

(b) The amendments made by this section shall apply to loans made with respect to disasters occurring after September 30, 1981.

Effective date.
7 USC 1964 note.

ELIGIBILITY FOR ASSISTANCE BASED ON PRODUCTION LOSS

SEC. 163. Section 329 of the Consolidated Farm and Rural Development Act is amended to read as follows:

7 USC 1970.

"SEC. 329. The Secretary shall make financial assistance under this subtitle available to any applicant seeking assistance based on production losses if the applicant shows that a single enterprise which constitutes a basic part of the applicant's farming, ranching, or aquaculture operation has sustained at least a 30 per centum loss of normal per acre or per animal production, or such lesser per centum of loss as the Secretary may determine, as a result of the disaster based upon the average monthly price in effect for the previous year and the applicant otherwise meets the conditions of eligibility prescribed under this subtitle. Such loans shall be made available based upon 80 per centum, or such greater per centum as the Secretary may determine, of the total calculated actual production loss sustained by the applicant.".

INSURED LOAN LIMITS

SEC. 164. Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended by adding at the end thereof a new subsection (d) as follows:

"(d) Notwithstanding any contrary provisions of subsection (b) of this section, for fiscal year 1982, loans are authorized to be insured, or made to be sold and insured, as follows:

"(1) From the Agricultural Credit Insurance Fund—

"(A) insured real estate loans for farm ownership purposes, $700,000,000, and

"(B) insured operating loans, $1,325,000,000.

Not less than 20 per centum of the insured loans authorized for farm ownership purposes and not less that 20 per centum of the insured loans authorized for farm operating purposes shall be for low-income, limited-resource applicants.

"(2) From the Rural Development Insurance Fund—

"(A) insured water and waste disposal loans, $300,000,000, and

"(B) insured community facility loans, $130,000,000.".

PART 4—RURAL ELECTRIFICATION ADMINISTRATION PROGRAMS

RURAL ELECTRIFICATION ACT AMENDMENTS

SEC. 165. (a) Section 305(b) of the Rural Electrification Act of 1936 (7 U.S.C. 935(b)) is amended to read as follows:

"(b) Insured loans made under this title shall bear interest at 5 per centum per annum, except that the Administrator may make insured loans to electric or telephone borrowers at a lesser interest rate, but not less than 2 per centum per annum, if, in the Administrator's sole discretion, the Administrator finds that the borrower— Insured loans, interest rates.

"(1) has experienced extreme financial hardship; or

"(2) cannot, in accordance with generally accepted management and accounting principles and without charging rates to its customers or subscribers so high as to create a substantial disparity between such rates and the rates charged for similar service in the same or nearby areas by other suppliers, provide service consistent with the objectives of this Act.".

(b) Section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) is amended by—

(1) inserting immediately after the second sentence the following: "With respect to guarantees issued by the Administrator under this section, on the request of the borrower of any such loan so guaranteed, the loan shall be made by the Federal Financing Bank and at a rate of interest that is not more than the rate of interest applicable to other similar loans then being made or purchased by the Bank."; and

(2) striking our "a loan insured at the standard rate" in the fourth sentence and inserting in lieu thereof "an insured loan".

(c) Section 307 of the Rural Electrification Act of 1936 (7 U.S.C. 937) is amended by striking out "a loan insured at the standard rate" and inserting in lieu thereof "an insured loan".

(d) The amendments made by subsection (a) of this section shall apply to loans the applications for which are received by the Rural Electrification Administration after July 24, 1981. 7 USC 935 note

TITLE II—ARMED SERVICES AND DEFENSE-RELATED PROGRAMS

Subtitle A—Strategic and Critical Materials

AUTHORIZATION OF DISPOSALS

Effective date.
7 USC 98d note.

SEC. 201. (a) Effective on October 1, 1981, the President is authorized to dispose of the following quantities of materials currently held in the National Defense Stockpile established by section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b), such quantities having been determined to be excess to the current requirements of the stockpile:

(1) 1,000,000 pounds of iodine.
(2) 1,500,000 carats of diamonds, industrial crushing bort.
(3) 710,253 pounds of mercuric oxide.
(4) 50,000 flasks of mercury.
(5) 6,000,000 pounds of mica, muscovite splittings.
(6) 25,000 pounds of mica, phlogopite splittings.
(7) 46,537,000 troy ounces of silver.
(8) 1,000 short tons of antimony.
(9) 2,000 short tons of asbestos chrysotile.
(10) 50,000 pounds of mica muscovite film, first and second qualities.
(11) 50,000 pounds of mica muscovite block, stained and lower.
(12) 700 long tons of vegetable tannin extract, wattle.

Effective date.

(b) Effective on October 1, 1982, the President is authorized to dispose of the following quantities of materials currently held in the National Defense Stockpile, such quantities having been determined to be excess to the current requirements of the stockpile:

(1) 44,682,000 troy ounces of silver.
(2) 1,000 short tons of antimony.
(3) 2,000 short tons of asbestos chrysotile.
(4) 1,500,000 carats of diamond stones.
(5) 1,000,000 pounds of iodine.
(6) 50,000 pounds of mica muscovite film, first and second qualities.
(7) 50,000 pounds of mica muscovite block, stained and lower.
(8) 697 long tons of vegetable tannin extract, wattle.

Effective date.

(c) Effective on October 1, 1983, the President is authorized to dispose of the following quantities of materials currently held in the National Defense Stockpile, such quantities having been determined to be excess to the current requirements of the stockpile:

(1) 13,900,000 troy ounces of silver.
(2) 1,000 short tons of antimony.
(3) 6,000 short tons of asbestos amosite.
(4) 2,000 short tons of asbestos chrysotile.
(5) 1,500,000 carats of diamond stones.
(6) 197,465 carats of diamonds, industrial crushing bort.
(7) 213,000 pounds of iodine.
(8) 50,000 pounds of mica muscovite film, first and second qualities.
(9) 50,000 pounds of mica muscovite block, stained and lower.

Expiration.

(d)(1) The authority to enter into contracts for the disposal of materials in the stockpile under the disposal authorizations contained in paragraphs (7) through (12) of subsection (a) expires on September 30, 1982.

(2) The authority to enter into contracts for the disposal of materials in the stockpile under the disposal authorizations contained in subsection (b) expires on September 30, 1983. Expiration.

(3) The authority to enter into contracts for the disposal of materials in the stockpile under the disposal authorizations contained in subsection (c) expires on September 30, 1984. Expiration.

(e) Any disposal under the authority of subsection (a), (b), or (c) shall be carried out in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

(f)(1) The authority contained in subsections (b)(1) and (c)(1) shall not become effective unless the President, not later than September 1, 1982, determines that the silver authorized for disposal by such subsections is excess to the requirements of the stockpile as of that date.

(2) A determination by the President under paragraph (1) shall be based upon consideration of such factors as the President considers relevant, including the following factors:

(A) The demand for silver in each of the next ten years for the industrial, military, and naval needs of the United States for national defense.

(B) The domestic supply of silver for each of the next ten years, as a function of price, that would be available to meet the demand identified under subparagraph (A).

(C) The potential dependency of the United States on foreign supplies of silver in each of the next ten years to meet the demand identified under subparagraph (A).

(D) The effect of disposal under subsections (b)(1) and (c)(1) on (i) the world silver market (in terms of price and supply), (ii) the domestic and international silver mining industry (in terms of exploration and production), (iii) international currency and monetary policy, and (iv) long range military preparedness.

(3) If the President makes a determination described in paragraph (1), he shall promptly report to the Committees on Armed Services of the Senate and House of Representatives that he has made such determination and shall include a detailed discussion and analysis of the factors set forth in paragraph (2) and other relevant factors. Report to congressional committees.

AUTHORIZATION OF APPROPRIATIONS

SEC. 202. (a) Effective on October 1, 1981, there is authorized to be appropriated the sum of $535,000,000 for the acquisition of strategic and critical materials under section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)). 50 USC 98d note.

(b) Any acquisition using funds appropriated under the authorization of subsection (a) shall be carried out in accordance with the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.).

IMPROVEMENTS IN STOCKPILE MANAGEMENT

SEC. 203. (a) Section 5(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98d(a)) is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "and other incidental expenses" after "transportation";

(3) by striking out "for a period of five fiscal years, if so provided in appropriation Acts" and inserting in lieu thereof

"until expended, unless otherwise provided in appropriation Acts"; and

(4) by adding at the end thereof the following new paragraph:

"(2) If for any fiscal year the President proposes certain stockpile transactions in the annual materials plan submitted to Congress for that year under section 11(b) and after that plan is submitted the President proposes (or Congress requires) a significant change in any such transaction, or a significant transaction not included in such plan, no amount may be obligated or expended for such transaction during such year until the President has submitted a full statement of the proposed transaction to the appropriate committees of Congress and a period of 30 days has passed from the date of the receipt of such statement by such committees or until each such committee, before the expiration of such period, notifies the President that it has no objection to the proposed transaction. In computing any 30-day period for the purpose of the preceding sentence, there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain.".

50 USC 98h-2.

(b) Section 5(b) of such Act (50 U.S.C. 98d(b)) is amended—

(1) by inserting "(1)" after "from the stockpile"; and

(2) by striking out the period at the end and inserting in lieu thereof ", or (2) if the disposal would result in there being a balance in the National Defense Stockpile Transaction Fund in excess of $1,000,000,000 or, in the case of a disposal to be made after September 30, 1983, if the disposal would result in there being a balance in the fund in excess of $500,000,000.".

(c) Section 6(a)(6) of such Act (50 U.S.C. 98e(a)(6)) is amended by inserting "subject to the provisions of section 5(b)," after "(6)".

(d)(1) Section 9(b)(1) of such Act (50 U.S.C. 98h(b)(1)) is amended by striking out "or until" and all that follows in such section and inserting in lieu thereof a period.

(2) Section 9(b)(3) of such Act (50 U.S.C. 98h(b)(3)) is amended to read as follows:

"(3) Moneys in the fund, when appropriated, shall remain available until expended, unless otherwise provided in appropriation Acts.".

(e) Section 11 of such Act (50 U.S.C. 98h-2) is amended—

(1) by inserting "(a)" after "SEC. 11."; and

(2) by adding at the end thereof the following new subsection:

Report to congressional committees.

"(b) The President shall submit to the appropriate committees of the Congress each year with the Budget submitted to Congress pursuant to section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), for the next fiscal year a report containing an annual materials plan for the operation of the stockpile during such fiscal year and the succeeding four fiscal years. Each such report shall include details of planned expenditures for acquisition of strategic and critical materials during such period (including expenditures to be made from appropriations from the general fund of the Treasury) and of anticipated receipts from proposed disposals of stockpile materials during such period.".

Effective date. 50 USC 98d note.

(f) The amendments made by subsection (a) shall apply with respect to funds appropriated for fiscal years beginning after September 30, 1981.

Subtitle B—Military Compensation

ONCE ANNUAL COST-OF-LIVING INCREASES IN MILITARY RETIRED PAY

SEC. 211. (a) For cost savings achieved through elimination of one of the present semiannual increases in military retired and retainer pay, contingent upon a similar change in law being made with respect to the civil service retirement system, see section 812(b) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1098).

10 USC 1401a note.

(b) Section 812(b)(1) of the Department of Defense Authorization Act, 1981, is amended by striking out "subject to paragraph (3)" and inserting in lieu thereof "subject to paragraph (2)".

OPEN ENROLLMENT PERIOD FOR SURVIVOR BENEFIT PLAN

SEC. 212. (a)(1) Any eligible member who on the date of the enactment of this Act is not a participant in the Survivor Benefit Plan may elect to participate in the Plan during the open enrollment period specified in subsection (b).

10 USC 1448 note.

(2) Any eligible member who on the date of the enactment of this Act is a participant in the Plan but elected not to participate in the Plan at the maximum level or (in the case of an eligible member who is married) elected to provide an annuity under the Plan for a dependent child and not for the member's spouse may during the open enrollment period elect to participate in the Plan at a higher level or to provide an annuity under the Plan for the eligible member's spouse at a level not less than the level provided for the dependent child.

(3) Any such election shall be made in the same manner as an election under section 1448 of such title and shall be effective when received by the Secretary concerned. Notwithstanding the last sentence of section 1452(a) of such title, the reduction in retired or retainer pay prescribed by the first sentence of such section shall, in the case of an individual making an election under paragraph (1), begin on the first day of the first month beginning after such election is effective.

(b) The open enrollment period is the period beginning on October 1, 1981, and ending on September 30, 1982.

(c) If an individual making an election under subsection (a) dies before the end of the two-year period beginning on the date of that election, the election is void and the amount of any reduction in the retired or retainer pay of such individual that is attributable to the election shall be paid in a lump sum to that individual's beneficiary under the Plan (as designated under that election).

(d) Sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to individuals making elections and to elections under this section.

(e) For the purposes of this section:

Definitions.

(1) The term "eligible member" means a member or former member of the uniformed services who on the date of the enactment of this Act is entitled to retired or retainer pay.

(2) The term "Survivor Benefit Plan" or "Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code.

10 USC 1447.

(3) The term "Secretary concerned" has the meaning given such term in section 101(5) of title 37, United States Code.

TITLE III—BANKING, HOUSING, AND RELATED PROGRAMS

Housing and Community Development Amendments of 1981.
42 USC 5301 note.

Subtitle A—Housing and Community Development

SHORT TITLE

SEC. 300. This subtitle may be cited as the "Housing and Community Development Amendments of 1981".

PART 1—COMMUNITY AND ECONOMIC DEVELOPMENT

AUTHORIZATIONS

42 USC 5303.

SEC. 301. Section 103 of the Housing and Community Development Act of 1974 is amended to read as follows:

"AUTHORIZATIONS

Grants.

Appropriation.

"SEC. 103. The Secretary is authorized to make grants to States, units of general local government, and Indian tribes to carry out activities in accordance with the provisions of this title. There are authorized to be appropriated for these purposes not to exceed $4,166,000,000 for each of the fiscal years 1982 and 1983. Sums appropriated pursuant to this section shall remain available until expended.".

STATEMENT OF ACTIVITIES AND REVIEW

42 USC 5304.

SEC. 302. (a) The caption of section 104 of the Housing and Community Development Act of 1974 is amended to read as follows: "STATEMENT OF ACTIVITIES AND REVIEW".

(b) Subsections (a), (b), and (c) of section 104 of such Act are amended to read as follows:

42 USC 5306; *Post* p. 389.

"(a)(1) Prior to the receipt in any fiscal year of a grant under section 106(b) by any metropolitan city or urban county, under section 106(d) by any State, or under section 106(d)(2)(B) by any unit of general local government, the grantee shall have prepared a final statement of community development objectives and projected use of funds and shall have provided the Secretary with the certifications required in subsection (b) and, where appropriate, subsection (c). In the case of metropolitan cities and urban counties receiving grants pursuant to section 106(b) and in the case of units of general local government receiving grants pursuant to section 106(d)(2)(B), the statement of projected use of funds shall consist of proposed community development activities. In the case of States receiving grants pursuant to section 106(d), the statement of projected use of funds shall consist of the method by which the States will distribute funds to units of general local government.

"(2) In order to permit public examination and appraisal of such statements, to enhance the public accountability of grantees, and to facilitate coordination of activities with different levels of government, the grantee shall—

"(A) furnish citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken;

"(B) publish a proposed statement in such manner to afford affected citizens or, as appropriate, units of general local govern-

ment an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the grantee; and

"(C) hold one or more public hearings to obtain the views of citizens on community development and housing needs.

In preparing the final statement, the grantee shall consider any such comments and views and may, if deemed appropriate by the grantee, modify the proposed statement. The final statement shall be made available to the public, and a copy shall be furnished to the Secretary together with the certifications required under subsection (b) and, where appropriate, subsection (c).

"(b) Any grant under section 106 shall be made only if the grantee certifies to the satisfaction of the Secretary that— 42 USC 5306.

"(1) the grantee is in full compliance with the requirements of subsection (a)(2) (A), (B), and (C) and has made the final statement available to the public;

"(2) the grant will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284; 42 USC 2000a note; 82 Stat. 73.

"(3) the projected use of funds has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight; the projected use of funds may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs; and Projected use of funds.

"(4) the grantee will comply with the other provisions of this title and with other applicable laws.

"(c)(1) Any grant made under section 106(b) shall be made only if the unit of general local government certifies that it is following a current housing assistance plan which has been approved by the Secretary and which— Grants.

"(A) accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower income persons (including elderly and handicapped persons, large families, owners of homes requiring rehabilitation assistance, and persons displaced or to be displaced) residing in or expected to reside in the community as a result of existing or projected changes in employment opportunities and population in the community (and those elderly persons residing in or expected to reside in the community), or as estimated in a community accepted State or regional housing opportunity plan approved by the Secretary, and identifies housing stock which is in a deteriorated condition, including the impact of conversion of rental housing to condominium or cooperative ownership on such needs;

"(B) specifies a realistic annual goal for the number of dwelling units or lower income persons to be assisted, including (i) the relative proportion of new, rehabilitated, and existing dwelling units, including existing rental and owner occupied dwelling units to be upgraded and thereby preserved, (ii) the sizes and types of housing projects and assistance best suited to the needs of lower income persons in the community, and (iii) in the case of subsidized rehabilitation, adequate provisions to assure that a preponderance of persons assisted should be of low and moderate income; and

"(C) indicates the general locations of proposed housing for lower income persons, with the objective of (i) furthering the revitalization of the community, including the restoration and rehabilitation of stable neighborhoods to the maximum extent possible, and the reclamation of the housing stock where feasible through the use of a broad range of techniques for housing restoration by local government, the private sector, or community organizations, including provision of a reasonable opportunity for tenants displaced as a result of such activities to relocate in their immediate neighborhood, (ii) promoting greater choice of housing opportunities and avoiding undue concentrations of assisted persons in areas containing a high proportion of low-income persons, and (iii) assuring the availability of public facilities and services adequate to serve proposed housing projects.

"(2) The Secretary shall establish such dates and manner for the submission of housing assistance plans described in paragraph (1) as the Secretary may prescribe.".

42 USC 5304. Report.

(c)(1) Section 104(d) of such Act is amended to read as follows:

"(d) Each grantee shall submit to the Secretary, at a time determined by the Secretary, a performance report concerning the use of funds made available under section 106, together with an assessment by the grantee of the relationship of such use to the objectives identified in the grantee's statement under subsection (a). The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriate to determine—

"(1) in the case of grants made under section 106(b) or section 106(d)(2)(B), whether the grantee has carried out its activities and, where applicable, its housing assistance plan in a timely manner, whether the grantee has carried out those activities and its certifications in accordance with the requirements and the primary objectives of this title and with other applicable laws, and whether the grantee has a continuing capacity to carry out those activities in a timely manner; and

Post, p. 389.

"(2) in the case of grants to States made under section 106(d), whether the State has distributed funds to units of general local government in a timely manner and in conformance to the method of distribution described in its statement, whether the State has carried out its certifications in compliance with the requirements of this title and other applicable laws, and whether the State has made such reviews and audits of the units of general local government as may be necessary or appropriate to determine whether they have satisfied the applicable performance criteria described in paragraph (1) of this subsection. The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with the Secretary's findings under this subsection. With respect to assistance made available to units of general local government under section 106(d), the Secretary may adjust, reduce, or withdraw such assistance, or take other action as appropriate in accordance with the Secretary's reviews and audits under this subsection, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future assistance to such units of general local government.".

Post, p. 389.

Effective date. 42 USC 5304 note.

(2) The amendment made by paragraph (1) shall take effect on October 1, 1982.

42 USC 5304.

(d) Section 104 of such Act is amended by striking out subsections (e) and (f) and redesignating subsections (g), (h), (i), and (j) as subsections (e), (f), (g), and (h).

(e) Section 104(f) of such Act, as redesignated by subsection (d) of this section, is amended— *Ante*, p. 386.

(1) by striking out "applicants" in paragraph (1) and inserting in lieu thereof "recipients of assistance under this title";

(2) by striking out "applicant" wherever it appears and inserting in lieu thereof "recipient of assistance under this title";

(3) by striking out "applications and" in the last sentence of paragraph (2); and

(4) by adding the following new paragraph at the end thereof:

"(4) In the case of grants made to States pursuant to section 106(d), the State shall perform those actions of the Secretary described in paragraph (2) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such paragraph.". *Post*, p. 389.

(f) Section 104(g) of such Act, as redesignated by subsection (d) of this section, is amended— *Ante*, p. 386.

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) Units of general local government receiving assistance under this title may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 106(d), not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution and which is to be used to finance rehabilitation activities assisted under this title. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment."; and

(2) by striking out the last two sentences of paragraph (2).

ELIGIBLE ACTIVITIES

SEC. 303. (a) Section 105(a) of the Housing and Community Development Act of 1974 is amended— 42 USC 5305.

(1) by striking out paragraph (8) and inserting in lieu thereof the following:

"(8) provision of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 10 per centum of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph;";

(2) by inserting the following before the semicolon at the end of paragraph (13) ", and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the Housing and Community Development Amendments of 1981"; 94 Stat. 1662. *Ante*, p. 384.

(3) by striking out "and" at the end of paragraph (15);

(4) by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; and"; and

(5) by adding at the end thereof the following new paragraph:

"(17) provision of assistance to private, for-profit entities, when the assistance is necessary or appropriate to carry out an economic development project.".

Waiver.
42 USC 5305 note.

(b) In fiscal years 1982, 1983, and 1984, the Secretary may waive the limitation on the amount of funds which may be used for public services activities under section 105(a)(8) of the Housing and Community Development Act of 1974, as amended by this Act, in the case of a unit of general local government which, during fiscal year 1981, allocated more than 10 per centum of funds received under title I of the Housing and Community Development Act of 1974 for such activities.

Ante, p. 387.

42 USC 5301.

ALLOCATION AND DISTRIBUTION OF FUNDS

42 USC 5306.

SEC. 304. (a) Section 106(a) of the Housing and Community Development Act of 1974 is amended to read as follows:

Ante, p. 384.
Post, pp. 391, 392.

"(a) Of the amount approved in an appropriation Act under section 103 for grants in any year (excluding the amounts provided for use in accordance with section 107 and section 119), 70 per centum shall be allocated by the Secretary to metropolitan cities and urban counties. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b).".

42 USC 5306.

(b) Section 106 of such Act is amended by striking out subsection (c) and redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

(c) Section 106(c), as redesignated by subsection (b) of this section, is amended to read as follows:

Reallocated funds.

"(c)(1) Except as provided in paragraph (2), any amounts allocated to a metropolitan city or an urban county pursuant to the preceding provisions of this section which are not received by the city or county for a fiscal year because of failure to meet the requirements of section 104(a), (b), or (c), or which become available as a result of actions under section 104(d) or 111, shall be reallocated in the succeeding fiscal year to the other metropolitan cities and urban counties in the same metropolitan area which certify to the satisfaction of the Secretary that they would be adversely affected by the loss of such amounts from the metropolitan area. The amount of the share of funds reallocated under this paragraph for any metropolitan city or urban county shall bear the same ratio to the total of such reallocated funds in the metropolitan area as the amount of funds awarded to the city or county for the fiscal year in which the reallocated funds become available bears to the total amount of funds awarded to all metropolitan cities and urban counties in the same metropolitan area for that fiscal year, except that—

Ante, p. 384.
Ante, p. 386.
42 USC 5311.

"(A) in determining the amounts awarded to cities or counties for purposes of calculating shares pursuant to this sentence, there shall be excluded from the award of any city or county any amounts which become available as a result of actions against such city or county under section 111;

"(B) in reallocating amounts resulting from an action under section 104(d) or section 111, the city or county against whom any such action was taken shall be excluded from the calculation of shares for purposes of reallocating the amounts becoming available as a result of such action; and

"(C) in no event may the share of reallocated funds for any metropolitan city or urban county exceed 25 per centum of the amount awarded to the city or county under section 106(b) for the fiscal year in which the reallocated funds under this paragraph become available. 42 USC 5306.

Any amounts allocated under section 106(b) which become available for reallocation and for which no metropolitan city or urban county qualifies under this paragraph shall be added to amounts available for allocation under such section 106(b) in the succeeding fiscal year.

"(2) Notwithstanding any other provision of this title, the Secretary shall make grants from amounts authorized for use under section 106(b) by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this title which governed grants with respect to such amounts, as such provisions existed prior to the effective date of the Housing and Community Development Amendments of 1981, except that any such amounts which are not obligated before January 1, 1982, shall be reallocated in accordance with paragraph (1).". 94 Stat. 3044. *Ante*, p. 384.

(d) Section 106(d)(1) of such Act, as redesignated by subsection (b) of this section, is amended— *Ante*, p. 388.

(1) by striking out "section 103(a)" and all that follows through "nonmetropolitan areas of each State" in the first sentence and inserting in lieu thereof the following: "section 103 for grants in any year (excluding the amounts provided for use in accordance with section 107 and section 119), 30 per centum shall be allocated among the States for use in nonentitlement areas. The allocation for each State shall be"; and *Post*, pp. 391, 392.

(2) by striking out "nonmetropolitan" wherever it appears and inserting in lieu thereof "nonentitlement".

(e) Section 106(d) of such Act, as redesignated by subsection (b) of this section, is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2)(A) Amounts allocated under paragraph (1) shall be distributed to units of general local government located in nonentitlement areas of the State to carry out activities in accordance with the provisions of this title—

"(i) by the State, consistent with the statement submitted under section 104(a); or *Ante*, p. 384.

"(ii) by the Secretary, in any case described in subparagraph (B), for use by units of general local government in accordance with paragraph (3)(B).

Notwithstanding any provision of this title, the Secretary shall make grants from amounts authorized for use in nonentitlement areas by the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, in accordance with the provisions of this title which governed grants with respect to such amounts, as such provisions existed prior to the effective date of the Housing and Community Development Amendments of 1981. Any amounts under the preceding sentence (except amounts for which preapplications have been approved by the Secretary prior to October 1, 1981, and which have been obligated by January 1, 1982) which are or become available for obligation after fiscal year 1981 shall be available for distribution in the State in which the grants from such amounts were made, by the State or by the Secretary, whichever is distributing the State allocation in the fiscal year in which such amounts are or become available. 94 Stat. 3044. *Ante*, p. 384.

"(B) The Secretary shall distribute amounts allocated under paragraph (1) where—

"(i) the State has elected, in such manner and before such time as the Secretary may prescribe, not to distribute such amounts; or

"(ii) the State has failed to submit the certifications described in subparagraph (C).

"(C) To receive and distribute amounts allocated under paragraph (1), the Governor must certify that the State, with respect to units of general local government in nonentitlement areas—

"(i) engages or will engage in planning for community development activities;

"(ii) provides or will provide technical assistance to units of general local government in connection with community development programs;

"(iii) will provide, out of State resources, funds for community development activities in an amount which is at least 10 per centum of the amounts allocated for use in the State pursuant to paragraph (1); and

"(iv) has consulted with local elected officials from among units of general local government located in nonentitlement areas of that State in determining the method of distribution of funds required by subparagraph (A).

"(3)(A) If the State receives and distributes such amounts, it shall be responsible for the administration of funds so distributed. The State shall pay from its own resources all administrative expenses incurred by the State in carrying out its responsibilities under this title, except that from the amounts received for distribution in nonentitlement areas, the State may deduct an amount not to exceed 50 per centum of the costs incurred by the State in carrying out such responsibilities. Amounts so deducted shall not exceed 2 per centum of the amount so received.

"(B) If the Secretary distributes such amounts, the distribution shall be made in accordance with determinations of the Secretary pursuant to statements submitted and the other requirements of section 104 (other than subsection (c)) and in accordance with regulations and procedures prescribed by the Secretary.

Ante, p. 384.

"(C) Any amounts allocated for use in a State under this subsection which become available as a result of actions under section 104(d) or 111 shall—

Ante, p. 386.
42 USC 5311.

"(i) in the case of actions against units of general local government in nonentitlement areas, be added to amounts available for distribution in the State in the fiscal year in which the amounts become so available; or

"(ii) in the case of actions against the State, be added to amounts available for distribution in the State in the succeeding fiscal year.

Amounts reallocated under this subparagraph shall be available for distribution by the State or by the Secretary, whichever is distributing the State allocation in the fiscal year in which such reallocated amounts are added.

"(4) In computing amounts under paragraph (1), Indian tribes shall be excluded.".

Ante, p. 388.

(f) Section 106(f), as redesignated by subsection (b) of this section, is amended by striking out "(1)" and all that follows through "106(e)" and inserting in lieu thereof "all basic grant entitlement amounts".

DISCRETIONARY FUND

SEC. 305. Section 107 of the Housing and Community Development Act of 1974 is amended to read as follows: 42 USC 5307.

"DISCRETIONARY FUND

"SEC. 107. (a) Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1982 and 1983, not more than $60,000,000 for each of the fiscal years 1982 and 1983 may be set aside in a special discretionary fund for grants under subsection (b). Grants under this section are in addition to any other grants which may be made under this title to the same entities for the same purposes. *Ante*, p. 384.

"(b) From amounts set aside under subsection (a), the Secretary is authorized to make grants—

"(1) in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968 or in behalf of new community projects assisted under title X of the National Housing Act which meet the eligibility standards set forth in title VII of the Housing and Urban Development Act of 1970 and which were the subject of an application or preapplication under such title prior to January 14, 1975; 42 USC 4501. 42 USC 3901. 12 USC 1749aa.

"(2) in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands;

"(3) to Indian tribes; and

"(4) to States, units of general local government, Indian tribes, or areawide planning organizations for the purpose of providing technical assistance in planning, developing, and administering assistance under this title, and to States and units of general local government for implementing special projects otherwise authorized under this title. The Secretary may also provide, directly or through contracts, technical assistance under this paragraph to such governmental units, or to a group designated by such a governmental unit for the purpose of assisting that governmental unit to carry out assistance under this title. Technical assistance.

"(c) Amounts set aside for use under subsection (b) in any fiscal year but not used in that year shall remain available for use in subsequent fiscal years in accordance with the provisions of that subsection.

"(d)(1) Except as provided in paragraph (2), no grant may be made under this section or section 119 unless the applicant provides satisfactory assurances that its program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284. *Post*, p. 392. 42 USC 2000a note; 82 Stat. 73.

"(2) No grant may be made to an Indian tribe under this section or section 119 unless the applicant provides satisfactory assurances that its program will be conducted and administered in conformity with title II of Public Law 90-284. The Secretary may waive, in connection with grants to Indian tribes, the provisions of section 109 and section 110. Waiver. 25 USC 1301. 42 USC 5309, 5310.

"(3) The Secretary may accept a certification from the applicant that it has complied with the requirements of paragraph (1) or (2), as appropriate.".

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NONDISCRIMINATION

42 USC 5309.
42 USC 6101 note.
29 USC 794.

SEC. 306. Section 109(a) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.".

TRANSITIONAL PROVISIONS

42 USC 5306 note.

SEC. 307. (a) Any amounts appropriated for any fiscal year before fiscal year 1982 in a Department of Housing and Urban Development—Independent Agencies Appropriation Act or a Supplemental Appropriation Act under the head "COMMUNITY DEVELOPMENT GRANTS" which are or become available for obligation on or after October 1, 1981, shall remain available as provided by law, and shall be used in accordance with the following:

42 USC 5306.
Ante, p. 388.
42 USC 5307.
Ante, p. 391.
Ante, p. 389.

(1) funds authorized for use under section 106(b) of the Housing and Community Development Act of 1974 ("such Act") before October 1, 1981, shall be available for use as provided by section 106(c) of such Act as amended by this Act;

(2) funds authorized for use under section 107 of such Act before October 1, 1981, shall be available for use as provided by section 107(a) of such Act as amended by this Act; and

(3) funds authorized for use under section 106(c) or (e) of such Act before October 1, 1981, shall be available for use as provided by section 106(d)(2)(A) of such Act as amended by this Act.

(b) Any grant or loan which, prior to the effective date of any provision of this part, was obligated and governed by any authority amended by any provision of this part shall continue to be governed by the provisions of such authority as they existed immediately before such effective date.

URBAN DEVELOPMENT ACTION GRANTS

42 USC 5318.

SEC. 308. (a) Section 119 of the Housing and Community Development Act of 1974 is amended to read as follows:

"URBAN DEVELOPMENT ACTION GRANTS

42 USC 5303.

"SEC. 119. (a) The Secretary is authorized to make urban development action grants to cities and urban counties which are experiencing severe economic distress to help stimulate economic development activity needed to aid in economic recovery. Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1982 and 1983, not more than $500,000,000 shall be available for each of the fiscal years 1982 and 1983 for grants under this section.

Regulations.

"(b)(1) Urban development action grants shall be made only to cities and urban counties which have, in the determination of the Secretary, demonstrated results in providing housing for low- and moderate-income persons and in providing equal opportunity in housing and employment for low- and moderate-income persons and members of minority groups. The Secretary shall issue regulations establishing criteria in accordance with the preceding sentence and setting forth minimum standards for determining the level of economic distress of cities and urban counties for eligibility for such grants. These standards shall take into account factors such as the

age of housing; the extent of poverty; the extent of population lag; growth of per capita income; and, where data are available, the extent of unemployment and job lag.

"(2) A city or urban county which fails to meet the minimum standards established pursuant to paragraph (1) shall be eligible for assistance under this section if it meets the requirements of the first sentence of such paragraph and—

"(A) in the case of a city with a population of fifty thousand persons or more or an urban county, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, or block groups, as defined by the United States Bureau of the Census, having at least a population of ten thousand persons or 10 per centum of the population of the city or urban county; (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of the median income of the city or urban county; and (iii) in which at least 30 per centum of the residents have incomes below the national poverty level; or

"(B) in the case of a city with a population of less than fifty thousand persons, contains an area (i) composed of one or more contiguous census tracts, enumeration districts, or block groups or other areas defined by the United States Bureau of the Census or for which data certified by the United States Bureau of the Census are available having at least a population of two thousand five hundred persons or 10 per centum of the population of the city, whichever is greater; (ii) in which at least 70 per centum of the residents have incomes below 80 per centum of the median income of the city; and (iii) in which at least 30 per centum of the residents have incomes below the national poverty level.

The Secretary shall use up to, but not more than, 20 per centum of the funds appropriated for use in any fiscal year under this section for the purpose of making grants to cities and urban counties eligible under this paragraph.

"(c) Applications for assistance under this section shall— Contents.

"(1) in the case of an application for a grant under subsection (b)(2), include documentation of grant eligibility in accordance with the standards described in that subsection;

"(2) set forth the activities for which assistance is sought, including (A) an estimate of the costs and general location of the activities; (B) a summary of the public and private resources which are expected to be made available in connection with the activities, including how the activities will take advantage of unique opportunities to attract private investment; and (C) an analysis of the economic benefits which the activities are expected to produce;

"(3) contain a certification satisfactory to the Secretary that the applicant, prior to submission of its application, (A) has held public hearings to obtain the views of citizens, particularly residents of the area in which the proposed activities are to be carried out, and (B) has analyzed the impact of these proposed activities on the residents, particularly those of low and moderate income, of the residential neighborhood, and on the neighborhood in which they are to be carried out; and

"(4) contain a certification satisfactory to the Secretary that the applicant, prior to submission of its application, (A) has identified all properties, if any, which are included on the National Register of Historic Places and which, as determined by the applicant, will be affected by the project for which the application is made; (B) has identified all other properties, if any,

which will be affected by such project and which, as determined by the applicant, may meet the criteria established by the Secretary of the Interior for inclusion on such Register, together with documentation relating to the inclusion of such properties on the Register; (C) has determined the effect, as determined by the applicant, of the project on the properties identified pursuant to clauses (A) and (B); and (D) will comply with the requirements of section 121.

94 Stat. 1620.
42 USC 5320.
Selection criteria, establishment.

"(d)(1) Except in the case of a city or urban county eligible under subsection (b)(2), the Secretary shall establish selection criteria for grants under this section which must include (A) as the primary criterion, the comparative degree of economic distress among applicants, as measured (in the case of a metropolitan city or urban county) by the differences in the extent of growth lag, the extent of poverty, and the adjusted age of housing in the metropolitan city or urban county; (B) other factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration in cities and urban counties; and (C) at least the following other criteria: demonstrated performance of the city or urban county in housing and community development programs; the extent to which the grant will stimulate economic recovery by leveraging private investment; the number of permanent jobs to be created and their relation to the amount of grant funds requested; the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed; the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested; the extent to which State or local government funding or special economic incentives have been committed; and the feasibility of accomplishing the proposed activities in a timely fashion within the grant amount available.

"(2) For the purpose of making grants with respect to areas described in subsection (b)(2), the Secretary shall establish selection criteria, which must include (A) factors determined to be relevant by the Secretary in assessing the comparative degree of economic deterioration among eligible areas, and (B) such other criteria as the Secretary may determine, including at a minimum the criteria listed in paragraph (1)(C) of this subsection.

City or urban county, eligibility.

"(e) The Secretary may not approve any grant to a city or urban county eligible under subsection (b)(2) unless—

"(1) the grant will be used in connection with a project located in an area described in subsection (b)(2), except that the Secretary may waive this requirement where the Secretary determines (A) that there is no suitable site for the project within that area, (B) the project will be located directly adjacent to that area, and (C) the project will contribute substantially to the economic development of that area;

"(2) the city or urban county has demonstrated to the satisfaction of the Secretary that basic services supplied by the city or urban county to the area described in subsection (b)(2) are at least equivalent, as measured by per capita expenditures, to those supplied to other areas within the city or urban county which are similar in population size and physical characteristics and which have median incomes above the median income for the city or urban county;

"(3) the grant will be used in connection with a project which will directly benefit the low- and moderate-income families and individuals residing in the area described in subsection (b)(2); and

"(4) the city or urban county makes available, from its own funds or from funds received from the State or under any Federal program which permits the use of financial assistance to meet the non-Federal share requirements of Federal grant-in-aid programs, an amount equal to 20 per centum of the grant to be available under this section to be used in carrying out the activities described in the application.

"(f) Activities assisted under this section may include such activities, in addition to those authorized under section 105(a), as the Secretary determines to be consistent with the purposes of this section. 42 USC 5305.

"(g) The Secretary shall, at least on an annual basis, make reviews and audits of recipients of grants under this section as necessary to determine the progress made in carrying out activities substantially in accordance with approved plans and timetables. The Secretary may adjust, reduce, or withdraw grant funds, or take other action as appropriate in accordance with the findings of these reviews and audits, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future grants made to the recipient. Reviews and audits.

"(h) No assistance may be provided under this section for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that the relocation does not significantly and adversely affect the unemployment or economic base of the area from which the industrial or commercial plant or facility is to be relocated. Industrial or commercial plants or facilities, assistance.

"(i) Not less than 25 per centum of the funds made available for grants under this section shall be used for cities with populations of less than fifty thousand persons which are not central cities of a metropolitan statistical area.

"(j) A grant may be made under this section only where the Secretary determines that there is a strong probability that (1) the non-Federal investment in the project would not be made without the grant, and (2) the grant would not substitute for non-Federal funds which are otherwise available to the project.

"(k) In making grants under this section, the Secretary shall take such steps as the Secretary deems appropriate to assure that the amount of the grant provided is the least necessary to make the project feasible.

"(l) For purposes of this section, the Secretary may reduce or waive the requirement in section 102(a)(5)(B)(ii) that a town or township be closely settled. 42 USC 5302.

"(m) In the case of any application which identifies any property in accordance with subsection (c)(4)(B), the Secretary may not commit funds with respect to an approved application unless the applicant has certified to the Secretary that the appropriate State historic preservation officer and the Secretary of the Interior have been provided an opportunity to take action in accordance with the provisions of section 121(b). 94 Stat. 1620.

"(n)(1) For the purposes of this section, the term 'city' includes Guam, the Virgin Islands, and Indian tribes. 42 USC 5320. "City."

"(2) The Secretary may not approve a grant to an Indian tribe under this section unless the tribe (A) is located on a reservation or in an Alaskan Native Village, and (B) is an eligible recipient under the State and Local Fiscal Assistance Act of 1972. 31 USC 1221 note.

"(o) If no amounts are set aside under, or amounts are precluded from being appropriated for this section for fiscal years after fiscal year 1983, any amount which is or becomes available for use under

this section after fiscal year 1983 shall be added to amounts appropriated under section 103.".

42 USC 5303.

94 Stat. 1620.
42 USC 5320.

(b) Section 121 of such Act is amended by striking out "subsection (c)(7)(B)" in subsection (b) and inserting in lieu thereof "subsection (c)(4)(B)".

Effective date.
42 USC 5318 note.
Rules and regulations.

(c) The amendments made by subsections (a) and (b) shall become effective on the effective date of regulations implementing such subsections. As soon as practicable, but not later than January 1, 1982, the Secretary shall issue such final rules and regulations as the Secretary determines are necessary to carry out such subsections.

COMMUNITY DEVELOPMENT TECHNICAL AMENDMENTS

42 USC 5302.

SEC. 309. (a) Section 102(a) of the Housing and Community Development Act of 1974 is amended—

(1) by striking out paragraphs (18) and (19);

(2) by inserting immediately after paragraph (6) the following:

"Nonentitlement area."

"(7) The term 'nonentitlement area' means an area which is not a metropolitan city or part of an urban county."; and

(3) by redesignating the remaining paragraphs accordingly.

(b) Section 102(c) of such Act is amended by striking out "a Community Development Program in whole or in part" and inserting in lieu thereof "activities assisted under this title".

94 Stat. 1614.
42 USC 5302.

(c) The first sentence of section 102(d) of such Act is amended—

(1) by striking out "103(a)(1)" and inserting in lieu thereof "103"; and

(2) by striking out "unless the application by the urban county is disapproved or withdrawn prior to or during such three-year period" and inserting in lieu thereof "unless the urban county does not receive a grant for any year during such three-year period".

94 Stat. 1615.
42 USC 5304.

(d) Section 104(j) of such Act is amended by striking out "planning a joint community development program, meeting the application requirements of this section, and implementing such program" and inserting in lieu thereof "submitting a statement under section 104(a) and carrying out activities under this title".

42 USC 5305.

(e) The caption of section 105 of such Act is amended to read as follows: "ELIGIBLE ACTIVITIES".

(f) Section 105(a) of such Act is amended—

(1) by striking out the first sentence and "These activities" in the second sentence and inserting in lieu thereof "Activities assisted under this title";

(2) by striking out "program" in paragraph (6);

(3) by striking out "the Community Development Program" in paragraph (9) and inserting in lieu thereof "activities assisted under this title";

(4) by striking out "to the community development program" in paragraph (11);

(5) by striking out "(as specifically" and all that follows through "104(a)(1)" in paragraph (14) and inserting in lieu thereof "which are carried out by public or private nonprofit entities"; and

94 Stat. 1618.

(6) by striking out "(as specifically described in the application submitted pursuant to section 104)" in paragraph (15).

(g) Section 105(b) of such Act is amended by striking out "a grant" and inserting in lieu thereof "assistance".

94 Stat. 1615.
42 USC 5306.

(h) The second sentence of section 106(b)(4) of such Act is amended by striking out "for a grant under subsection (c) or (e)" and inserting

in lieu thereof the following: "to receive assistance under subsection (d)".

(i) Section 108(d)(2) of such Act is amended by striking out "approved or". 42 USC 5308.

(j) The first sentence of section 110 of such Act is amended by striking out "grants" and inserting in lieu thereof "assistance". 42 USC 5310.

(k) The first sentence of section 112(a) of such Act is amended by striking out "103(a)" and inserting in lieu thereof "103". 42 USC 5312.

(l) Section 113(a)(2) of such Act is amended by striking out "as approved by the Secretary". 42 USC 5313.

(m) Section 116(b) of such Act is amended to read as follows: 94 Stat. 1622. 42 USC 5316.

"(b) In the case of funds available for any fiscal year, the Secretary shall not consider any statement under section 104(a), unless such statement is submitted on or prior to such date (in that fiscal year) as the Secretary shall establish as the final date for submission of statements in that year.".

COMMUNITY DEVELOPMENT MISCELLANEOUS AMENDMENTS

SEC. 310. (a) Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended by inserting the following before the period at the end thereof: "or until September 30, 1982, whichever is later". 42 USC 5302.

(b) Section 102(a)(6) of such Act is amended by inserting at the end thereof the following: "Any urban county (A) which qualified as an urban county in fiscal year 1981, (B) the population of which includes all of the population of the county (other than the population of metropolitan cities therein), and (C) the population of which for fiscal year 1982 falls below the amount required by clause (B) of the preceding sentence by reason of the 1980 decennial census shall be considered as meeting the population requirements of such clause for fiscal year 1982 and shall not be subject to the provisions of section 102(d) in that fiscal year.".

REHABILITATION LOANS

SEC. 311. (a) Subsection (a)(1)(D) of section 312 of the Housing Act of 1964 is amended by striking out "an approved community development program" and inserting in lieu thereof "community development activities". 42 USC 1452b.

(b) Subsection (d) of such section is amended— 94 Stat. 1622.

(1) by inserting "and" after "October 1, 1979," in the first sentence;

(2) by striking out "and not to exceed $129,000,000 for the fiscal year beginning on October 1, 1981," in the first sentence; and

(3) by striking out the last sentence.

(c) Subsection (h) of such section is amended by striking out "1982" each place it appears and inserting in lieu thereof "1983".

(d) Subsection (j)(1) of such section is amended by striking out the second sentence.

URBAN HOMESTEADING

SEC. 312. The first sentence of section 810(h) of the Housing and Community Development Act of 1974 is amended by striking out "and not to exceed $26,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $26,000,000 for the fiscal year 1979, and not to exceed $13,467,000 for the fiscal year 1983". 12 USC 1706e.

REPEALERS

42 USC 8121 note.
94 Stat. 1662.
40 USC 461.

SEC. 313. (a) Title VII of the Housing and Community Development Amendments of 1978 is hereby repealed.

(b) Section 701 of the Housing Act of 1954 is hereby repealed.

NEIGHBORHOOD REINVESTMENT CORPORATION

94 Stat. 1645.
42 USC 8107.

SEC. 314. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $14,950,000 for fiscal year 1982".

REPORT ON BLOCK GRANT PROGRAM

Report to Congress.

SEC. 315. Not later than 270 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall report to the Congress on administrative and legislative steps that can be taken to—

(1) require all grantees to concentrate their block grant funds in distressed geographic areas small enough so that visible improvements can be achieved in a reasonable time period and to ensure that claimed benefits to low- and moderate-income persons are, in actuality, occurring;

(2) reduce the broad list of activities currently eligible so that funds can be focused on those activities which meet the cities' most urgent revitalization needs;

(3) develop overall income eligibility requirements for recipients of block grant supported rehabilitation; and

(4) limit eligible rehabilitation work to that which is essential to restore the housing unit to a decent, safe, and sanitary or energy efficient condition, specifically prohibiting nonessential and luxury items, so that more homes needing basic repairs can be rehabilitated.

PART 2—HOUSING ASSISTANCE PROGRAMS

HOUSING AUTHORIZATIONS

Contracts.
94 Stat. 1624.
42 USC 1437c.

SEC. 321. (a) The first sentence of section 5(c)(1) of the United States Housing Act of 1937 is amended by inserting immediately after "1980" the following: ", and by $906,985,000 on October 1, 1981".

(b) The second sentence of section 5(c)(1) of such Act is amended by striking out "Acts;" and all that follows through the period and inserting in lieu thereof the following: "Acts. In addition, the aggregate amount which may be obligated over the duration of the contracts may not exceed $31,200,000,000 with respect to the additional authority provided on October 1, 1980, and $18,087,370,000 with respect to the additional authority provided on October 1, 1981.".

(c) Section 5(c) of such Act is amended by—

(1) redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) inserting immediately after paragraph (2) the following: "(3)(A) Of the additional authority approved in appropriation Acts and made available on October 1, 1981, the Secretary shall make available at least $75,000,000 for assistance to projects under section 14.

94 Stat. 1625.
42 USC 1437l.

"(B) Of the balance of the additional authority referred to in the preceding subparagraph which remains after deducting the amount to be provided for assistance to projects under section 14, the Secretary shall allocate such authority for use in different areas and communities in accordance with section 213(d) of the Housing and Community Development Act of 1974, except that on a national basis the Secretary may not enter into contracts aggregating—

94 Stat. 1625.
42 USC 1437l.

42 USC 1439.

"(i) more than 45 per centum of such balance for existing units assisted under this Act; and

"(ii) more than 55 per centum of such balance for newly constructed and substantially rehabilitated units assisted under this Act.

"(C) After making allocations referred to in subparagraph (B), the Secretary shall, to the extent allowable within the percentage limitations contained in such subparagraph and within the available contract and budget authority, accommodate the preferences of units of general local government, which preferences shall be established after consultation with the appropriate public housing agencies, regarding (i) the mix among newly constructed, substantially rehabilitated, existing, or moderately rehabilitated units; (ii) the programs under which assistance is to be provided; and (iii) the extent to which such allocation should be used for comprehensive improvement assistance under section 14.".

General local government preferences, accommodation.

(d) Section 9(c) of such Act is amended—

42 USC 1437g.

(1) by striking out "and" after "on or after October 1, 1979,"; and

(2) by inserting before the period at the end thereof the following: ", and not to exceed $1,500,000,000 on or after October 1, 1981".

(e) Section 213(d) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof a new paragraph to read as follows:

Financial assistance, retention.
42 USC 1439.

"(4) Notwithstanding any other provision of law, with respect to fiscal years beginning after September 30, 1981, the Secretary of Housing and Urban Development may not retain more than 15 per centum of the financial assistance which becomes available under programs described in subsection (a)(1) during any fiscal year. Any such financial assistance which is retained shall be available for subsequent allocation to specific areas and communities, and may only be used for—

Allocation use.

"(A) unforeseeable housing needs, especially those brought on by natural disasters or special relocation requirements;

"(B) support for the needs of the handicapped or for minority enterprise;

"(C) providing for assisted housing as a result of the settlement of litigation;

"(D) small research and demonstration projects;

"(E) lower-income housing needs described in housing assistance plans, including activities carried out under areawide housing opportunity plans; and

"(F) innovative housing programs or alternative methods for meeting lower-income housing needs approved by the Secretary, including assistance for infrastructure in connection with the Indian Housing Program.".

(f)(1) The first sentence of section 201(h) of the Housing and Community Development Amendments of 1978 is amended—

12 USC 1715z-1a.

(A) by striking out "and" after "the fiscal year 1980,";

(B) by inserting before the period at the end thereof the following: ", and not to exceed $4,000,000 for the fiscal year 1982"; and

(C) by striking out the comma immediately following "Act" and inserting in lieu thereof a closed parenthesis.

12 USC 1715z-1 and note, 1715z-1a.

(2) Section 201 of the Housing and Community Development Amendments of 1978 is amended—

12 USC 1715z-1a.

(A) by redesignating subsections (h) and (i) as subsections (j) and (k), respectively; and

(B) by inserting the following new subsection after subsection (g):

"(h) The Secretary may not use any of the assistance available under this section during any fiscal year beginning on or after October 1, 1981, to supplement any contract to make rental assistance payments which was made pursuant to section 101 of the Housing and Urban Development Act of 1965.".

12 USC 1701s, 42 USC 1451.

(3) The third sentence of section 236(f)(3) of the National Housing Act, as redesignated by section 322(f)(7) of this part, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

Post, p. 403.

TENANT RENTAL PAYMENTS

42 USC 1437a.

SEC. 322. (a) Section 3 of the United States Housing Act of 1937 is amended to read as follows:

"RENTAL PAYMENTS; DEFINITIONS

"SEC. 3. (a) Dwelling units assisted under this Act shall be rented only to families who are lower income families at the time of their initial occupancy of such units. A family shall pay as rent for a dwelling unit assisted under this Act the highest of the following amounts, rounded to the nearest dollar:

"(1) 30 per centum of the family's monthly adjusted income;

"(2) 10 per centum of the family's monthly income; or

"(3) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated.

"(b) When used in this Act:

"(1) The term 'lower income housing' means decent, safe, and sanitary dwellings assisted under this Act. The term 'public housing' means lower income housing, and all necessary appurtenances thereto, assisted under this Act other than under section 8. When used in reference to public housing, the term 'lower income housing project' or 'project' means (A) housing developed, acquired, or assisted by a public housing agency under this Act, and (B) the improvement of any such housing.

"(2) The term 'lower income families' means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes. The term 'very low-income families' means lower income families whose incomes do not exceed 50 per

centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families.

"(3) The term 'families' includes families consisting of a single person in the case of (A) a person who is at least sixty-two years of age or is under a disability as defined in section 223 of the Social Security Act or in section 102 of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, or is handicapped, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations of the Secretary. In no event shall more than 15 per centum of the units under the jurisdiction of any public housing agency be occupied by single persons under clause (D). In determining priority for admission to housing under this Act, the Secretary shall give preference to those single persons who are elderly, handicapped, or displaced before those eligible under clause (D). The term 'elderly families' means families whose heads (or their spouses), or whose sole members, are persons described in clause (A). A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Secretary, to have an impairment which is expected to be of long-continued and indefinite duration, substantially impedes such person's ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions. The term 'displaced person' means a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws. Notwithstanding the preceding provisions of this subsection, the term 'elderly families' includes two or more elderly, disabled, or handicapped individuals living together, or one or more such individuals living with one or more persons determined under regulations of the Secretary to be essential to their care or well being.

42 USC 423.
42 USC 6001.

"(4) The term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary.

"(5) The term 'adjusted income' means the income which remains after excluding such amounts or types of income as the Secretary may prescribe. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate.

"(6) The term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of lower income housing.

"(7) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes, bands, groups, and Nations, including Alaska Indians, Aleuts, and Eskimos, of the United States.

"(8) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(c) When used in reference to public housing:

"(1) The term 'development' means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a lower income housing project. The term 'development cost' comprises the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges), and in otherwise carry-

ing out the development of such project. Construction activity in connection with a lower income housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

"(2) The term 'operation' means any or all undertakings appropriate for management, operation, services, maintenance, security (including the cost of security personnel), or financing in connection with a lower income housing project. The term also means the financing of tenant programs and services for families residing in lower income housing projects, particularly where there is maximum feasible participation of the tenants in the development and operation of such tenant programs and services. As used in this paragraph, the term 'tenant programs and services' includes the development and maintenance of tenant organizations which participate in the management of lower income housing projects; the training of tenants to manage and operate such projects and the utilization of their services in project management and operation; counseling on household management, housekeeping, budgeting, money management, child care, and similar matters; advice as to resources for job training and placement, education, welfare, health, and other community services; services which are directly related to meeting tenant needs and providing a wholesome living environment; and referral to appropriate agencies in the community when necessary for the provision of such services. To the maximum extent available and appropriate, existing public and private agencies in the community shall be used for the provision of such services.

"(3) The term 'acquisition cost' means the amount prudently required to be expended by a public housing agency in acquiring property for a lower income housing project.".

42 USC 1437b, 1437c, 1437g, 1437i.

(b) Sections 4, 5, 9, and 11 of such Act are amended by striking out "LOW-INCOME" where it appears in the caption accompanying each such section and by inserting in lieu thereof "LOWER INCOME".

42 USC 1437, 1437b-1437d, 1437g, 1437i, 1437j; 94 Stat. 1625, 42 USC 1437*l*. 42 USC 1437d.

(c) Sections 2, 4, 5, 6, 9, 11, 12, and 14 of such Act are amended by striking out "low income" and "low-income" wherever they appear and inserting in lieu thereof "lower income".

(d) Section 6(c)(2) of such Act is amended by striking out the phrase "at intervals of two years (or at shorter intervals where the Secretary deems it desirable)" and inserting in lieu thereof "no less frequently than annually".

42 USC 1437f.

(e) Section 8 of such Act is amended—

(1) by striking out paragraph (3) of subsection (c) and inserting in lieu thereof the following:

"(3) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between the maximum monthly rent which the contract provides that the owner is to receive for the unit and the rent the family is required to pay under section 3(a) of this Act. Reviews of family income shall be made no less frequently than annually.";

Ante, p. 400.

(2) by striking out paragraph (7) of subsection (c) and redesignating paragraph (8) of such subsection as paragraph (7);

(3) by striking out paragraphs (1), (2), and (3) of subsection (f) and redesignating paragraphs (4), (5), and (6) of such subsection as paragraphs (1), (2), and (3), respectively;

(4) by striking out "The provisions of section 3(1), 5(e), and 6" in subsection (h) and inserting in lieu thereof "Sections 5(e) and 6";

(5) by striking out the comma after the word "Act" in subsection (h); and

(6) by striking out "25 per centum of one-twelfth of the annual income of such family" in paragraph (3) of subsection (j) and

inserting in lieu thereof "the rent the family is required to pay under section 3(a) of this Act".

Ante, p. 400.

(f) Section 236 of the National Housing Act is amended— 12 USC 1715z-1.

(1) by striking out "two years" in subsection (e) and inserting in lieu thereof "one year";

(2) by striking out "25 per centum of the tenant's income" in the second sentence of subsection (f)(1) and inserting in lieu thereof "30 per centum of the tenant's adjusted income";

(3) by striking out clause (ii) in the third sentence of subsection (f)(1) and inserting in lieu thereof the following:

"(ii) to permit the charging of a rental for such dwelling units at such an amount less than 30 per centum of a tenant's adjusted income as the Secretary determines represents a proportionate decrease for the utility charges to be paid by such tenant, but in no case shall such rental be lower than 25 per centum of a tenant's adjusted income.";

(4) by striking out "25 per centum of their income" in paragraph (2) of subsection (f) and inserting in lieu thereof "30 per centum of their adjusted income";

(5) by striking out "25 per centum of the tenant's income" in paragraph (2) of subsection (f) and inserting in lieu thereof "the highest of the following amounts, rounded to the nearest dollar:

"(A) 30 per centum of the tenant's monthly adjusted income;

"(B) 10 per centum of the tenant's monthly income; or

"(C) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated";

(6) by striking out the third sentence in paragraph (2) of subsection (f);

(7) by striking out subparagraph (A) of subsection (f)(3) and redesignating subsection (f)(3)(B) as subsection (f)(3); and

(8) by striking out subsection (m) and inserting in lieu thereof the following:

"(m) For the purpose of this section the term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate.".

(g) Section 101 of the Housing and Urban Development Act of 1965 is amended— 12 USC 1701s, 42 USC 1451.

(1) by striking out paragraph (2) in subsection (c) and inserting in lieu thereof the following:

"(2) 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary. In determining amounts to be excluded from income, the Secretary may, in the Secretary's discretion, take into account the number of minor children in the household and such other factors as the Secretary may determine are appropriate.";

(2) by striking out the first sentence of subsection (d) and inserting in lieu thereof the following: "The amount of the annual payment with respect to any dwelling unit shall be the

lesser of (1) 70 per centum of the fair market rent, or (2) the amount by which the fair market rental for such unit exceeds 30 per centum of the tenant's adjusted income."; and

(3) by striking out ", except the elderly, at intervals of two years (or at shorter intervals in cases where the Secretary may deem it desirable)" in paragraph (2) of subsection (e), and by inserting in lieu thereof "no less frequently than annually".

(h) Title II of the Housing and Community Development Amendments of 1979 is amended—

42 USC 1437a note.
12 USC 1701s note.

(1) by striking out subsection (c) in section 202; and

(2) by striking out subsection (c) in section 203.

Rent payments, determination.
42 USC 1437a note.

(i)(1) In determining the rent to be paid by tenants who are occupying housing assisted under the authorities amended by this section on the effective date of this Act, the Secretary, notwithstanding any other provision of this section, may provide for delayed applicability, or for staged implementation, of the procedures for determining rent required by the provisions of subsections (a) through (h) of this section if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants. The Secretary shall provide that the amount of rent paid by any family shall not increase, as a result of the amendments made by this section and as a result of any other provision of Federal law redefining which governmental benefits are required to or may be considered as income, by more than 10 per centum during any 12-month period unless the increase above such 10 per centum is attributed solely to increases in income which are not caused by such amendments or by such redefinitions. The limitation contained in the preceding sentence shall remain in effect and may not be changed or superceded except by another provision of law which amends this subsection. Notwithstanding any other provision of this section, application of the procedures for determining rent contained in this section shall not result in a reduction in the amount of rent paid by any tenant below the amount paid by such tenant immediately preceding the effective date of this Act.

(2) Tenants of housing assisted under the provisions of law amended by this section whose occupancy begins after the effective date of this Act shall be subject to immediate rent payment determinations in accordance with the amendments contained in subsections (a) through (h), except that the Secretary may provide for delayed applicability, or for staged implementation, of these requirements for such tenants if the Secretary determines that immediate application of the requirements of this section would be impracticable, or that uniform procedures for assessing rents would significantly decrease administrative costs and burdens.

(3) The Secretary's actions and determinations and the procedures for making determinations pursuant to this subsection shall not be reviewable in any court. The provisions of subsections (a) through (h) shall be implemented and fully applicable to all affected tenants no later than five years following the date of enactment of this Act, except that the Secretary may extend the time for implementation if the Secretary determines that full implementation would result in extraordinary hardship for any class of tenants.

INCOME ELIGIBILITY

42 USC 1437 note.

SEC. 323. The United States Housing Act of 1937 is amended by adding at the end thereof the following:

"INCOME ELIGIBILITY FOR ASSISTED HOUSING

"SEC. 16. (a) Not more than 10 per centum of the dwelling units which were available for occupancy under public housing annual contributions contracts and section 8 housing assistance payments contracts under this Act before the effective date of the Housing and Community Development Amendments of 1981, and which will be leased on or after such effective date shall be available for leasing by lower income families other than very low-income families. 42 USC 1437n. *Ante*, p. 384.

"(b) Not more than 5 per centum of the dwelling units which become available for occupancy under public housing annual contributions contracts and section 8 housing assistance payments contracts under this Act on or after the effective date of the Housing and Community Development Amendments of 1981 shall be available for leasing by lower income families other than very low-income families.".

COST REDUCTION IN ASSISTED HOUSING

SEC. 324. Section 8 of the United States Housing Act of 1937 is amended— 42 USC 1437f.

(1) by inserting after the first sentence of subsection (b)(2) the following: "To increase housing opportunities for very low-income families, the Secretary shall assure that newly constructed housing to be assisted under this section is modest in design.";

(2) by adding at the end of subsection (c)(2) the following: Contract rents, increases, limitation.

"(D) Notwithstanding the foregoing, the Secretary shall limit increases in contract rents for newly constructed or substantially rehabilitated projects assisted under this section to the amount of operating cost increases incurred with respect to comparable rental dwelling units of various sizes and types in the same market area which are suitable for occupancy by families assisted under this section. Where no comparable dwelling units exist in the same market area, the Secretary shall have authority to approve such increases in accordance with the best available data regarding operating cost increases in rental dwelling units."; and

(3) by adding at the end thereof the following:

"(l) After selection of a proposal involving newly constructed or substantially rehabilitated units for assistance under this section, the Secretary shall limit cost and rent increases, except for adjustments in rent pursuant to section 8(c)(2), to those approved by the Secretary. The Secretary may approve those increases only for unforeseen factors beyond the owner's control, design changes required by the Secretary or the local government, or changes in financing approved by the Secretary.

"(m) For the purpose of achieving the lowest cost in providing units in newly constructed projects assisted under this section, the Secretary shall give a preference in entering into contracts under this section for projects which are to be located on specific tracts of land provided by States or units of local government if the Secretary determines that the tract of land is suitable for such housing, and that affording such preference will be cost effective.

"(n) In making assistance available under subsection (e)(5) and subsection (i), the Secretary may provide assistance with respect to residential properties in which some or all of the dwelling units do not contain bathroom or kitchen facilities, if—

"(1) the property is located in an area in which there is a significant demand for such units, as determined by the Secretary; and

"(2) the unit of general local government in which the property is located and the local public housing agency approve of such units being utilized for such purpose.

Waiver

The Secretary may waive, in appropriate cases, the limitation and preference described in the second and third sentences of section 3(b)(3) with respect to the assistance made available under this subsection.".

Ante, p. 400.

AID FOR ELIGIBLE FAMILIES

42 USC 1437f.

SEC. 325. Section 8 of the United States Housing Act of 1937 is amended—

(1) by adding at the end of subsection (b)(2) the following: "Each contract to make assistance payments for newly constructed or substantially rehabilitated housing assisted under this section entered into after the date of enactment of the Housing and Community Development Amendments of 1981 shall provide that during the term of the contract the owner shall make available for occupancy by families which are eligible for assistance under this section, at the time of their initial occupancy, the number of units for which assistance is committed under the contract."; and

Ante, p. 384.

(2) by inserting after "nonhandicapped persons" in the second sentence of subsection (c)(5) the following: "which are not subject to mortgages purchased under section 305 of the National Housing Act".

12 USC 1720.

MISCELLANEOUS HOUSING ASSISTANCE PROVISIONS

42 USC 1437f.

SEC. 326. (a) Section 8(c) of the United States Housing Act of 1937 is amended by adding at the end thereof the following:

"(8) Each contract under this section shall provide that the owner will notify tenants at least 90 days prior to the expiration of the contract of any rent increase which may occur as a result of the expiration of such contract.".

Survey.
42 USC 1437f note.

(b)(1) Within one year after the date of enactment of this Act, the Secretary of Housing and Urban Development shall conduct a survey to determine the number of projects which are assisted under section 8 of the United States Housing Act of 1937 and are owned by developers or sponsors with five-year annual contributions contracts who plan to withdraw from the section 8 program when their contracts expire and who will increase rents in those projects to levels that the current residents of those projects will not be able to afford. Where such survey indicates that an owner intends to withdraw from the program, the Secretary shall notify affected residents of possible rent increases.

Report to Congress.

(2) Not later than one year after the date of the enactment of this Act, the Secretary shall transmit to the Congress a report indicating alternative methods which may be utilized for recapturing the cost to the Federal Government of front-end investment in those units which are removed from the section 8 program.

Regulations.
42 USC 1437f note.

(c) The Secretary of Housing and Urban Development, after consultation with the Attorney General, shall develop regulations to prevent possible conflicts of interest on the part of Federal, State, and local government officials with regard to participation in projects assisted under section 8 of the United States Housing Act of 1937, and

shall make such regulations effective not later than 180 days after the date of enactment of this Act.

(d)(1) The Secretary of Housing and Urban Development shall permit public housing agencies to retain, out of judgments obtained by them in recovering amounts wrongfully paid as a result of fraud and abuse in the housing assistance program under section 8 of the United States Housing Act of 1937, an amount equal to the greater of (A) the legal expenses incurred in obtaining such judgments, or (B) 50 per centum of the amount actually collected on the judgments. 42 USC 1437f note. 42 USC 1437f.

(2) The Secretary of Housing and Urban Development shall include in the annual report under section 8 of the Department of Housing and Urban Development Act a summary of cases brought to its attention by public housing authorities for prosecution or civil action, and shall describe the handling of such cases by such authorities and by the Department of Housing and Urban Development and the resolution of such cases in the court system.

(e)(1) Section 8(d)(1)(B) of the United States Housing Act of 1937 is amended to read as follows:

"(B)(i) the lease between the tenant and the owner shall be for at least one year or the term of such contract, whichever is shorter, and shall contain other terms and conditions specified by the Secretary; and

"(ii) the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;".

(2) The amendment made by paragraph (1) shall apply with respect to leases entered into on or after October 1, 1981. 42 USC 1437f note.

RENT SUPPLEMENTS

SEC. 327. (a) Section 101(l) of the Housing and Urban Development Act of 1965 is amended to read as follows: 12 USC 1701s.

"(l) Notwithstanding the provisions of subsection (a) and any other provision of law, the Secretary may utilize additional authority under section 5(c) of the United States Housing Act of 1937 made available by appropriation Acts on or after October 1, 1979, to supplement assistance authority available under this section.". 94 Stat. 1624. 42 USC 1437c.

(b) The second sentence of section 101(d) of such Act is repealed.

SECTION 235 AMENDMENTS

SEC. 328. (a) Section 235(c)(2)(A) of the National Housing Act is amended by striking out "ceases for a period of 90 continuous days or more making payments required under the mortgage, loan, or advance of credit secured by such a property, or". 94 Stat. 1630. 12 USC 1715z.

(b) Section 235(h)(1) of such Act is amended by adding the following new sentences at the end thereof: "The Secretary shall not enter into new contracts for assistance payments under this section after March 31, 1982, except pursuant to a firm commitment issued on or before March 31, 1982, or pursuant to other commitments issued by the Secretary prior to June 30, 1981, reserving funds for housing to be assisted under this section where such housing is included in a project pursuant to section 119 of the Housing and Community Development Act of 1974. In no event may the Secretary enter into any new contract for assistance payments under this section after September 30, 1983.". 42 USC 5318.

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94 Stat. 1631.
12 USC 1715z.

(c) Section 235(q)(14) of such Act is amended by striking out "ceases for a period of 90 continuous days or more making payments on the mortgage, loan, or advance of credit secured by the property, or".

RESTRICTION ON USE OF ASSISTED HOUSING

94 Stat. 1637.
42 USC 1436a.

SEC. 329. (a) Section 214 of the Housing and Community Development Act of 1980 is amended to read as follows:

"RESTRICTION ON USE OF ASSISTED HOUSING

Resident aliens.

"SEC. 214. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may not make financial assistance available for the benefit of any alien unless that alien is a resident of the United States and is—

"(1) an alien lawfully admitted for permanent residence as an immigrant as defined by sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) and 8 U.S.C. 1101(a)(20)), excluding, among others, alien visitors, tourists, diplomats, and students who enter the United States temporarily with no intention of abandoning their residence in a foreign country;

"(2) an alien who entered the United States prior to June 30, 1948, or such subsequent date as is enacted by law, has continuously maintained his or her residence in the United States since then, and is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General pursuant to section 249 of the Immigration and Nationality Act (8 U.S.C. 1259);

"(3) an alien who is lawfully present in the United States pursuant to an admission under section 207 of the Immigration and Nationality Act (8 U.S.C. 1157) or pursuant to the granting of asylum (which has not been terminated) under section 208 of such Act (8 U.S.C. 1158);

94 Stat. 103.
94 Stat. 105.

"(4) an alien who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest pursuant to section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. 1182(d)(5)); or

94 Stat. 107.

"(5) an alien who is lawfully present in the United States as a result of the Attorney General's withholding deportation pursuant to section 243(h) of the Immigration and Nationality Act (8 U.S.C. 1253(h)).

94 Stat. 107.

"Financial assistance."
42 USC 1437 note.
12 USC 1715z, 1715z-1.
12 USC 1701s, 42 USC 1451.
42 USC 1436a note.
94 Stat. 107.

"(b) For purposes of this section the term 'financial assistance' means financial assistance made available pursuant to the United States Housing Act of 1937, section 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965.".

(b) An alien who is lawfully present in the United States as a result of being granted conditional entry pursuant to section 203(a)(7) of the Immigration and Nationalilty Act (8 U.S.C. 1153(a)(7)) before April 1, 1980, because of persecution or fear of persecution on account of race, religion, or political opinion or because of being uprooted by catastrophic natural calamity shall be deemed, for purposes of section 214 of the Housing and Community Development Act of 1980, to be an alien described in section 214(a)(3) of such Act.

Supra.

PAYMENT FOR DEVELOPMENT MANAGERS

SEC. 329A. The Secretary of Housing and Urban Development shall develop and implement a revised fee schedule for development managers of lower income housing projects assisted under the United States Housing Act of 1937 so that the percentage limitation applicable to fees chargeable in connection with smaller projects is increased to a minimum level which is practicable.

42 USC 1437j-1.

42 USC 1437 note.

REVIEW OF OPERATING SUBSIDY FORMULA

SEC. 329B. The Secretary of Housing and Urban Development shall review the administration of the operating subsidy program under section 9 of the United States Housing Act of 1937, including an examination of alternative methods for distributing operating subsidies which provide incentives for efficient management, full rent collection, and improved maintenance of projects developed under the United States Housing Act of 1937. Not later than March 1, 1982, the Secretary of Housing and Urban Development shall transmit a report to the Congress on the results of such review.

42 USC 1437g.

Report to Congress.

ENERGY EFFICIENCY EFFORTS

SEC. 329C. Section 201 of the Housing and Community Development Amendments of 1978 is amended—

12 USC 1715z-1a.

(1) in subsection (f)(1), by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

"(D) an amount determined by the Secretary to be necessary to carry out a plan to upgrade the project to meet cost-effective energy efficiency standards prescribed by the Secretary."; and

(2) by inserting after subsection (h) the following:

"(i) Notwithstanding any other provision of law, in exercising any authority relating to the approval or disapproval of rentals charged tenants residing in projects which are eligible for assistance under this section, the Secretary—

"(1) shall consider whether the mortgagor could control increases in utility costs by securing more favorable utility rates, by undertaking energy conservation measures which are financially feasible and cost effective, or by taking other financially feasible and cost-effective actions to increase energy efficiency or to reduce energy consumption; and

"(2) may, in his discretion, adjust the amount of a proposed rental increase where he finds the mortgagor could exercise such control.".

RECOGNITION OF KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

SEC. 329D. The Secretary of Housing and Urban Development shall permit the Kansas Department of Economic Development to participate as a public housing agency for the purposes of programs carried out under the United States Housing Act of 1937 and as a State agency for the purpose of section 883.203 of title 24 of the Code of Federal Regulations as in effect June 1, 1981.

42 USC 1437 note.

PURCHASE OF PHA OBLIGATIONS

12 USC 2294a.

SEC. 329E. In addition to any authority provided before October 1, 1981, the Secretary of Housing and Urban Development may, on and after October 1, 1981, enter into contracts for periodic payments to the Federal Financing Bank to offset the costs to the Bank of purchasing obligations (as described in the first sentence of section 16(b) of the Federal Financing Bank Act of 1973) issued by local public housing agencies for purposes of financing public housing projects authorized by section 5(c) of the United States Housing Act of 1937. Notwithstanding any other provision of law, such contracts may be entered into only to the extent approved in appropriation Acts, and the aggregate amount which may be obligated over the duration of such contracts may not exceed $400,000,000. There are hereby authorized to be appropriated any amounts necessary to provide for such payments. The authority to enter into contracts under this subsection shall be in lieu of any authority (except for authority provided specifically to the Secretary before October 1, 1981) of the Secretary to enter into contracts for such purposes under section 16(b) of the Federal Financing Bank Act of 1973.

12 USC 2294.

94 Stat. 1624.
42 USC 1437c.

TENANT PARTICIPATION

12 USC 1715z-1b.

SEC. 329F. Section 202(b)(1) of the Housing and Community Development Amendments of 1978 is amended by striking out "owner's action" and inserting in lieu thereof "owner's request for rent increase, conversion of residential rental units to any other use (including commercial use or use as a unit in any condominium or cooperative project), partial release of security, or major physical alterations".

FIRE SAFETY

94 Stat. 1625.
42 USC 1437l.

SEC. 329G. Section 14(i)(1) of the United States Housing Act of 1937 is amended by inserting the following before the period at the end of the first sentence thereof: ", especially emergency and special purpose needs which relate to fire safety standards".

SECTION 8 ASSISTANCE FOR MANUFACTURED HOMES

Contracts.
42 USC 1437f.

SEC. 329H. (a) Section 8(j) of the United States Housing Act of 1937 is amended to read as follows:

"(j)(1) The Secretary may enter into contracts to make assistance payments under this subsection to assist lower income families by making rental assistance payments on behalf of any such family which utilizes a manufactured home as its principal place of residence. Such payments may be made with respect to the rental of the real property on which there is located a manufactured home which is owned by any such family or with respect to the rental by such family of a manufactured home and the real property on which it is located. In carrying out this subsection, the Secretary may—

"(A) enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property, or

"(B) enter into such contracts directly with the owners of such real property.

Maximum monthly rent.

"(2)(A) A contract entered into pursuant to this paragraph shall establish the maximum monthly rent (including maintenance and management charges) which the owner is entitled to receive for the

space on which a manufactured home is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this paragraph.

"(B) The amount of any monthly assistance payment with respect to any family which rents real property which is assisted under this paragraph, and on which is located a manufactured home which is owned by such family shall be the difference between the rent the family is required to pay under section 3(a) of this Act and the sum of— 42 USC 1437a.

"(i) the monthly payment made by such family to amortize the cost of purchasing the manufactured home;

"(ii) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(iii) the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its manufactured home;

except that in no case may such assistance exceed the total amount of such maximum monthly rent.

"(3)(A) Contracts entered into pursuant to this paragraph shall establish the maximum monthly rent permitted with respect to the manufactured home and the real property on which it is located and with respect to which assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of a manufactured home and the real property on which it is located suitable for occupancy by families assisted under this paragraph, except that the maximum monthly rent may exceed the fair market rental by more than 10 but not more than 20 per centum where the Secretary determines that special circumstances warrant such higher maximum rent. Maximum monthly rent.

"(B) The amount of any monthly assistance payment with respect to any family which rents a manufactured home and the real property on which it is located and which is assisted under this paragraph shall be the difference between the rent the family is required to pay under section 3(a) of this Act and the sum of—

"(i) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(ii) the maximum monthly rent permitted with respect to the manufactured home and the real property on which it is located.

"(4) The provisions of subsection (c)(2) of this section shall apply to the adjustments of maximum monthly rents under this subsection.

"(5) Each contract entered into under this subsection shall be for a term of not less than one month and not more than 180 months, except that in any case in which the manufactured home park is substantially rehabilitated or newly constructed, such term may not be less than 240 months, nor more than the maximum term for a manufactured home loan permitted under section 2(b) of the National Housing Act. Contract terms.

Post, p. 414.

"(6) The Secretary may carry out this subsection without regard to whether the manufactured home park is existing, substantially rehabilitated, or newly constructed.

"(7) In the case of any substantially rehabilitated or newly constructed manufactured home park containing spaces with respect to which assistance is made under this subsection, the principal amount of the mortgage attributable to the rental spaces within the park may not exceed an amount established by the Secretary which is equal to or less than the limitation for manufactured home parks described in section 207(c)(3) of the National Housing Act, and the Secretary may increase such limitation in high cost areas in the manner described in such section.

Post, p. 416.

"(8) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this subsection and which are consistent with the purposes of this subsection.".

HOMEOWNERSHIP AND FIRE SAFETY STUDIES

SEC. 329I. (a)(1) The Secretary of Housing and Urban Development shall conduct a study of—

42 USC 1437f.

(A) the extent, if any, to which section 8(c)(7) of the United States Housing Act of 1937 has been utilized;

(B) the results of any such utilization;

(C) if such section has not been utilized or utilized only on a very restricted basis, the reasons why it has not been utilized more extensively; and

(D) different methods by which such section could be utilized for increasing homeownership opportunities for lower income families.

Recommendations, transmittal to Congress.

(2) As a result of such study, the Secretary shall, not later than January 1, 1982, transmit to the Congress recommendations regarding the establishment of a demonstration project in which the Secretary would use section 8(c)(7) of such Act for the purpose of increasing homeownership opportunities for lower income families. Such proposal shall include, but not be limited to, provisions for—

(A) targeting such project so that existing housing may be preserved to the maximum extent practicable; and

(B) recovering assistance in the case of resale of the property or in other appropriate cases.

Report to Congress.

(b) The Secretary shall conduct a study to the extent to which lower income housing projects do not meet applicable fire safety standards and report to the Congress with respect to such study not later than one year after the date of the enactment of this Act.

PART 3—PROGRAM AMENDMENTS AND EXTENSIONS

FEDERAL HOUSING ADMINISTRATION EXTENSIONS

94 Stat. 1638.
12 USC 1703.

SEC. 331. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1981" in the first sentence and inserting in lieu thereof "October 1, 1982".

12 USC 1715h.

(b) Section 217 of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

12 USC 1715*l*.

(c) Section 221(f) of such Act is amended by striking out "September 30, 1981" in the fifth sentence and inserting in lieu thereof "September 30, 1982".

12 USC 1715*z*.

(d)(1) Section 235(m) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(2) Section 235(q)(1) of such Act is amended by striking out "June 1, 1981," in the fourth sentence thereof and inserting in lieu thereof "September 30, 1982,". 94 Stat. 1631. 12 USC 1715z.

(e) Section 236(n) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982". 94 Stat. 1638. 12 USC 1715z-1.

(f) Section 244(d) of such Act is amended— 12 USC 1715z-9.

(1) by striking out "September 30, 1981" in the first sentence and inserting in lieu thereof "September 30, 1982"; and

(2) by striking out "October 1, 1981" in the second sentence and inserting in lieu thereof "October 1, 1982".

(g) Section 245(a) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982". 12 USC 1715z-10.

(h)(1) Section 809(f) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1982". 12 USC 1748h-1.

(2) Section 810(k) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1982". 94 Stat. 1639. 12 USC 1748h-2.

(i) Section 1002(a) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1982". 12 USC 1749bb.

(j) Section 1101(a) of such Act is amended by striking out "September 30, 1981" in the second sentence and inserting in lieu thereof "September 30, 1982". 12 USC 1749aaa.

FLEXIBLE INTEREST RATES

SEC. 332. Section 3(a)(1) of Public Law 90-301 is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1982". 94 Stat. 1639. 12 USC 1709-1.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SEC. 333. (a)(1) Section 305(c) of the Federal National Mortgage Association Charter Act is amended— 12 USC 1720.

(A) by striking out "and" after "1978,"; and

(B) by inserting the following before the period at the end thereof: ", and by $1,100,000,000 on October 1, 1981".

(2) Section 305 of such Act is amended by adding the following new subsection at the end thereof:

"(k) During fiscal year 1982, the Association may not enter into commitments to purchase under this section mortgages with an aggregate principal amount in excess of $1,973,000,000, except that the Association may not enter into commitments to purchase mortgages secured by projects which do not contain units assisted under section 8 of the United States Housing Act of 1937 with an aggregate principal amount in excess of $580,000,000.". Mortgage purchases. 42 USC 1437f.

(3) Section 306(g) of such Act is amended— 12 USC 1721.

(A) by inserting "(1)" after "(g)";

(B) by striking out "(1)" and "(2)" in the first sentence and inserting in lieu thereof "(i)" and "(ii)", respectively; and

(C) by adding the following new paragraph at the end thereof:

"(2) During fiscal year 1982, the Association may not enter into commitments to issue guarantees under this subsection in an aggregate amount in excess of $69,542,000,000.".

(b)(1) In entering into commitments to purchase below-market, tandem plan mortgages during the period beginning on the date of the enactment of this Act and ending October 1, 1982, under section 305 of the Federal National Mortgage Association Charter Act, the 12 USC 1720 note.

Government National Mortgage Association may enter into such commitments only with respect to multifamily projects for which firm commitments for mortgage insurance under title II of the National Housing Act have been issued.

12 USC 1707.

(2) The Secretary of Housing and Urban Development shall continue to process applications for mortgage insurance for multifamily projects under title II of the National Housing Act for a period of at least 90 days beginning on October 1, 1981.

GENERAL INSURANCE FUND

94 Stat. 1639.
12 USC 1735c.

SEC. 334. Section 519(f) of the National Housing Act is amended by inserting the following before the period at the end thereof: ", which amount shall be increased by $126,673,000 on October 1, 1981".

LIMITATION ON INSURANCE AUTHORITY

SEC. 335. Title V of the National Housing Act is amended by adding the following new section at the end thereof:

"LIMITATION ON INSURANCE AUTHORITY

12 USC 1735f-9.

"SEC. 531. During fiscal year 1982, the Secretary may not enter into commitments to insure under this Act loans and mortgages with an aggregate principal amount in excess of $41,000,000,000.".

HOUSING FOR THE ELDERLY

12 USC 1701q.

SEC. 336. Section 202(a)(4)(C) of the Housing Act of 1959 is amended by inserting the following before the period at the end of the second sentence: ", and not more than $850,848,000 may be approved in appropriation Acts for such loans with respect to fiscal year 1982".

RESEARCH AUTHORIZATIONS

94 Stat. 1639.
12 USC 1701z-1.

SEC. 337. The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by striking out "and not to exceed $51,000,000 for the fiscal year 1981" and inserting in lieu thereof "not to exceed $51,000,000 for the fiscal year 1981, and not to exceed $35,000,000 for the fiscal year 1982".

PROPERTY IMPROVEMENT AND MANUFACTURED HOME LOANS

Insurance to financial institutions.
12 USC 1703.

SEC. 338. (a) Section 2(b) of the National Housing Act is amended to read as follows:

"(b)(1) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it if the amount of such loan, advance of credit, or purchase exceeds—

"(A) $17,500 ($20,000 where financing the installation of a solar energy system is involved) if made for the purpose of financing alterations, repairs and improvements upon or in connection with existing single-family structures or manufactured homes;

"(B) $43,750 or an average amount of $8,750 per family unit ($50,000 and $10,000, respectively, where financing the installation of a solar energy system is involved) if made for the purpose of financing the alteration, repair, improvement, or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families;

"(C) $22,500 ($35,000 in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home;

"(D) $35,000 ($47,500 in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home and a suitably developed lot on which to place the home;

"(E) such an amount as may be necessary, but not exceeding $12,500, if made for the purpose of financing the purchase, by an owner of a manufactured home which is the principal residence of that owner, of a suitably developed lot on which to place that manufactured home, and if the owner certifies that he or she will place the manufactured home on the lot acquired with such loan within six months after the date of such loan;

"(F) $15,000 per family unit if made for the purpose of financing the preservation of an historic structure; and

"(G) such principal amount as the Secretary may prescribe if made for the purpose of financing fire safety equipment for a nursing home, extended health care facility, intermediate health care facility, or other comparable health care facility.

"(2) Because of prevailing higher costs, the Secretary may, by regulation, in Alaska, Guam, or Hawaii, increase any dollar amount limitation on manufactured homes or manufactured home lot loans contained in this subsection by not to exceed 40 per centum. In other areas where needed to meet higher costs of land acquisition, site development, and construction of a permanent foundation in connection with the purchase of a manufactured home or lot, the Secretary may, by regulation, increase any dollar amount limitation otherwise applicable by an additional $7,500.

"(3) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it if the term to maturity of such loan, advance of credit or purchase exceeds—

"(A) fifteen years and thirty-two days if made for the purpose of financing alterations, repairs, and improvements upon or in connection with an existing single-family structure or manufactured home;

"(B) fifteen years and thirty-two days if made for the purpose of financing the alteration, repair, improvement or conversion of an existing structure used or to be used as an apartment house or a dwelling for two or more families;

"(C) twenty years and thirty-two days (twenty-three years and thirty-two days in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home;

"(D) twenty years and thirty-two days (twenty-five years and thirty-two days in the case of a manufactured home composed of two or more modules) if made for the purpose of financing the purchase of a manufactured home and a suitably developed lot on which to place the home;

"(E) fifteen years and thirty-two days if made for the purpose of financing the purchase, by the owner of a manufactured home which is the principal residence of that owner, of a suitably developed lot on which to place that manufactured home;

"(F) fifteen years and thirty-two days if made for the purpose of financing the preservation of an historic structure;

"(G) such term to maturity as the Secretary may prescribe if made for the purpose of financing the construction of a new

structure for use in whole or in part for agricultural purposes; and

"(H) such term to maturity as the Secretary may prescribe if made for the purpose of financing fire safety equipment for a nursing home, extended health care facility, intermediate health care facility, or other comparable health care facility.

"(4) For the purpose of this subsection—

"(A) the term 'developed lot' includes an interest in a condominium project (including any interest in the common areas) or a share in a cooperative association;

"(B) a loan to finance the purchase of a manufactured home or a manufactured home and lot may also finance the purchase of a garage, patio, carport, or other comparable appurtenance; and

"(C) a loan to finance the purchase of a manufactured home or a manufactured home and lot shall be secured by a first lien upon such home or home and lot, its furnishings, equipment, accessories, and appurtenances.

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest and insurance premium charges not exceeding (A) an amount, with respect to so much of the net proceeds thereof as does not exceed $2,500, equivalent to $5.50 discount per $100 of original face amount of a one-year note payable in equal monthly installments, plus (B) an amount, with respect to any portion of the net proceeds thereof in excess of $2,500, equivalent to $4.50 discount per $100 of original face amount of such note. The amounts referred to in clauses (A) and (B) of the preceding sentence, when correctly based on tables of calculations issued by the Secretary or adjusted to eliminate minor errors in computation in accordance with requirements of the Secretary, shall be deemed to comply with such sentence.

Refinancing.

"(6)(A) Any obligation with respect to which insurance is granted under this section may be refinanced and extended in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an additional amount or term in excess of any applicable maximum provided for in this subsection.

"(B) The owner of a manufactured home lot purchased without assistance under this section but otherwise meeting the requirements of this section may refinance such lot under this section in connection with the purchase of a manufactured home if the borrower certifies that the home and lot is or will be his or her principal residence within six months after the date of the loan.".

94 Stat. 1641.
12 USC 1713.

(b) Section 207(c)(3) of the National Housing Act is amended by striking out "$8,000" and inserting in lieu thereof "$9,000".

MORTGAGE INSURANCE FOR CONDOMINIUMS

12 USC 1715y.

SEC. 339. (a) The first sentence of section 234(b) of the National Housing Act is amended by inserting ", including a project in which the dwelling units are attached, semi-attached, or detached," after "multifamily project".

HOUSING COUNSELING

SEC. 339A. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended by inserting the following before the period at the end of the first sentence: "; except that for the fiscal year 1982, there are authorized to be appropriated not to exceed $4,000,000 for such purposes". 12 USC 1701x.

TECHNICAL AMENDMENTS

SEC. 339B. (a) The last sentence of section 207(c)(3), section 213(p), the last proviso in section 220(d)(3)(B)(iii), section 221(k), the proviso in section 231(c)(2), and section 234(j) of the National Housing Act are amended— 12 USC 1713, 1715e, 1715k, 1715*l*, 1715v, 1715y.

(1) by inserting "therein" immediately after "installation" wherever it appears; and

(2) by striking out "therein" before the punctuation at the end thereof.

(b) Section 223(f) of such Act is amended— 94 Stat. 1650. 12 USC 1715n.

(1) by inserting "and" immediately after the semicolon at the end of paragraph (2)(A); and

(2) by redesignating paragraph (5) as paragraph (4).

(c) For purposes of paragraphs (1) and (4) of section 308(c) of the Housing and Community Development Act of 1980, the term "mobile home" and the term "manufactured home" shall be deemed to include the term "mobile homes" and the term "manufactured homes", respectively. Definitions. 94 Stat. 1640. 12 USC 1701 *et seq.*, 5401 *et seq.*

(d)(1) The material preceding the proviso in clause (2) of the first sentence of section 234(c) of the National Housing Act is amended to read as follows: "(2) the project is or has been covered by a mortgage insured under any section (except section 213(a) (1) and (2)) of this Act or the project was approved for a guarantee, insurance, or a direct loan under chapter 37 of title 38, United States Code, notwithstanding any requirements in any such section that the project be constructed or rehabilitated for the purpose of providing rental housing:". 12 USC 1715y. 12 USC 1715e. 38 USC 1801 *et seq.*

(2) Section 318 of the Housing and Community Development Act of 1980 is repealed. Repeal. 94 Stat. 1646.

LOWER COST TECHNOLOGY

SEC. 339C. The Secretary of Housing and Urban Development is authorized to develop and implement a demonstration program utilizing lower cost building technology for projects located on inner-city vacant land. 12 USC 1701z-14.

REDUCTION OF 1981 AUTHORITY

SEC. 339D. (a) Notwithstanding any other provision of law, the authorizations for appropriations for programs and activities administered by the Secretary for Housing and Urban Development in fiscal year 1981 are reduced by $5,359,000,000.

(b) This section takes effect upon the date of enactment of this Act. Effective date.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 339E. (a) Section 809(h) of the Housing and Community Development Act of 1974 is amended by striking out "through 1982 (with" and inserting in lieu thereof "through 1984 (with not more than $500,000 to be appropriated for each of the fiscal years 1982, 1983, and 1984 and with". 12 USC 1701j-2.

12 USC 1701j-2.

(b) Section 809(c)(4) of such Act is amended by inserting the following before the period at the end thereof: "; except that, notwithstanding any such rules and procedures as may be adopted by the Institute, the President of the United States, by and with the advice and consent of the Senate, shall appoint, as representative of the public interest, two of the members of the Board of Directors selected each year for terms commencing in that year".

NEW COMMUNITIES

42 USC 4518.

SEC. 339F. Section 717(b) of the National Urban Policy and New Community Development Act of 1970 is amended by adding the following new sentence at the end thereof: "With respect to fiscal year 1982, the Secretary may not issue obligations under this section in an aggregate amount in excess of $33,250,000.".

PURCHASER-BROKER ARRANGEMENT

SEC. 339G. Title V of the National Housing Act is amended by adding the following new section at the end thereof:

"PURCHASER-BROKER ARRANGEMENT

12 USC 1735f-10.
12 USC 1707.

"SEC. 532. In carrying out the provisions of title II of this Act with respect to insuring mortgages secured by a one- to four-family residence, the Secretary may not exclude from the principal amount which may be insured under such title any sum solely on the basis that such sum is to be paid by the purchaser to a broker who has been the purchaser's agent in the purchase of the residence, but the principal amount of the mortgage, when such sum is added, shall not exceed the limitation as to maximum mortgage amount provided in title II.".

MORTGAGE INSURANCE FOR HOSPITALS

12 USC 1715z-7.

SEC. 339H. Section 242(d)(5) of the National Housing Act is amended by adding at the end thereof the following: "This paragraph shall not limit the authority of the Secretary to approve a mortgage increase on any mortgage eligible for insurance under this paragraph at any time prior to final endorsement of the loan for insurance; except that such mortgage increase may not be approved for the cost of constructing any improvements not included in the original plans and specifications approved by the Department of Health and Human Services unless approved by the Secretary of Housing and Urban Development and by the Secretary of Health and Human Services.".

PART 4—FLOOD, CRIME, AND RIOT INSURANCE

FLOOD INSURANCE

94 Stat. 1639.
42 USC 4127.

SEC. 341. (a) Section 1376(c) of the National Flood Insurance Act of 1968 is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting the following before the period at the end thereof ", and not to exceed $42,600,000 for the fiscal year 1982".

42 USC 4026.

(b)(1) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(2) Section 1336(a) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982". 42 USC 4056.

(c)(1) Section 1310(a) of such Act is amended by inserting "as described in subsection (f)" after "which shall be available". 42 USC 4017.

(2) Section 1310 of such Act is amended by adding the following new subsection at the end thereof:

"(f) The fund shall be available, with respect to any fiscal year beginning on or after October 1, 1981, only to the extent approved in appropriation Acts; except that the fund shall be available for the purpose described in subsection (d)(1) without such approval.".

(d)(1) Chapter I of such Act is amended by adding the following new section at the end thereof:

"UNDEVELOPED COASTAL BARRIERS

"SEC. 1321. (a) No new flood insurance coverage shall be provided under this title on or after October 1, 1983, for any new construction or substantial improvements of structures located on undeveloped coastal barriers which shall be designated by the Secretary of the Interior. 42 USC 4028.

"(b) For purposes of this section—

"(1) the term 'coastal barrier' means— "Coastal barrier."

"(A) a depositional geologic feature (such as a bay barrier, tombolo, barrier spit, or barrier island) which—

"(i) consists of unconsolidated sedimentary materials,

"(ii) is subject to wave, tidal, and wind energies, and

"(iii) protects landward aquatic habitats from direct wave attack; and

"(B) all associated aquatic habitats including the adjacent wetlands, marshes, estuaries, inlets, and nearshore waters;

"(2) a coastal barrier or any portion thereof shall be treated as an undeveloped coastal barrier for purposes of subsection (a) only if there are few manmade structures on the barrier or portion thereof and these structures and man's activities on the barrier do not significantly impede geomorphic and ecological processes; and

"(3) a coastal barrier which is included within the boundaries of an area established under Federal, State, or local law, or held by a qualified organization as defined in section 170(h)(3) of the Internal Revenue Code of 1954, primarily for wildlife refuge, sanctuary, recreational, or natural resource conservation purposes shall not be designated as an undeveloped coastal barrier for purposes of subsection (a). 26 USC 170.

"(c) A federally insured financial institution may make loans secured by structures which are not eligible for flood insurance under this title by reason of subsection (a).".

(2) The Secretary of the Interior shall conduct a study for the purpose of designating the undeveloped coastal barriers which will be affected by the amendment made by paragraph (1). Not later than one year after the date of enactment of this Act, the Secretary shall transmit to the Congress a report of the findings and conclusions of such study together with a proposed designation of the undeveloped coastal barriers and any recommendation regarding the definition of the term "coastal barrier" as enacted by such amendment. Study. 42 USC 4028 note. Report to Congress.

(e) Section 1345 of such Act is amended by adding at the end thereof the following: 42 USC 4081.

"(c) The Director of the Federal Emergency Management Agency shall hold any agent or broker selling or undertaking to sell flood

insurance under this title harmless from any judgment for damages against such agent or broker as a result of any court action by a policyholder or applicant arising out of an error or omission on the part of the Federal Emergency Management Agency, and shall provide any such agent or broker with indemnification, including court costs and reasonable attorney fees, arising out of and caused by an error or omission on the part of the Federal Emergency Management Agency and its contractors. The Director of the Federal Emergency Management Agency may not hold harmless or indemnify an agent or broker for his or her error or omission.".

CRIME AND RIOT INSURANCE

12 USC 1749bbb.

SEC. 342. (a) Section 1201(b) of the National Housing Act is amended—

(1) by striking out "September 30, 1981" in paragraph (1) and inserting in lieu thereof "September 30, 1982"; and

(2) by striking out "September 30, 1984" in paragraph (1)(A) and inserting in lieu thereof "September 30, 1985".

12 USC 1749bbb-3.

(b) Section 1211(b) of the National Housing Act is amended—

(1) by inserting "and" at the end of paragraph (9);

(2) by striking out "; and" at the end of paragraph (10) and inserting in lieu thereof a period; and

(3) by striking out paragraph (11).

PART 5—RURAL HOUSING

AUTHORIZATIONS

94 Stat. 1667.
42 USC 1483.

SEC. 351. (a) Section 513 of the Housing Act of 1949 is amended—

(1) by striking out "not to exceed $3,797,600,000 with respect to the fiscal year ending September 30, 1981" in subsection (a) and inserting in lieu thereof "not to exceed $3,700,600,000 with respect to the fiscal year ending September 30, 1982";

(2) by striking out "not less than $3,120,000,000" in subsection (a)(1) and inserting in lieu thereof "not less than $3,170,000,000";

(3) by striking out "not more than $100,000,000" in subsection (a)(4) and inserting in lieu thereof "none";

(4) by striking out subsection (b)(2) and inserting in lieu thereof the following:

"(2) not to exceed $50,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1982, of which not more than $25,000,000 shall be available for grants;";

42 USC 1474.

(5) by striking out subsection (b)(3) and inserting in lieu thereof the following:

"(3) not to exceed $25,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1982;";

42 USC 1486.

(6) by striking out "September 30, 1981" in subsection (b)(4) and inserting in lieu thereof "September 30, 1982"; and

(7) by striking out "and" at the end of subsection (b)(4), by striking out the period at the end of subsection (b)(5) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

42 USC 1479.

"(6) not to exceed $2,000,000 for the purposes of section 509(c) for the fiscal year ending September 30, 1982.".

94 Stat. 1668.
42 USC 1485.

(b) Section 515(b)(5) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(c) Section 517(a)(1) of such Act is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982". 94 Stat. 1668. 42 USC 1487.

(d) Section 521(a)(2)(D) of such Act is amended— 94 Stat. 1668. 42 USC 1490a.

(1) by striking "$493,000,000" and inserting in lieu thereof "$398,000,000"; and

(2) by striking out "1981, except that" and all that follows through the period at the end thereof and inserting in lieu thereof "1982.".

(e) Section 523 of such Act is amended— 94 Stat. 1668. 42 USC 1490c.

(1) by striking out "September 30, 1981" each place it appears in subsection (f) and inserting in lieu thereof "September 30, 1982";

(2) by striking out "not to exceed $2,500,000 for fiscal year 1981" in the first sentence of subsection (g) and inserting in lieu thereof "not to exceed $3,000,000 for fiscal year 1982";

(3) by inserting the following after "shall be available" in the second sentence of subsection (g): ", to the extent approved in appropriation Acts,"; and

(4) by inserting the following before the period at the end of the second sentence of subsection (g): "; except that not more than $5,000,000 may be made available during fiscal year 1982".

INTEREST SUBSIDY PROGRAM

SEC. 352. Section 521(a)(1)(B) of the Housing Act of 1949 is amended by striking out "shall" and inserting in lieu thereof "may". 94 Stat. 1669. 42 USC 1490a.

REPORTS

SEC. 353. The Secretary of Agriculture shall transmit a report to the Congress not later than March 1, 1982, setting forth— Transmittal to Congress.

(1) various options for presenting the budget of the Farmers Home Administration and alternatives to the use of Federal Financing Bank financing for rural housing programs;

(2) workable definitions of "low income" which will target Farmers Home Administration housing assistance programs to a population substantially equivalent to the population served by the Department of Housing and Urban Development's assisted housing programs;

(3) the effect of a requirement that 30 per centum of assistance provided by the Farmers Home Administration be provided to families with incomes at 50 per centum of area median income and recommendations for contribution requirements which will achieve equity with the contribution requirements of the Department of Housing and Urban Development's assisted housing programs;

(4) recommendations for ensuring that subsidy levels for assisted families are minimized and that assisted families with similar circumstances in different regions of the country are treated equally; and

(5) the Farmers Home Administration's efforts to minimize the cost of housing subsidized under its programs and the Farmers Home Administration's use of existing lower cost housing technology.

Multifamily Mortgage Foreclosure Act of 1981.

PART 6—MULTIFAMILY MORTGAGE FORECLOSURE

SHORT TITLE

12 USC 3701 note.

SEC. 361. This part may be cited as the "Multifamily Mortgage Foreclosure Act of 1981".

FINDINGS AND PURPOSE

12 USC 3701.

SEC. 362. (a) The Congress finds that—

(1) disparate State laws under which the Secretary of Housing and Urban Development forecloses real estate mortgages which the Secretary holds pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964 covering multiunit residential and nonresidential properties burden the programs administered by the Secretary pursuant to these authorities, and cause detriment to the residents of the affected projects and the community generally;

12 USC 1707.
42 USC 1452b.

(2) long periods to complete the foreclosure of these mortgages under certain State laws lead to deterioration in the condition of the properties involved; necessitate substantial Federal management and holding expenditures; increase the risk of vandalism, fire loss, depreciation, damage, and waste with respect to the properties; and adversely affect the residents of the projects and the neighborhoods in which the properties are located;

(3) these conditions seriously impair the Secretary's ability to protect the Federal financial interest in the affected properties and frustrate attainment of the objectives of the underlying Federal program authorities, as well as the national housing goal of "a decent home and a suitable living environment for every American family";

(4) application of State redemption periods to these mortgages following their foreclosure would impair the salability of the properties involved and discourage their rehabilitation and improvement, thereby compounding the problems referred to in clause (3);

(5) the availability of a uniform and more expeditious procedure for the foreclosure of these mortgages by the Secretary and continuation of the practice of not applying postsale redemption periods to such mortgages will tend to ameliorate these conditions; and

(6) providing the Secretary with a nonjudicial foreclosure procedure will reduce unnecessary litigation by removing many foreclosures from the courts where they contribute to overcrowded calendars.

(b) The purpose of this part is to create a uniform Federal foreclosure remedy for multiunit residential and nonresidential mortgages held by the Secretary of Housing and Urban Development pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964.

DEFINITIONS

12 USC 3702.

SEC. 363. As used in this part—

(1) "mortgage" means a deed of trust, mortgage, deed to secure debt, security agreement, or any other form of instrument under which any interest in property, real, personal or mixed, or any interest in property including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, is

conveyed in trust, mortgaged, encumbered, pledged, or otherwise rendered subject to a lien, for the purpose of securing the payment of money or the performance of an obligation;

(2) "multifamily mortgage" means a mortgage held by the Secretary pursuant to title II of the National Housing Act or section 312 of the Housing Act of 1964 covering any property, except a property on which there is located a one- to four-family residence; 12 USC 1707. 42 USC 1452b.

(3) "mortgage agreement" means the note or debt instrument and the mortgage instrument, deed of trust instrument, trust deed, or instrument or instruments creating the mortgage, including any instrument incorporated by reference therein (including any applicable regulatory agreement), and any instrument or agreement amending or modifying any of the foregoing;

(4) "mortgagor" means the obligor, grantor, or trustor named in the mortgage agreement and, unless the context otherwise indicates, includes the current owner of record of the security property whether or not personally liable on the mortgage debt;

(5) "person" includes any individual, group of individuals, association, partnership, corporation, or organization;

(6) "record" and "recorded" include "register" and "registered" in the instance of registered land;

(7) "security property" means the property, real, personal or mixed, or an interest in property, including leaseholds, life estates, reversionary interests, and any other estates under applicable State law, together with fixtures and other interests subject to the lien of the mortgage under applicable State law;

(8) "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands, and Indian tribes as defined by the Secretary;

(9) "county" means county as defined in section 2 of title I, United States Code; and 1 USC 2.

(10) "Secretary" means the Secretary of Housing and Urban Development.

APPLICABILITY

SEC. 364. Multifamily mortgages held by the Secretary encumbering real estate located in any State may be foreclosed by the Secretary in accordance with this part, or pursuant to other foreclosure procedures available, at the option of the Secretary. 12 USC 3703.

DESIGNATION OF FORECLOSURE COMMISSIONER

SEC. 365. A foreclosure commissioner or commissioners designated pursuant to this part shall have a nonjudicial power of sale as provided in this part. Where the Secretary is the holder of a multifamily mortgage, the Secretary may designate a foreclosure commissioner and, with or without cause, may designate a substitute foreclosure commissioner to replace a previously designated foreclosure commissioner, by executing a duly acknowledged, written designation stating the name and business or residential address of the commissioner or substitute commissioner. The designation shall be effective upon execution. Except as provided in section 368(b), a copy of the designation shall be mailed with each copy of the notice of default and foreclosure sale served by mail in accordance with section 369(1). The foreclosure commissioner, if a natural person, shall be a resident of the State in which the security property is located and, if 12 USC 3704.

not a natural person, the foreclosure commissioner must be duly authorized to transact business under the laws of the State in which the security property is located. The foreclosure commissioner shall be a person who is responsible, financially sound and competent to conduct the foreclosure. More than one foreclosure commissioner may be designated. If a natural person is designated as foreclosure commissioner or substitute foreclosure commissioner, such person shall be designated by name, except that where such person is designated in his or her capacity as an official or employee of the government of the State or subdivision thereof in which the security property is located, such person may be designated by his or her unique title or position instead of by name. The Secretary shall be a guarantor of payment of any judgment against the foreclosure commissioner for damages based upon the commissioner's failure properly to perform the commissioner's duties. As between the Secretary and the mortgagor, the Secretary shall bear the risk of any financial default by the foreclosure commissioner. In the event that the Secretary makes any payment pursuant to the preceding two sentences, the Secretary shall be fully subrogated to the rights satisfied by such payment.

PREREQUISITES TO FORECLOSURE

12 USC 3705.

SEC. 366. Foreclosure by the Secretary under this part of a multifamily mortgage may be commenced, as provided in section 368, upon the breach of a covenant or condition in the mortgage agreement for which foreclosure is authorized under the mortgage, except that no such foreclosure may be commenced unless any previously pending proceeding, judicial or nonjudicial, separately instituted by the Secretary to foreclose the mortgage other than under this part has been withdrawn, dismissed, or otherwise terminated. No such separately instituted foreclosure proceeding on the mortgage shall be instituted by the Secretary during the pendency of foreclosure pursuant to this part. Nothing in this part shall preclude the Secretary from enforcing any right, other than foreclosure, under applicable State law, including any right to obtain a monetary judgment. Nothing in this part shall preclude the Secretary from foreclosing under this part where the Secretary has obtained or is seeking any other remedy available pursuant to Federal or State law or under the mortgage agreement, including, but not limited to, the appointment of a receiver, mortgagee-in-possession status or relief under an assignment of rents.

NOTICE OF DEFAULT AND FORECLOSURE SALE

12 USC 3706.

SEC. 367. (a) The notice of default and foreclosure sale to be served in accordance with this part shall be subscribed with the name and address of the foreclosure commissioner and the date on which subscribed, and shall set forth the following information:

(1) the names of the Secretary, the original mortgagee and the original mortgagor;

(2) the street address or a description of the location of the security property, and a description of the security property, or so much thereof as is to be offered for sale, sufficient to identify the property to be sold;

(3) the date of the mortgage, the office in which the mortgage is recorded, and the liber and folio or other description of the location of recordation of the mortgage;

(4) the failure to make payment, including the due date of the earliest installment payment remaining wholly unpaid as of the date the notice is subscribed, or the description of other default or defaults upon which foreclosure is based, and the acceleration of the secured indebtedness;

(5) the date, time, and place of the foreclosure sale;

(6) a statement that the foreclosure is being conducted pursuant to this part;

(7) the types of costs, if any, to be paid by the purchaser upon transfer of title; and

(8) the amount and method of deposit to be required at the foreclosure sale (except that no deposit shall be required of the Secretary), the time and method of payment of the balance of the foreclosure purchase price and other appropriate terms of sale.

(b)(1) Except as provided in paragraph (2)(A), the Secretary may require, as a condition and term of sale, that the purchaser at a foreclosure sale under this part agree to continue to operate the security property in accordance with the terms, as appropriate, of the loan program under section 312 of the Housing Act of 1964, the program under which insurance under title II of the National Housing Act was originally provided with respect to such property, or any applicable regulatory or other agreement in effect with respect to such property immediately prior to the time of foreclosure sale.

42 USC 1452b.

12 USC 1707.

(2)(A) In any case where the majority of the residential units in a property subject to such a sale are occupied by residential tenants at the time of the sale, the Secretary shall require, as a condition and term of sale, any purchaser (other than the Secretary) to operate the property in accordance with such terms, as appropriate, of the programs referred to in paragraph (1).

(B) In any case where the Secretary is the purchaser of a multifamily project, the Secretary shall manage and dispose of such project in accordance with the provisions of section 203 of the Housing and Community Development Amendments of 1978.

12 USC 1715z-11.

COMMENCEMENT OF FORECLOSURE

SEC. 368. (a) If the Secretary as holder of a multifamily mortgage determines that the prerequisites to foreclosure set forth in section 366 are satisfied, the Secretary may request the foreclosure commissioner to commence foreclosure of the mortgage. Upon such request, the foreclosure commissioner shall commence foreclosure of the mortgage, by commencing service of a notice of default and foreclosure sale in accordance with section 369.

12 USC 3707.

(b) Subsequent to commencement of a foreclosure under this part, the Secretary may designate a substitute foreclosure commissioner at any time up to forty-eight hours prior to the time of foreclosure sale, and the foreclosure shall continue without prejudice, unless the substitute commissioner, in his or her sole discretion, finds that continuation of the foreclosure sale will unfairly affect the interests of the mortgagor. In the event that the substitute commissioner makes such a finding, the substitute commissioner shall cancel the foreclosure sale, or adjourn such sale in the manner provided in section 369B(c). Upon designation of a substitute foreclosure commissioner, a copy of the written notice of such designation referred to in section 365 shall be served upon the persons set forth in section 369(1) of this part (1) by mail as provided in such section 369 (except that the minimum time periods between mailing and the date of foreclosure sale prescribed in such section shall not apply to notice by mail

pursuant to this subsection), or (2) in any other manner, which in the substitute commissioner's sole discretion, is conducive to achieving timely notice of such substitution. In the event a substitute foreclosure commissioner is designated less than forty-eight hours prior to the time of the foreclosure sale, the pending foreclosure shall be terminated and a new foreclosure shall be commenced by commencing service of a new notice of default and foreclosure sale.

SERVICE OF NOTICE OF DEFAULT AND FORECLOSURE SALE

12 USC 3708.

SEC. 369. The foreclosure commissioner shall serve the notice of default and foreclosure sale provided for in section 367 upon the following persons and in the following manner, and no additional notice shall be required to be served notwithstanding any notice requirements of any State or local law—

(1) NOTICE BY MAIL.—The notice of default and foreclosure sale, together with the designation required by section 365, shall be sent by certified or registered mail, postage prepaid and return receipt requested, to the following persons:

(A) the current security property owner of record, as the record exists forty-five days prior to the date originally set for foreclosure sale, whether or not the notice describes a sale adjourned as provided in this part;

(B) the original mortgagor and all subsequent mortgagors of record or other persons who appear of record or in the mortgage agreement to be liable for part or all of the mortgage debt, as the record exists forty-five days prior to the date originally set for foreclosure sale, whether or not the notice describes a sale adjourned as provided in this part, except any such mortgagors or persons who have been released; and

(C) all persons holding liens of record upon the security property, as the record exists forty-five days prior to the date originally set for foreclosure sale, whether or not the notice describes a sale adjourned as provided in this part.

Notice under clauses (A) and (B) of this paragraph shall be mailed at least twenty-one days prior to the date of foreclosure sale, and shall be mailed to the owner or mortgagor at the address stated in the mortgage agreement, or, if none, to the address of the security property, or, at the discretion of the foreclosure commissioner, to any other address believed to be that of such owner or mortgagor. Notice under clause (C) of this paragraph shall be mailed at least ten days prior to the date of foreclosure sale, and shall be mailed to each such lienholder's address as stated of record or, at the discretion of the foreclosure commissioner, to any other address believed to be that of such lienholder. Notice by mail pursuant to this subsection or section 368(b) of this part shall be deemed duly given upon mailing, whether or not received by the addressee and whether or not a return receipt is received or the letter is returned.

(2) PUBLICATION.—A copy of the notice of default and foreclosure sale shall be published, as provided herein, once a week during three successive calendar weeks, and the date of last publication shall be not less than four nor more than twelve days prior to the sale date. The information included in the notice of default and foreclosure sale pursuant to section 367(a)(4) may be omitted, in the foreclosure commissioner's discretion, from the published notice. Such publication shall be in a newspaper or

Newspaper notice.

newspapers having general circulation in the county or counties in which the security property being sold is located. To the extent practicable, the newspaper or newspapers chosen shall be a newspaper or newspapers, if any is available, having circulation conducive to achieving notice of foreclosure by publication. Should there be no newspaper published at least weekly which has a general circulation in one of the counties in which the security property being sold is located, copies of the notice of default and foreclosure sale shall be posted in at least three public places in each such county at least twenty-one days prior to the date of sale.

Posting in public place.

(3) POSTING.—A copy of the notice of default and foreclosure sale shall be posted in a prominent place at or on the real property to be sold at least seven days prior to the foreclosure sale, and entry upon the premises for this purpose shall be privileged as against all persons. If the property consists of two or more noncontiguous parcels of land, a copy of the notice of default and foreclosure sale shall be posted in a prominent place on each such parcel. If the security property consists of two or more separate buildings, a copy of the notice of default and foreclosure sale shall be posted in a prominent place on each such building. Posting at or on the premises shall not be required where the foreclosure commissioner, in the commissioner's sole discretion, finds that the act of posting will likely cause a breach of the peace or that posting may result in an increased risk of vandalism or damage to the property.

PRESALE REINSTATEMENT

SEC. 369A. (a) Except as provided in sections 368(b) and 369B(c), the foreclosure commissioner shall withdraw the security property from foreclosure and cancel the foreclosure sale only if—

Sale cancellation conditions. 12 USC 3709.

(1) the Secretary so directs the commissioner prior to or at the time of sale;

(2) the commissioner finds, upon application of the mortgagor at least three days prior to the date of sale, that the default or defaults upon which the foreclosure is based did not exist at the time of service of the notice of default and foreclosure sale; or

(3)(A) in the case of a foreclosure involving a monetary default, there is tendered to the foreclosure commissioner before public auction is completed the entire amount of principal and interest which would be due if payments under the mortgage had not been accelerated; (B) in the case of a foreclosure involving a nonmonetary default, the foreclosure commissioner, upon application of the mortgagor before the date of foreclosure sale, finds that such default is cured; and (C) there is tendered to the foreclosure commissioner before public auction is completed all amounts due under the mortgage agreement (excluding additional amounts which would have been due if mortgage payments had been accelerated), all amounts of expenditures secured by the mortgage and all costs of foreclosure incurred for which payment from the proceeds of foreclosure is provided in section 369C, except that the Secretary shall have discretion to refuse to cancel a foreclosure pursuant to this paragraph (3) if the current mortgagor or owner of record has on one or more previous occasions caused a foreclosure of the mortgage, commenced pursuant to this part or otherwise, to be canceled by curing a default.

(b) Prior to withdrawing the security property from foreclosure in the circumstances described in subsection (a)(2) or (a)(3), the foreclosure commissioner shall afford the Secretary a reasonable opportunity to demonstrate why the security property should not be so withdrawn.

(c) In any case in which a foreclosure commenced under this part is canceled, the mortgage shall continue in effect as though acceleration had not occurred.

(d) If the foreclosure commissioner cancels a foreclosure sale under this part a new foreclosure may be subsequently commenced as provided in this part.

CONDUCT OF SALE; ADJOURNMENT

12 USC 3710.

SEC. 369B. (a) The date of foreclosure sale set forth in the notice of default and foreclosure sale shall not be prior to thirty days after the due date of the earliest installment wholly unpaid or the earliest occurrence of any uncured nonmonetary default upon which foreclosure is based. Foreclosure sale pursuant to this part shall be at public auction, and shall be scheduled to begin between the hours of 9 o'clock ante meridian and 4 o'clock post meridian local time on a day other than Sunday or a public holiday as defined by section 6103(a) of title 5, United States Code, or State law. The foreclosure sale shall be held at a location specified in the notice of default and foreclosure sale, which shall be a location where foreclosure real estate auctions are customarily held in the county or one of the counties in which the property to be sold is located, or at a courthouse therein, or at or on the property to be sold. Sale of security property situated in two or more counties may be held in any one of the counties in which any part of the security property is situated.

Public auction.

(b) The foreclosure commissioner shall conduct the foreclosure sale in accordance with the provisions of this part and in a manner fair to both the mortgagor and the Secretary. The foreclosure commissioner shall attend the foreclosure sale in person, or, if there are two or more commissioners, at least one shall attend the foreclosure sale. In the event that no foreclosure commissioner is a natural person, the foreclosure commissioner shall cause its duly authorized employee to attend the foreclosure sale to act on its behalf. Written one-price sealed bids shall be accepted by the foreclosure commissioner from the Secretary and other persons for entry by announcement by the commissioner at the sale. The Secretary and any other person may bid at the foreclosure sale, including the Secretary or any other person who has submitted a written one-price bid, except that the foreclosure commissioner or any relative, related business entity or employee of such commissioner or entity shall not be permitted to bid in any manner on the security property subject to foreclosure sale. The foreclosure commissioner may serve as auctioneer, or, in accordance with regulations of the Secretary, may employ an auctioneer to be paid from the commission provided for in section 369C(5).

Written one-price sealed bids.

(c) The foreclosure commissioner shall have discretion, prior to or at the time of sale, to adjourn or cancel the foreclosure sale if the commissioner determines, in the commissioner's sole discretion, that circumstances are not conducive to a sale which is fair to the mortgagor and the Secretary or that additional time is necessary to determine whether the security property should be withdrawn from foreclosure as provided in section 369A. The foreclosure commissioner may adjourn a sale to a later hour the same day without the giving of further notice, or may adjourn the foreclosure sale for not

less than nine nor more than twenty-four days, in which case the commissioner shall serve a notice of default and foreclosure sale revised to recite that the foreclosure sale has been adjourned to a specified date and to include any corrections the foreclosure commissioner deems appropriate. Such notice shall be served by publication, mailing and posting in accordance with section 369, except that publication may be made on any of three separate days prior to the revised date of foreclosure sale, and mailing may be made at any time at least seven days prior to the date to which the foreclosure sale has been adjourned.

FORECLOSURE COSTS

SEC. 369C. The following foreclosure costs shall be paid from the sale proceeds prior to satisfaction of any other claim to such sale proceeds: 12 USC 3711.

(1) necessary advertising costs and postage incurred in giving notice pursuant to sections 369 and 369B;

(2) mileage for posting notices and for the foreclosure commissioner's attendance at the sale at the rate provided in section 1921 of title 28, United States Code, for mileage by the most reasonable road distance;

(3) reasonable and necessary costs actually incurred in connection with any necessary search of title and lien records;

(4) necessary out-of-pocket costs incurred by the foreclosure commissioner to record documents; and

(5) a commission for the foreclosure commissioner for the conduct of the foreclosure to the extent authorized by regulations issued by the Secretary.

DISPOSITION OF SALE PROCEEDS

SEC. 369D. Money realized from a foreclosure sale shall be made available for obligation and expenditure— 12 USC 3712.

(1) first to cover the costs of foreclosure provided for in section 369C;

(2) then to pay valid tax liens or assessments prior to the mortgage;

(3) then to pay any liens recorded prior to the recording of the mortgage which are required to be paid in conformity with the terms of sale in the notice of default and foreclosure sale;

(4) then to service charges and advancements for taxes, assessments, and property insurance premiums;

(5) then to the interest;

(6) then to the principal balance secured by the mortgage (including expenditures for the necessary protection, preservation, and repair of the security property as authorized under the mortgage agreement and interest thereon if provided for in the mortgage agreement); and

(7) then to late charges.

Surplus proceeds.

Any surplus after payment of the foregoing shall be paid to holders of liens recorded after the mortgage and then to the appropriate mortgagor. If the person to whom such surplus is to be paid cannot be located, or if the surplus available is insufficient to pay all claimants and the claimants cannot agree on the allocation of the surplus, or if any person claiming an interest in the mortgage proceeds does not agree that some or all of the sale proceeds should be paid to a claimant as provided in this section, that part of the sale proceeds in question may be deposited by the foreclosure commissioner with an

appropriate official or court authorized under law to receive disputed funds in such circumstances. If such a procedure for the deposit of disputed funds is not available, and the foreclosure commissioner files a bill of interpleader or is sued as a stakeholder to determine entitlement to such funds, the foreclosure commissioner's necessary costs in taking or defending such action shall be deductible from the disputed funds.

TRANSFER OF TITLE AND POSSESSION

Deeds.
12 USC 3713.

SEC. 369E. (a) The foreclosure commissioner shall deliver a deed or deeds to the purchaser or purchasers and obtain the balance of the purchase price in accordance with the terms of sale provided in the notice of default and foreclosure sale.

(b) Subject to subsection (c), the foreclosure deed or deeds shall convey all of the right, title, and interest in the security property covered by the deed which the Secretary as holder, the foreclosure commissioner, the mortgagor, and any other persons claiming by, through, or under them, had on the date of execution of the mortgage, together with all of the right, title, and interest thereafter acquired by any of them in such property up to the hour of sale, and no judicial proceeding shall be required ancillary or supplementary to the procedures provided in this part to assure the validity of the conveyance or confirmation of such conveyance.

(c) A purchaser at a foreclosure sale held pursuant to this part shall be entitled to possession upon passage of title to the mortgaged property, subject to an interest or interests senior to that of the mortgage and subject to the terms of any lease of a residential tenant for the remaining term of the lease or for one year, whichever period is shorter. Any other person remaining in possession after the sale and any residential tenant remaining in possession after the applicable period shall be deemed a tenant at sufferance.

(d) There shall be no right of redemption, or right of possession based upon right of redemption, in the mortgagor or others subsequent to a foreclosure pursuant to this part.

Tax.

(e) When conveyance is made to the Secretary, no tax shall be imposed or collected with respect to the foreclosure commissioner's deed, whether as a tax upon the instrument or upon the privilege of conveying or transferring title to the property. Failure to collect or pay a tax of the type and under the circumstances stated in the preceding sentence shall not be grounds for refusing to record such a deed, for failing to recognize such recordation as imparting notice or for denying the enforcement of such a deed and its provisions in any State or Federal court.

RECORD OF FORECLOSURE AND SALE

Deed affidavit.
12 USC 3714.

SEC. 369F. (a) To establish a sufficient record of foreclosure and sale, the foreclosure commissioner shall include in the recitals of the deed to the purchaser or prepare an affidavit or addendum to the deed stating—

(1) that the mortgage was held by the Secretary;

(2) the particulars of the foreclosure commissioner's service of notice of default and foreclosure sale in accordance with sections 369 and 369B;

(3) that the foreclosure was conducted in accordance with the provisions of this part and with the terms of the notice of default and foreclosure sale;

(4) a correct statement of the costs of foreclosure, calculated in accordance with section 369C; and

(5) the name of the successful bidder and the amount of the successful bid.

(b) The deed executed by the foreclosure commissioner, the foreclosure commissioner's affidavit and any other instruments submitted for recordation in relation to the foreclosure of the security property under this part shall be accepted for recordation by the registrar of deeds or other appropriate official of the county or counties in which the security property is located upon tendering of payment of the usual recording fees for such instruments.

COMPUTATION OF TIME

SEC. 369G. Periods of time provided for in this part shall be calculated in consecutive calendar days including the day or days on which the actions or events occur or are to occur for which the period of time is provided and including the day on which an event occurs or is to occur from which the period is to be calculated. 12 USC 3715.

SEPARABILITY

SEC. 369H. If any clause, sentence, paragraph or part of this part shall, for any reason, be adjudged by a court of competent jurisdiction to be invalid or invalid as applied to a class of cases, such judgment shall not affect, impair, or invalidate the remainder thereof and of this part, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered. 12 USC 3716.

REGULATIONS

SEC. 369I. The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this part. 12 USC 3717.

PART 7—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 371. (a) Except as otherwise provided in this subtitle, the provisions of this subtitle shall take effect on October 1, 1981. 12 USC 3701 note.

(b) The amendments made by sections 324, 325, and 326(a) shall apply only with respect to contracts entered into on and after October 1, 1981. *Ante*, pp. 405, 406.

Subtitle B—Banking and Related Programs

Banking and Related Programs Authorization Adjustment Act.

SHORT TITLE

SEC. 380. This subtitle may be cited as the "Banking and Related Programs Authorization Adjustment Act". 12 USC 635 note.

EXPORT-IMPORT BANK OF THE UNITED STATES

SEC. 381. (a) Section 7(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635e(a)) is amended—

(1) by inserting "(1)" after "Sec. 7. (a)"; and

(2) by adding at the end thereof the following:

"(2) Within the limits of funds and borrowing authority available to the Bank pursuant to this Act, gross obligations for the principal amount of direct loans authorized by the Bank during fiscal years 1982 and 1983 shall not exceed $10,478,000,000, of which amount $5,065,000,000 is designated for fiscal year 1982 and $5,413,000,000 is designated for fiscal year 1983.".

Report to Congress.

(b) On or before December 15, 1981, the Secretary of the Treasury shall transmit a report to both Houses of the Congress regarding the status of negotiations within the Organization for Economic Cooperation and Development on improving the International Arrangement on Guidelines for Officially Supported Export Credits and on the status of any other multilateral or bilateral negotiations or discussions for the purpose of improving any other arrangements, standstills, minutes, and practices involving official export financing in which the United States participates. Such report shall include—

(1) an assessment of the progress, if any, that has been made in these negotiations, and of the prospects for a successful conclusion to these negotiations within a reasonable time; and

(2) a recommendation by the Secretary of the Treasury as to whether the Congress, in order to improve the prospects for a successful conclusion to these negotiations, should enact legislation for the purpose of enhancing the ability of the Export-Import Bank of the United States to offer or support export credit fully competitive with the subsidized official export credit offered or supported by other governments.

DEPARTMENT OF THE TREASURY

Appropriation authorization.

SEC. 382. (a) Section 5 of the Act of November 8, 1978 (92 Stat. 3092; Public Law 95-612), is amended—

(1) in subsection (a), by striking out "$24,000,000 for fiscal year 1979 and $22,375,000 for fiscal year 1980," and inserting in lieu thereof "$22,896,000 for fiscal year 1982, and such sums as may be necessary for each fiscal year thereafter"; and

(2) in subsection (b), by striking out "for fiscal year 1980 not to exceed $800,000" and inserting in lieu thereof "not to exceed $1,000,000 for fiscal year 1982, and such sums as may be necessary for each fiscal year thereafter,".

(b) The last sentence of section 3552 of the Revised Statutes (31 U.S.C. 369) is amended to read as follows: "There are authorized to be appropriated for fiscal year 1982 not to exceed $54,706,000 for all expenditures (salaries and expenses) of the mints and assay offices not herein otherwise provided for.".

Effective date. 31 USC 369 note.

(2) The amendment made by paragraph (1) shall take effect on October 1, 1981.

COUNCIL ON WAGE AND PRICE STABILITY

Repeal.

SEC. 383. Section 6 of the Council on Wage and Price Stability Act (12 U.S.C. 1904 note) is hereby repealed.

USURY PROVISION

SEC. 384. Section 501(a)(1)(C)(vi) of the Depository Institutions Deregulation and Monetary Control Act of 1980 (12 U.S.C. 1735f-7 note) is amended by inserting "or a residential manufactured home" after "residential real property".

RESERVE REQUIREMENTS

SEC. 385. (a) Section 19(b)(8)(E) of the Federal Reserve Act (12 U.S.C. 461(b)(8)(E)) is amended by striking out the first two sentences thereof and inserting in lieu thereof the following: "This subparagraph applies to any depository institution that, on August 1, 1978, (i) was engaged in business as a depository institution in a State outside the continental limits of the United States, and (ii) was not a member of the Federal Reserve System at any time on or after such date. Such a depository institution shall not be required to maintain reserves against its deposits held or maintained at its offices located in a State outside the continental limits of the United States until the first day of the sixth calendar year which begins after the effective date of the Monetary Control Act of 1980.". 94 Stat. 133.

(b) The third sentence of section 19(b)(8)(E) of such Act (12 U.S.C. 461(b)(8)(E)) is amended by striking out "its deposits" and inserting in lieu thereof "such deposits".

Subtitle C—National Consumer Cooperative Bank Act Amendments

National Consumer Cooperative Bank Act Amendments of 1981.

SHORT TITLE

SEC. 390. This subtitle may be cited as the "National Consumer Cooperative Bank Act Amendments of 1981". 12 USC 3001 note.

ACCELERATION OF FINAL GOVERNMENT EQUITY REDEMPTION DATE

SEC. 391. (a)(1) The National Consumer Cooperative Bank Act (12 U.S.C. 3001 et seq.) is amended by inserting after section 115 the following: *Post*, p. 436.

"ACCELERATION OF FINAL GOVERNMENT EQUITY REDEMPTION DATE

"SEC. 116. (a)(1)(A) The Final Government Equity Redemption Date shall occur on December 31, 1981, or not later than 10 days after the date of the enactment of the first Act providing for appropriations for fiscal year 1982 (other than continuing appropriations) for the Department of Housing and Urban Development and Independent Agencies, whichever occurs later. 12 USC 3026.

"(B) Not later than 5 days after the Final Government Equity Redemption Date, the Secretary of the Treasury shall publish a notice in the Federal Register indicating the day on which the Final Government Equity Redemption Date occurred. Publication in Federal Register.

"(2)(A) Before the Final Government Equity Redemption Date, the Secretary of the Treasury shall purchase all class A stock for which the Congress has appropriated funds.

"(B) After the Final Government Equity Redemption Date, the Secretary of the Treasury shall not purchase any class A stock.

"(3)(A) On the Final Government Equity Redemption Date, all class A stock held by the Secretary of the Treasury on such date shall be redeemed by the Bank in exchange for class A notes which are issued by the Bank to the Secretary of the Treasury on behalf of the United States and which have a total face value equal to the total par value of the class A stock which is so redeemed, plus any unpaid dividends on such stock.

"(B) During the period beginning on the Final Government Equity Redemption Date and ending on December 31, 1990, not less than 30

percent of the revenue derived from the sale of stock by the Bank, other than the sale of class B stock or class C stock, shall be used, upon receipt, to retire class A notes.

"(C) After December 31, 1990, the Bank shall maintain a repayment schedule for class A notes which will assure full repayment of all class A notes not later than December 31, 2020. The requirement specified in the previous sentence is in addition to the requirement regarding the redemption of class A notes which is specified in section 104(c).

12 USC 3014.

"(b)(1) The United States shall not be responsible for any obligation of the Bank which is incurred after the Final Government Equity Redemption Date.

Bylaws.

"(2) As soon as practicable after the date of the enactment of this section, the Board shall adopt bylaws which will assist in expediting and coordinating the activities which will occur with respect to the Final Government Equity Redemption Date.".

Effective date. 12 USC 3026 note.

(2) The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

12 USC 3017a.

(b)(1) Only for purposes of section 107(a) of the National Consumer Cooperative Bank Act (12 U.S.C. 3017(a)), class A notes shall be deemed to be paid-in capital of the Bank.

Effective date. 12 USC 3017a note.

(2) This subsection shall take effect on the day after the Final Government Equity Redemption Date.

TAX STATUS OF THE BANK

SEC. 392. (a) Section 109 of the National Consumer Cooperative Bank Act (12 U.S.C. 3019) is amended—

(1) by striking out "Until the Final Government Equity Redemption Date, but not thereafter, the Bank" and inserting in lieu thereof "(a) The Bank"; and

(2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, for purposes of subchapter T of the Internal Revenue Code of 1954—

26 USC 1381.

"(1) the Bank shall be treated as a corporation operating on the cooperative basis within the meaning of section 1381(a)(2) of such Code;

Definitions. 26 USC 1388.

"(2) the term 'patronage dividend', as defined in section 1388(a) of such Code includes, only as such section applies to the Bank, any patronage refunds in the form of class B or class C stock or allocated surplus that are distributed or set aside by the Bank pursuant to section 104(i) of this Act;

12 USC 3014.

"(3) the terms 'written notice of allocation' and 'qualified written notices of allocation', as defined in sections 1388 (b) and (c) of such Code, include (to the extent of par value), only as such sections apply to the Bank, any class B or class C stock distributed by the Bank pursuant to section 104(i) of this Act and shall also include any allocated surplus set aside by the Bank pursuant to section 104(i) of this Act;

"(4) patrons of the Bank shall be deemed to have consented under section 1388(c)(2) of such Code to the inclusion in their incomes of any qualified written notices of allocation received by such patrons from the Bank; and

"(5) any amounts required to be included in the incomes of patrons of the Bank with respect to class B or class C stock or allocated surplus shall be treated as earnings from business done by such patrons of the Bank with or for their own patrons.".

(b) The amendments made by subsection (a) shall take effect on the day after the Final Government Equity Redemption Date.

Effective date. 12 USC 3019 note.

BOARD OF DIRECTORS

SEC. 393. (a) Subsections (a), (b), (c), and (d) of section 103 of such Act (12 U.S.C. 3013) are amended to read as follows:

"(a) The Bank shall be governed by a Board of Directors (hereinafter in this Act referred to as the 'Board') which shall consist of 15 members. All members shall serve for a term of 3 years. After the expiration of the term of any member, such member may continue to serve until his successor has been elected or has been appointed and qualified. Any member appointed by the President may be removed for cause by the President.

Removal.

"(b)(1) The President shall appoint, by and with the advice and consent of the Senate—

Appointment.

"(A) one member who shall be selected from among proprietors of small business concerns, as defined under section 3 of the Small Business Act, which are manufacturers or retailers;

12 USC 371.

"(B) one member who shall be selected from among the officers of the agencies and departments of the United States; and

"(C) one member who shall be selected from among persons having extensive experience in the cooperative field representing low-income cooperatives eligible to borrow from the Bank.

"(2) Twelve members of the Board shall be elected by the holders of class B stock and class C stock in accordance with the provisions of subsection (d) and the bylaws of the Bank.

"(c)(1) On the day after the Final Government Equity Redemption Date, all members of the Board of Directors of the Bank who were appointed by the President shall resign, except that—

Resignation.

"(A) the member who shall have been appointed by the President from among proprietors of small business concerns, and

"(B) one member who shall be designated by the President and who shall have been appointed by the President from among the officers and employees of the agencies and departments of the United States Government,

may continue to serve until their successors have been appointed and qualified.

"(2) Any member of the Board of Directors of the Bank who was elected by the holders of class B or class C stock before the Final Government Equity Redemption Date shall serve the remainder of the term for which such member was elected.

"(3) Any member appointed pursuant to subsection (b)(1) shall be entitled to sit on any committee of the Board, but not more than one member so appointed may sit on any one committee.

"(d)(1) All elections of members of the Board by the holders of class B stock and class C stock shall be conducted in accordance with the bylaws of the Bank. Such bylaws shall conform to the requirements of this section. Nominations for such elections shall be made by the following classes of cooperatives: (A) housing, (B) consumer goods, (C) low-income cooperatives, (D) consumer services, and (E) all other eligible cooperatives.

"(2)(A) Vacant shareholder directorships shall be filled so that at any time when there are three or more shareholder directors on the Board, there shall be at least one director representing each of the following classes of cooperatives: (i) housing cooperatives, (ii)

Vacant shareholder directorships.

low-income cooperatives, and (iii) consumer goods and services cooperatives.

"(B) Each nominee for a shareholder directorship of a particular class shall have at least three years experience as a director or senior officer in the class of cooperatives to be represented.

"(C) No one class of cooperatives specified in paragraph (1) shall be represented on the Board by more than three directors.".

(b) Section 103(h) of such Act (12 U.S.C. 3013(h)) is amended—

(1) in the second sentence thereof, by striking out ", until the Final Government Equity Redemption Date" and all that follows through "class B and class C stock" and inserting in lieu thereof "the member of the Board appointed pursuant to subsection (b)(1)(C)"; and

(2) by adding at the end thereof the following: "The members of the Board who are elected by the holders of class B stock and class C stock shall be compensated in accordance with the bylaws of the Bank. All compensation and expenses paid to the members of the Board of Directors shall be paid by the Bank.".

Effective date. 12 USC 3013 note.

(c) The amendments made by subsections (a) and (b) shall take effect on the day after the Final Government Equity Redemption Date.

EXAMINATIONS AND AUDITS; CONFORMING AMENDMENTS

SEC. 394. (a)(1) Section 115 of the National Consumer Cooperative Bank Act (12 U.S.C. 3025) is amended to read as follows:

"EXAMINATION AND AUDIT

"SEC. 115. The Farm Credit Administration and the General Accounting Office are hereby authorized and directed to examine and audit the Bank. Reports regarding such examinations and audits shall be promptly forwarded to both Houses of the Congress. The Bank shall reimburse the Farm Credit Administration for the costs of any examination or audit conducted by the Farm Credit Administration.".

Reports to Congress.

Effective date. 12 USC 3025 note.

(2) The amendment made by paragraph (1) shall take effect on the day after the Final Government Equity Redemption Date.

(b) The second sentence of section 108(a) of such Act (12 U.S.C. 3018(a)) is amended by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1985".

(c)(1) The first sentence of section 104(a) of such Act (12 U.S.C. 3014(a)) is amended by inserting "by other public or private investors," after "by public bodies,".

12 USC 3014 note.

(2) The amendment made by paragraph (1) shall take effect on the day after the Final Government Equity Redemption Date.

(d)(1) The last sentence of section 102 of such Act (12 U.S.C. 3012) is amended to read as follows: "In determining whether a public offering is taking place for the purpose of the Securities Act of 1933, there shall be excluded from consideration all class B and class C stock purchases which took place prior to the date of the enactment of the National Consumer Cooperative Bank Act Amendments of 1981.".

12 USC 3012 note.

(2) The amendment made by paragraph (1) shall take effect on the day after the Final Government Equity Redemption Date.

(e)(1) The first sentence of section 105(a) of such Act (12 U.S.C. 3015(a)) is amended by striking out "entirely owned" and inserting in lieu thereof "primarily owned".

(2) The amendment made by paragraph (1) shall take effect on the day after the Final Government Equity Redemption Date.

Effective date. 12 USC 3015 note.

(f) Section 105(a)(5) of such Act (12 U.S.C. 3015(a)(5)) is amended by inserting "(except that this requirement shall not apply to any housing cooperative in existence on March 21, 1980, which did not meet such requirement on such date)" after "one vote per person basis".

(g)(1) The second sentence of section 107(a) of such Act (12 U.S.C. 3017(a)) is amended by striking out "after consultation with the Secretary of the Treasury".

(2) The amendment made by paragraph (1) shall take effect on the day after the Final Government Equity Redemption Date.

Effective date. 12 USC 3017 note.

NONPROFIT CORPORATION

SEC. 395. (a) The National Consumer Cooperative Bank Act (12 U.S.C. 3001 et seq.) is amended by inserting after section 210 the following:

"ESTABLISHMENT OF NONPROFIT CORPORATION

"SEC. 211. (a)(1) Upon the incorporation of the nonprofit corporation described in subsection (b), the Office of Self-Help Development and Technical Assistance is hereby abolished.

12 USC 3051.

"(2)(A) If the nonprofit corporation described in subsection (b) agrees to accept the liabilities of the Office, the Bank, notwithstanding any other provision of law, shall transfer all assets, liabilities, and property of the Office to such nonprofit corporation on the day on which such nonprofit corporation is incorporated.

"(B) Such assets shall include all sums which are appropriated to the Office by the Congress and all sums which are contained in the Account established pursuant to section 202. If any such sums are appropriated after the date on which the transfer described in subparagraph (A) occurs, the Bank shall promptly transfer such sums to such nonprofit corporation.

12 USC 3042.

"(b)(1) As soon as possible after the date of the enactment of this section, the Board shall establish a nonprofit corporation under the laws of the District of Columbia and, notwithstanding the laws of the District of Columbia, name the directors of such nonprofit corporation.

"(2) Notwithstanding the laws of the District of Columbia, the Board of Directors of such nonprofit corporation shall—

"(A) select an executive director who shall be responsible for the administration of such nonprofit corporation;

"(B) set the compensation of such executive director and the other employees of such nonprofit corporation;

"(C) promulgate and publish the policies of such nonprofit corporation and make such policies available at all times to eligible cooperatives; and

"(D) perform the functions specified in subparagraphs (A) and (C) of paragraph (3).

"(3) Such nonprofit corporation shall only perform—

Functions.

"(A) the functions which are authorized to be performed pursuant to sections 203 through 208 and section 210;

12 USC 3043-3048, 3050.

"(B) such functions as are necessary to comply with the laws under which it was incorporated in the District of Columbia; and

"(C) such functions as are necessary to remain qualified as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

26 USC 501.

"(4) Notwithstanding any other provision of law—

"(A) the Bank may provide administrative or staff support to such nonprofit corporation; and

"(B) any member of the Board of Directors of the Bank may serve as a member of the Board of Directors of such nonprofit corporation.

"(c)(1) Notwithstanding any other provision of law, such nonprofit corporation shall be deemed to be, and treated as, qualified as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 from the date on which such nonprofit corporation is established under the laws of the District of Columbia until the date on which the Internal Revenue Service makes a final determination on the application which such nonprofit corporation will submit to the Internal Revenue Service seeking status as an organization qualifying under such section.

26 USC 501.

"(2) When performed by such nonprofit corporation, the functions described in subsection (b)(3)(A) shall be deemed to be performed for 'charitable purposes' within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954.

Contributions.

"(d)(1) The Board of Directors of the Bank may make contributions to the nonprofit corporation in such amounts as the Board of Directors of the Bank deems appropriate, except that—

"(A) such contributions may be made only out of the Bank's earnings, determined in accordance with generally accepted accounting principles; and

"(B) the Bank shall set aside amounts sufficient to satisfy its obligations to the Secretary of the Treasury for payments of principal and interest on class A notes and other debt before making any contributions to such nonprofit corporation.

"(2) During any period in which the nonprofit corporation described in subsection (b) is qualified as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, contributions made by the Bank pursuant to paragraph (1) shall be treated as charitable contributions within the meaning of section 170(c)(2) of the Internal Revenue Code of 1954, and may be deducted notwithstanding the provisions of section 170(b)(2) of such Code.

26 USC 170.

"(3) During any period in which the nonprofit corporation described in subsection (b) is qualified as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954, contributions to such nonprofit corporation by any person shall qualify as charitable contributions, as defined in section 170(c) of such Code, for purposes of the charitable contribution deduction provided for in section 170(a) of such Code, and shall also qualify for the deductions for estate and gift tax purposes provided for in sections 2055 and 2522 of the Internal Revenue Code of 1954.

26 USC 2055, 2522.

"(e) Notwithstanding the laws of the District of Columbia, the Board of Directors of such nonprofit corporation shall adopt and publish its own conflict of interest rules which shall be no less stringent in effect than the conflict of interest provisions adopted by the Board of Directors of the Bank pursuant to section 114.".

12 USC 3024.

(b)(1) The first sentence of section 202 of the National Consumer Cooperative Bank Act (12 U.S.C. 3042) is amended by striking out "$10,000,000 for the fiscal year ending September 30, 1979, and for the next two succeeding fiscal years an aggregate amount not to exceed $65,000,000, for the purpose of making advances under section 203 of this Act" and by inserting in lieu thereof "for the purpose of making advances under section 203 of this Act an amount not to exceed $14,000,000 for fiscal year 1982".

12 USC 3043.

(2) Section 104(a) of such Act (12 U.S.C. 3014(a)) is amended by striking out the second and third sentences thereof and inserting in lieu thereof the following: "There are authorized to be appropriated not to exceed $47,000,000 for fiscal year 1982 for purposes of purchasing class A stock.". Appropriation authorization.

(3) The amendments made by paragraphs (1) and (2) shall take effect on October 1, 1981. Effective date. 12 USC 3014 note.

CONFORMING AMENDMENTS; DEFINITIONS

SEC. 396. (a) For purposes of this subtitle, the term "Final Government Equity Redemption Date" shall have the same meaning given such term in section 101(5) of the National Consumer Cooperative Bank Act (12 U.S.C. 3011(5)). 12 USC 3012 note.

(b) The first sentence of section 101 of the National Consumer Cooperative Bank Act (12 U.S.C. 3011) is amended to read as follows: "The Congress of the United States hereby creates and charters a body corporate to be known as the National Consumer Cooperative Bank (hereinafter in this Act referred to as the 'Bank').".

(c)(1) Section 104(b) of such Act (12 U.S.C. 3014(b)) is amended—

(A) in the first sentence, by striking out "class A, class B," and inserting in lieu thereof "class B"; and

(B) by amending the second and third sentences to read as follows: "Class A notes which are held by the United States shall have first preference with respect to assets and interest payments over all classes of stock issued by the Bank. So long as any class A notes are outstanding, the Bank shall not pay any dividend on any class of stock at a rate greater than the statutory interest rate payable on class A notes.".

(2) Section 104(c) of such Act (12 U.S.C. 3014(c)) is amended—

(A) by striking out the first sentence thereof;

(B) in the second sentence—

(i) by striking out "class A stock" and inserting in lieu thereof "class A notes";

(ii) by striking out "dividends" each place it appears therein and inserting in lieu thereof "interest payments"; and

(iii) by striking out ": *Provided,* That" and inserting in lieu thereof ", except that";

(C) in the third sentence, by striking out "dividends" and inserting in lieu thereof "interest payments";

(D) by amending the fourth sentence to read as follows: "Any such interest payment may be deferred by the Board of Directors with the approval of the Secretary of the Treasury, except that any interest payment so deferred shall bear interest at a rate equal to the rate determined pursuant to the first sentence of this subsection.";

(E) in the fifth sentence, by striking out "any other class of stock" and all that follows through the end thereof and inserting in lieu thereof "any class of stock at any time when the deferred interest payments on class A notes shall not have been paid in full, together with any unpaid interest on such notes.";

(F) in the sixth sentence—

(i) by striking out "class A stock" each place it appears therein and inserting in lieu thereof "class A notes";

(ii) by striking out "other";

(iii) by striking out "dividends" and inserting in lieu thereof "interest payments"; and

(iv) by striking out "par value" and inserting in lieu thereof "face value"; and

(G) in the seventh sentence—

(i) by striking out "class A stock" each place it appears therein and inserting in lieu thereof "class A notes";

(ii) by striking out "cumulative dividends" and inserting in lieu thereof "interest payments";

(iii) by striking out ": *Provided,* That" and inserting in lieu thereof ", except that";

(iv) by striking out "of shares" after "fiscal year a number"; and

(v) by striking out "par value" each place it appears therein and inserting in lieu thereof "face value".

(3) Section 104(e) of such Act (12 U.S.C. 3014(e)) is amended—

(A) by striking out "class A stock" each place it appears therein and inserting in lieu thereof "class A notes"; and

(B) in the last sentence thereof, by striking out "statutory dividend" and inserting in lieu thereof "statutory interest payment".

(4) Section 104(f) of such Act (12 U.S.C. 3014(f)) is amended—

(A) by striking out "class A stock is" and inserting in lieu thereof "class A notes are"; and

(B) by striking out "class A stock as to dividends" and inserting in lieu thereof "class A notes as to dividends, interest payments,".

(5) Section 104(g)(2)(B) of such Act (12 U.S.C. 3014(g)(2)(B)) is amended by striking out "section 103(c)" and inserting in lieu thereof "section 103(d)(2)(A).".

(6) The second sentence of section 104(h) of such Act (12 U.S.C. 3014(h)) is hereby repealed.

(7) The first sentence of section 104(i) of such Act (12 U.S.C. 3014(i)) is amended—

(A) by striking out "cumulative dividends on class A stock" and inserting in lieu thereof "interest payments on class A notes"; and

(B) by striking out "class A stock in" and inserting in lieu thereof "class A notes in".

(d) Section 107 of such Act (12 U.S.C. 3017) is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(e) The second sentence of section 108(b) of such Act (12 U.S.C. 3018(b)) is amended by striking out ", but so long as" and all that follows through "class B stock in the Bank".

(f) The last sentence of section 114 of such Act (12 U.S.C. 3024) is hereby repealed.

(g) Section 203 of such Act (12 U.S.C. 3043) is amended by striking out "out of the Account" each place it appears therein.

(h)(1) Section 201 of the Government Corporation Control Act (31 U.S.C. 856) is amended by striking out "(7) the Rural Telephone Bank" and all that follows through the end thereof and inserting in lieu thereof "(7) the Rural Telephone Bank, (8) the United States Railway Association, and (9) the National Credit Union Administration Central Liquidity Facility.".

(2) Section 302 of the Government Corporation Control Act (31 U.S.C. 867) is amended—

(A) by inserting "or" after "the Regional Banks for Cooperatives,"; and

(B) by striking out "or the National Consumer Cooperative Bank,".

(3) The second sentence of section 303(d) of the Government Corporation Control Act (31 U.S.C. 868(d)) is amended by striking out "National Consumer Cooperative Bank,".

(4) Section 5315 of title 5, United States Code, is amended by striking out "Director, Office of Self-Help Development and Technical Assistance, National Consumer Cooperative Bank.".

(i) The amendments made by subsections (b) through (h) shall take effect on the day after the Final Government Equity Redemption Date.

Effective date. 12 USC 3011 note.

TITLE IV—THE DISTRICT OF COLUMBIA

LIMITATION ON THE AMOUNT OF FUNDS AUTHORIZED AND EXPENDED FOR LOANS FOR CAPITAL PROJECTS

SEC. 401. (a) Subsection (c) of section 723 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) is amended to read as follows:

"(c) Subject to the limitations contained in section 603(b), there is authorized to be appropriated to make loans under this section the sum of $155,000,000 for the fiscal year ending on September 30, 1982, the sum of $155,000,000 for the fiscal year ending on September 30, 1983, and the sum of $155,000,000 for the fiscal year ending on September 30, 1984.".

D.C. Code 47-228.

(b) The amendment made by this section shall take effect on October 1, 1981.

Effective date.

TITLE V—EDUCATION PROGRAMS

Omnibus Education Reconciliation Act of 1981.

SHORT TITLE

SEC. 501. This title may be cited as the "Omnibus Education Reconciliation Act of 1981".

20 USC 3489 note.

Subtitle A—Authorization Savings for Fiscal Years 1982, 1983, and 1984

EFFECT ON OTHER LAWS; GENERAL RESTRICTIONS

SEC. 502. (a) Any provision of law which is not consistent with the provisions of this subtitle is hereby superseded and shall have only such force and effect during each of the fiscal years 1982, 1983, and 1984 which is consistent with this subtitle.

20 USC 3489 note.

(b) Notwithstanding any authorization of appropriations for fiscal year 1982, 1983, or 1984 contained in any provision of law which is specified in this subtitle (including any authorization of appropriations contained in section 528 of this title), no funds are authorized to be appropriated in excess of the limitations imposed upon appropriations by the provisions of this subtitle.

(c) No funds are authorized to be appropriated for the fiscal year 1982, 1983, or 1984 to pay for the expenses of any advisory council which provides advice to a program for which there are no authorizations of appropriations made under this subtitle or made by an amendment made by this subtitle.

ACT OF MARCH 2, 1867 (HOWARD UNIVERSITY)

20 USC 123 note.

SEC. 503. The total amount of appropriations to carry out the Act of March 2, 1867 (14 Stat. 439), shall not exceed $145,200,000 for each of the fiscal years 1982, 1983, and 1984.

ACT OF SEPTEMBER 23, 1950 (IMPACT AID)

20 USC 631 note.

SEC. 504. The total amount of appropriations to carry out the Act of September 23, 1950 (Public Law 815, 81st Congress), shall not exceed $20,000,000 for each of the fiscal years 1982, 1983, and 1984.

ACT OF SEPTEMBER 30, 1950 (IMPACT AID)

20 USC 237 note.

SEC. 505. (a)(1) The total amount of appropriations to make payments under the Act of September 30, 1950 (Public Law 874, 81st Congress), shall not exceed $455,000,000 for each of the fiscal years 1982, 1983, and 1984 of which—

(A) $10,000,000 shall be available for payments under section 2 of such Act; and

(B) $10,000,000 shall be available for payments under section 7 of such Act.

20 USC 237.

Funds available for section 2 of such Act for each such fiscal year shall also be available for section 16 of the Act of September 23, 1950 (Public Law 815, 81st Congress).

20 USC 646.

20 USC 238.

(2) Section 3(d)(2) of such Act is amended by adding at the end thereof the following new subparagraph:

"(E)(i) The amount of the entitlement of any local educational agency under this section for fiscal year 1982 with respect to children determined under subsection (b) with respect to such agency shall be the amount determined under paragraph (1) with respect to such children multiplied by 66⅔ per centum.

"(ii) The amount of the entitlement of any local educational agency under this section for fiscal year 1983 with respect to children determined under subsection (b) with respect to such agency shall be the amount determined under paragraph (1) with respect to such children multiplied by 33⅓ per centum.

"(iii) The amount of the entitlement of any local educational agency under this section for fiscal year 1984 or any succeeding fiscal year with respect to children determined under subsection (b) with respect to such agency shall be zero.".

20 USC 237 note.

(3) If the amount appropriated for making payments under such Act for fiscal year 1982, 1983, or 1984 is not sufficient to pay in full the sum of the entitlements established under section 2 of such Act, then the amount of each such entitlement shall be ratably reduced. If, for any fiscal year in which such a reduction is required, additional amounts are made available for making such payments, then such entitlements shall be increased on the same basis as they were reduced.

20 USC 237.

20 USC 238 note.

(b) No funds are authorized to be appropriated for fiscal year 1982, 1983, or 1984 for the purpose of making payments—

(1) on the basis of entitlements determined under section 3(e) or 4 of such Act; or

20 USC 238, 239.

(2) under sections 4A or 6 of such Act.

94 Stat. 1500.

20 USC 239a, 241.

(c)(1) Subsection (d) of section 402 of the Act of September 30, 1950 (Public Law 874, 81st Congress), shall not apply during fiscal year 1982, or any succeeding fiscal year.

20 USC 243.

(2) Funds appropriated to the Department of Defense shall be available to the Secretary of Defense for payments and arrangements of the kind that may be made by the Secretary of Education under section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress). 20 USC 241 note. 20 USC 241.

(3) The Secretary of Defense shall delegate to the Secretary of Education responsibility for the conduct of programs with funds so available. 20 USC 241 note.

ADULT EDUCATION ACT

SEC. 506. The total amount of appropriations to carry out the Adult Education Act shall not exceed $100,000,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 1211 note. 20 USC 1201 note.

ALCOHOL AND DRUG ABUSE EDUCATION ACT

SEC. 507. The total amount of appropriations to carry out the Alcohol and Drug Abuse Education Act shall not exceed $3,000,000 for fiscal year 1982. 21 USC 1002 note. 21 USC 1001 note.

CAREER EDUCATION INCENTIVE ACT

SEC. 508. The total amount of appropriations to carry out the Career Education Incentive Act shall not exceed $10,000,000 for fiscal year 1982. 20 USC 2603 note. 20 USC 2601 note.

CIVIL RIGHTS ACT OF 1964

SEC. 509. The total amount of appropriations to carry out sections 403, 404, and 405 of title IV of the Civil Rights Act of 1964 (42 U.S.C. 2000c et seq.) shall not exceed $37,100,000 for each of the fiscal years 1982, 1983, and 1984. 42 USC 2000c-2 note.

DEPARTMENT OF EDUCATION

SEC. 510. The total amount of appropriations for salaries and expenses of the Department of Education shall not exceed $308,000,000 for each of the fiscal years 1982, 1983, and 1984, of which— Appropriation authorization. 20 USC 3488 note.

(1) $49,396,000 shall be available for the Office of Civil Rights; and

(2) $12,989,000 shall be available for the Office of the Inspector General;

for each such year.

EDUCATION AMENDMENTS OF 1978

SEC. 511. (a) No funds are authorized to be appropriated to carry out section 1015 of the Education Amendments of 1978 for fiscal year 1982, 1983, or 1984. 94 Stat. 1497. 20 USC 236 note.

(b)(1) No funds are authorized to be appropriated to carry out part A of title XV of the Education Amendments of 1978 for fiscal year 1982, 1983, or 1984. 22 USC 287 note.

(2) No funds are authorized to be appropriated to carry out part B of title XV of the Education Amendments of 1978 for fiscal year 1982, 1983, or 1984. 20 USC 1123 note. 20 USC 1172 note.

(3) The total amount of appropriations to carry out section 1524 of the Education Amendments of 1978 relating to general assistance for the Virgin Islands shall not exceed $2,700,000 for each of the fiscal years 1982, 1983, and 1984. 92 Stat. 2379.

20 USC 1231a note.

(4) No funds are authorized to be appropriated to carry out section 1526 of the Education Amendments of 1978 for fiscal year 1982, 1983, or 1984.

EDUCATION AMENDMENTS OF 1980

94 Stat. 1499. 20 USC 1221-1 note.

SEC. 512. (a) No funds are authorized to be appropriated to carry out part D of title XIII of the Education Amendments of 1980 for fiscal year 1982, 1983, or 1984.

94 Stat. 1502.

(b) No funds are authorized to be appropriated to carry out part H of title XIII of the Education Amendments of 1980 for fiscal year 1982, 1983, or 1984.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

20 USC 2702 note. 20 USC 2701.

SEC. 513. (a) The total amount of appropriations to carry out title I of the Elementary and Secondary Education Act of 1965 shall not exceed $3,480,000,000 for fiscal year 1982. From the amount appropriated in accordance with the preceding sentence, not more than 14.6 percent of such amount for fiscal year 1982 shall be available to carry out sections 141, 146, and 151, of such Act. After the requirement of the preceding sentence is met, the Secretary of Education shall assure that the amount available for section 117 of such Act bears the same ratio to the amount appropriated in such fiscal year for title I of such Act as the amount available for such section 117 in fiscal year 1980 bore to the total amount appropriated for title I of such Act in fiscal year 1980.

20 USC 2761, 2771, 2781. 20 USC 2722.

(b) The total amount of appropriations to carry out title II of the Elementary and Secondary Education Act of 1965 shall not exceed $31,500,000 for fiscal year 1982.

20 USC 2921 note.

(c)(1) The total amount of appropriations to carry out section 303 of the Elementary and Secondary Education Act of 1965 shall not exceed $25,500,000 for fiscal year 1982.

20 USC 2943 note.

(2) The total amount of appropriations to carry out part B of title III of such Act shall not exceed $1,380,000 for fiscal year 1982.

20 USC 2954 note.

(3) The total amount of appropriations to carry out part C of title III of such Act shall not exceed $3,150,000 for fiscal year 1982.

20 USC 2963 note.

(4) No funds are authorized to be appropriated to carry out part D of title III of such Act for fiscal year 1982.

20 USC 2971 note.

(5) The total amount of appropriations to carry out part E of title III of such Act shall not exceed $3,600,000 for fiscal year 1982.

20 USC 2983 note.

(6) No funds are authorized to be appropriated to carry out part F of title III of such Act for fiscal year 1982.

20 USC 2992 note.

(7) The total amount of appropriations to carry out part G of title III of such Act shall not exceed $1,000,000 for fiscal year 1982.

20 USC 3003 note.

(8) No funds are authorized to be appropriated to carry out part H of title III of such Act for fiscal year 1982.

20 USC 3018 note.

(9) No funds are authorized to be appropriated to carry out part I of title III of such Act for fiscal year 1982.

20 USC 3024 note.

(10) No funds are authorized to be appropriated to carry out part J of title III of such Act for fiscal year 1982.

20 USC 3034 note.

(11) No funds are authorized to be appropriated to carry out part K of title III of such Act for fiscal year 1982.

20 USC 3041 note.

(12) The total amount of appropriations to carry out part L of title III of such Act shall not exceed $3,000,000 for fiscal year 1982.

20 USC 3057 note.

(13) No funds are authorized to be appropriated to carry out part M of title III of such Act for fiscal year 1982.

20 USC 3062 note.

(14) No funds are authorized to be appropriated to carry out part N of title III of such Act for fiscal year 1982.

94 Stat. 1471. 20 USC 3065 note.

(d)(1) The total amount of appropriations to carry out part B of title IV of the Elementary and Secondary Education Act of 1965 shall not exceed $161,000,000 for fiscal year 1982. 20 USC 3101 note.

(2) The total amount of appropriations to carry out part C of title IV of such Act shall not exceed $66,130,000 for fiscal year 1982. 20 USC 3111 note.

(3) The total amount of appropriations to carry out part D of title IV of such Act shall not exceed $15,000,000 for fiscal year 1982. 20 USC 3121 note.

(e)(1) The total amount of appropriations to carry out part B of title V of the Elementary and Secondary Education Act of 1965 shall not exceed $42,075,000 for fiscal year 1982. 20 USC 3163 note.

(2) No funds are authorized to be appropriated to carry out part C of title V of such Act for fiscal year 1982. 20 USC 3171 note.

(f) The total amount of appropriations to carry out title VI of the Elementary and Secondary Education Act of 1965 shall not exceed $149,292,000 for fiscal year 1982. 20 USC 3194 note.

(g) The total amount of appropriations to carry out title VII of the Elementary and Secondary Education Act of 1965 shall not exceed $139,970,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 3222 note.

(h) The total amount of appropriations to carry out title VIII of the Elementary and Secondary Education Act of 1965 shall not exceed $3,138,000 for fiscal year 1982. 20 USC 3282 note.

(i)(1) The total amount of appropriations to carry out part A of title IX of the Elementary and Secondary Education Act of 1965 shall not exceed $5,652,000 for fiscal year 1982. 20 USC 3313 note.

(2) No funds are authorized to be appropriated to carry out part B of title IX of such Act for fiscal year 1982. 20 USC 3331 note.

(3) The total amount of appropriations to carry out part C of title IX of such Act shall not exceed $6,000,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 3348 note.

(4) No funds are authorized to be appropriated to carry out part D of title IX of such Act for fiscal year 1982. 20 USC 3352 note.

(5) The total amount of appropriations to carry out part E of title IX of such Act shall not exceed $2,250,000 for fiscal year 1982. 20 USC 3367 note.

(j)(1) Funds appropriated in an appropriation Act for fiscal year 1982 for title I of the Elementary and Secondary Education Act of 1965 which are intended for use by a State or local educational agency in the school year 1982-1983 shall remain available to such agency but shall be expended and used in accordance with chapter 1 of the Education Consolidation and Improvement Act of 1981. 20 USC 2702 note. *Post*, p. 464.

(2) Funds appropriated in an appropriation Act for fiscal year 1981 for title I of the Elementary and Secondary Education Act of 1965 which are not obligated by a State or local educational agency prior to July 1, 1982, shall remain available to such agency but shall be expended and used in accordance with chapter 1 of the Education Consolidation and Improvement Act of 1981.

EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981

SEC. 514. (a)(1) The total amount of appropriations to carry out chapter 1 of the Education Consolidation and Improvement Act of 1981 shall not exceed $3,480,000,000 for each of the fiscal years 1983 and 1984. 20 USC 3802 note.

(2) From the amount appropriated in accordance with the paragraph (1), not more than 14.6 percent of such amount for each of the fiscal years 1983 and 1984 shall be available to carry out programs described in sections 141, 146, and 151 of the Elementary and Secondary Education Act of 1965. After the requirement of the preceding sentence is met, the Secretary of Education shall assure 20 USC 2761, 2771, 2781.

20 USC 2722.

that the amount available for the programs described in section 117 of the Elementary and Secondary Education Act of 1965 bears the same ratio to the amount appropriated in each such fiscal year for chapter 1 of the Education Consolidation and Improvement Act of 1981 as the amount available for such section 117 in fiscal year 1980 bore to the total amount appropriated for title I of the Elementary and Secondary Education Act of 1965 in fiscal year 1980.

Post, p. 464.

20 USC 2701

(b)(1) The total amount of appropriations to carry out chapter 2 of the Education Consolidation and Improvement Act of 1981 shall not exceed $589,368,000 for each of the fiscal years 1982, 1983, and 1984.

Post, p. 469.

(2)(A) Funds appropriated in an appropriation Act for fiscal year 1982 for any program described in section 561(a) (1), (2), (3), (5), and (6) of this Act which are intended for use by a State or local educational agency in the school year 1982-1983 shall remain available to such agency but shall be expended and used in accordance with chapter 2 of the Education Consolidation and Improvement Act of 1981.

Post, p. 469.

(B) Funds appropriated in an appropriation Act for fiscal year 1981 for any program described in section 561(a) (1), (2), (3), (5), and (6) of this Act which are not obligated by a State or local educational agency prior to July 1, 1982, shall remain available to such agency but shall be expended and used in accordance with chapter 2 of the Education Consolidation and Improvement Act of 1981.

GENERAL EDUCATION PROVISIONS ACT

94 Stat. 1498.
20 USC 1221e note.

SEC. 515. (a) The total amount of appropriations to carry out section 405 of the General Education Provisions Act shall not exceed $55,614,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1221e-1 note.

(b) The total amount of appropriations to carry out section 406 of the General Education Provisions Act shall not exceed $8,947,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1221e-1a note.

(c) The total amount of appropriations to carry out section 406A(1) of the General Education Provisions Act shall not exceed $1,875,000 for fiscal year 1982.

(d) The total amount of appropriations to carry out section 406A(2) of the General Education Provisions Act shall not exceed $5,000,000 for each of the fiscal years 1982, 1983, and 1984.

HIGHER EDUCATION ACT OF 1965

94 Stat. 1373.
20 USC 1005 note.

SEC. 516. (a)(1) No funds are authorized to be appropriated to carry out part A of title I of the Higher Education Act of 1965 for fiscal year 1982, 1983, or 1984.

94 Stat. 1377.
20 USC 1019 note.

(2) The total amount of appropriations to carry out part B of title I of such Act shall not exceed $8,000,000 for fiscal year 1982, 1983, or 1984.

94 Stat. 1384.
20 USC 1029 note.

(b)(1) The total amount of appropriations to carry out part A of title II of the Higher Education Act of 1965 shall not exceed $5,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1385.
20 USC 1031 note.

(2) The total amount of appropriations to carry out part B of title II of such Act shall not exceed $1,200,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1386.
20 USC 1041 note.

(3) The total amount of appropriations to carry out part C of title II of such Act shall not exceed $6,000,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1047j note.

(4) No funds are authorized to be appropriated to carry out part D of title II of such Act for fiscal year 1982, 1983, or 1984.

(5) No funds available for carrying out part A and section 224 of part B of such title for any such fiscal year shall be made available to any institution, organization, or agency which is a recipient of assistance under part C of such title.

94 Stat. 1384, 1385.
20 USC 1029 note.

(c)(1) The total amount of appropriations to carry out title III of the Higher Education Act of 1965 shall not exceed $129,600,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1386.
20 USC 1041.

(2) Section 331(a)(1) of the Higher Education Act of 1965 is amended by striking out the period at the end of clause (B) and by inserting in lieu thereof a semicolon and the word "or", and by adding at the end thereof the following new clause:

94 Stat. 1390.
20 USC 1069c note.
94 Stat. 1395.
20 USC 1064.

"(C) which is an institution of higher education which includes a substantial number of minority and educationally disadvantaged students, which provides a medical education program which leads to a doctor of medicine degree or which is not less than a two year program fully acceptable toward such a degree, and which in fiscal year 1980 received a grant as a two year medical school under section 788(a) of the Health Professions Educational Assistance Act of 1976.".

42 USC 295g-8.

(d)(1)(A) The total amount of appropriations to carry out subpart 1 of part A of title IV of the Higher Education Act of 1965 shall not exceed $2,650,000,000 for fiscal year 1982, $2,800,000,000 for fiscal year 1983, and $3,000,000,000 for fiscal year 1984.

20 USC 1070a note.

(B) If the Secretary of Education determines that it is necessary to waive any provision of subpart 1 of part A of title IV of the Higher Education Act of 1965 to meet the authorizations specified in subparagraph (A) of this paragraph, the Secretary shall notify the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives. The notification shall contain a description of each provision of such subpart that the Secretary proposes to waive and the reasons for the waiver. The Secretary may waive each provision contained in the notification submitted under this subparagraph if the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives within 30 days after the receipt approve of the waiver of that provision. Before the Secretary may act under this subparagraph, each such committee must approve of the waiver of each provision requested in the notification.

Waiver notification to congressional committees.

(2) The total amount of appropriations to carry out subpart 2 of part A of title IV of such Act shall not exceed $370,000,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1070b note.

(3) The total amount of appropriations to carry out subpart 3 of part A of title IV of such Act shall not exceed $76,800,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1070c note.

(4) The total amount of appropriations to carry out subpart 4 of part A of title IV of such Act shall not exceed $165,000,000 for the fiscal year 1982, $170,000,000 for each of the fiscal years 1983 and 1984.

94 Stat. 1407.
20 USC 1070d note.

(5) The total amount of appropriations to carry out subpart 5 of part A of title IV of such Act shall not exceed $7,500,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1411.
20 USC 1070d-2 note.

(6)(A) No funds are authorized to be appropriated to carry out section 419 of such Act for fiscal year 1982, 1983, or 1984.

20 USC 1070e note.

(B) The total amount of appropriations to carry out section 420 of such Act shall not exceed $12,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1412.
20 USC 1070e-1 note.

94 Stat. 1433. 42 USC 2751 note.

(7) The total amount of appropriations to carry out part C of title IV of such Act shall not exceed $550,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1437. 20 USC 1087aa note.

(8) The total amount of appropriations to carry out part E of title IV of such Act shall not exceed $286,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1454. 20 USC 1098 note.

(9) The total amount of appropriations to carry out section 491 of such Act shall not exceed $1,000,000 for fiscal year 1982 and $2,000,000 for fiscal year 1983.

94 Stat. 1459. 20 USC 1101 note.

(e)(1) The total amount of appropriations to carry out part A of title V of the Higher Education Act of 1965 shall not exceed $22,500,000 for fiscal year 1982.

94 Stat. 1459. 20 USC 1119 note.

(2)(A) The total amount of appropriations to carry out part B of title V of such Act shall not exceed $9,100,000 for fiscal year 1982.

(B) The last sentence of section 531 of such Act shall not apply to the funds appropriated to carry out part B of title V of such Act for fiscal year 1982, 1983, or 1984.

94 Stat. 1461. 20 USC 1119b-5 note.

(3) No funds are authorized to be appropriated to carry out part C of title V of such Act for fiscal year 1982, 1983, or 1984.

94 Stat. 1464. 20 USC 1119c note.

(4) No funds are authorized to be appropriated to carry out part D of title V of such Act for fiscal year 1982, 1983, or 1984.

94 Stat. 1464. 20 USC 1127 note.

(f) The total amount of appropriations to carry out title VI of the Higher Education Act of 1965 shall not exceed $30,600,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1472. 20 USC 1132a-1 note.

(g) No funds are authorized to be appropriated to carry out part A or B of title VII of the Higher Education Act of 1965 for fiscal year 1982, 1983, or 1984.

94 Stat. 1481. 20 USC 1133 note.

(h) The total amount of appropriations to carry out title VIII of the Higher Education Act of 1965 shall not exceed $20,000,000 for each of the fiscal years 1982, 1983, and 1984.

20 USC 1134 note.

(i)(1) No funds are authorized to be appropriated to carry out part A of title IX of such Act for fiscal year 1982, 1983, or 1984.

94 Stat. 1482. 20 USC 1134g note.

(2) The total amount of appropriations to carry out part B of title IX of the Higher Education Act of 1965 shall not exceed $14,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1484. 20 USC 1134h note.

(3) No funds are authorized to be appropriated to carry out part C of title IX of such Act for fiscal year 1982, 1983, or 1984.

94 Stat. 1486. 20 USC 1134m note.

(4) The total amount of appropriations to carry out part D of title IX of such Act shall not exceed $1,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1487. 20 USC 1134p note.

(5) The total amount of appropriations to carry out part E of title IX of such Act shall not exceed $1,000,000 for each of the fiscal years 1982, 1983, and 1984.

94 Stat. 1489. 20 USC 1135a-3 note.

(j) The total amount of appropriations to carry out title X of the Higher Education Act of 1965 shall not exceed $13,500,000 for each of the fiscal years 1982, 1983, and 1984.

INDIAN EDUCATION ACT

20 USC 241ff note. 20 USC 241aa note.

SEC. 517. The total amount of appropriations to carry out the Indian Education Act shall not exceed $81,700,000 for fiscal year 1982, $88,400,000 for the fiscal year 1983, and $95,300,000 for the fiscal year 1984.

JOHNSON-O'MALLEY ACT; SNYDER ACT; NAVAJO COMMUNITY COLLEGE ACT; TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT OF 1978

SEC. 518. The total amount of appropriations— 25 USC 13 note.

(1) to carry out the Act of April 16, 1934, commonly referred to as the Johnson-O'Malley Act; 25 USC 452 note.

(2) to carry out all education programs under the direction of the Office of Indian Education Programs in the Bureau of Indian Affairs of the Department of the Interior authorized under the Act of November 2, 1921, commonly referred to as the Snyder Act (and not otherwise expressly authorized by law); 25 USC 13.

(3) to carry out the Navajo Community College Act; and 25 USC 640a note.

(4) to carry out the Tribally Controlled Community College Assistance Act of 1978; 25 USC 1801 note.

shall not exceed $262,300,000 for fiscal year 1982, $276,100,000 for the fiscal year 1983, and $290,400,000 for fiscal year 1984.

JOINT RESOLUTION OF OCTOBER 19, 1972 (ELLENDER FELLOWSHIP PROGRAM)

SEC. 519. The total amount of appropriations to carry out the joint resolution of October 19, 1972, shall not exceed $1,000,000 for each of the fiscal years 1982, 1983, and 1984. 86 Stat. 907.

LIBRARY SERVICES AND CONSTRUCTION ACT

SEC. 520. (a) The total amount of appropriations to carry out the Library Services and Construction Act shall not exceed $80,000,000 for each of the fiscal years 1982, 1983, and 1984 of which— 20 USC 351b note. 20 USC 351 note.

(1) not more than $65,000,000 shall be available for title I of such Act; and 20 USC 352.

(2) not more than $15,000,000 shall be available for title III of such Act, 20 USC 355e.

for each such year.

(b) No funds are authorized to be appropriated to carry out title II of the Library Services and Construction Act for fiscal year 1982, 1983, or 1984. 20 USC 355a.

MUSEUM SERVICES ACT

SEC. 521. The total amount of appropriations to carry out the Museum Services Act shall not exceed $9,600,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 967 note. 20 USC 961 note.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE ACT

SEC. 522. The total amount of appropriations to carry out the National Commission on Libraries and Information Science Act shall not exceed $700,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 1506 note. 20 USC 1501 note.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965 20 USC 951 note.

SEC. 523. The total amount of appropriations to the National Endowment for the Arts shall not exceed $119,300,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 960 note.

SEC. 524. The total amount of appropriations to the National Endowment for the Humanities shall not exceed $113,700,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 960 note.

REFUGEE EDUCATION CONSOLIDATION

94 Stat. 1799–1807. 8 USC 1522 note.

SEC. 525. The total amount of appropriations to carry out titles I through IV of the Refugee Education Assistance Act of 1980 shall not exceed $5,000,000 for fiscal year 1982, $7,500,000 for fiscal year 1983, and $10,000,000 for fiscal year 1984.

REFUGEE CUBAN AND HAITIAN PROGRAMS

8 USC 1522 note.

SEC. 526. (a)(1) The total amount of appropriations to carry out Cuban and Haitian reception activities shall not exceed $20,000,000 for fiscal year 1982.

(2) No funds are authorized to be appropriated to Cuban and Haitian reception activities for the fiscal year 1983.

(b) The total amount of appropriations to carry out Cuban and Haitian domestic activities shall not exceed $94,000,000 for fiscal year 1982 and $59,000,000 for fiscal year 1983.

VOCATIONAL EDUCATION ACT OF 1963

20 USC 2302 note. 20 USC 2301 note.

SEC. 527. The total amount of appropriations to carry out the Vocational Education Act of 1963 shall not exceed $735,000,000 for each of the fiscal years 1982, 1983, and 1984.

GENERAL EXTENSION OF AUTHORIZATIONS

20 USC 3489.

SEC. 528. Subject to the limitations contained in subtitle A of this title, there are authorized to be appropriated for fiscal years 1982, 1983, and 1984 such sums as may be necessary to carry out each of the following provisions of law:

20 USC 236 *et seq.*

(1) the Act of September 30, 1950 (Public Law 874, 81st Congress);

20 USC 631 *et seq.*

(2) the Act of September 23, 1950 (Public Law 815, 81st Congress);

20 USC 1221.

(3) the General Education Provisions Act;

20 USC 241aa.

(4) the Indian Education Act;

92 Stat. 2313, 2365, 2373. 94 Stat. 1502. 20 USC 1201 note.

(5) titles XI, XIV, and XV of the Education Amendments of 1978 and part H of title XIII of the Education Amendments of 1980;

20 USC 2532.

(6) the Adult Education Act;

94 Stat. 487. 20 USC 3601 note.

(7) section 342 of the Education Amendments of 1976;

20 USC 2301 note.

(8) the Asbestos School Hazards Detection and Control Act;

42 USC 2000c.

(9) the Joint Resolution of October 19, 1972 (86 Stat. 907);

25 USC 351 note. 25 USC 640a. note.

(10) the Vocational Education Act of 1963;

20 USC 1801 note.

(11) title IV of the Civil Rights Act of 1964;

20 USC 3341.

(12) the Library Services and Construction Act;

Postsecondary Student Assistance Amendments of 1981.

(13) the Navajo Community College Act and the Tribally Controlled Community College Assistance Act of 1978; and

20 USC 1001 note.

(14) part C of title IX of the Elementary and Secondary Education Act of 1965, relating to Women's Educational Equity.

Subtitle B—Student Assistance Provisions

SHORT TITLE

SEC. 531. This subtitle may be cited as the "Postsecondary Student Assistance Amendments of 1981".

ELIGIBILITY FOR SUBSIDIZED LOANS

SEC. 532. (a) Section 428(a)(2) of the Higher Education Act of 1965 (hereafter in this subtitle referred to as the "Act") is amended to read as follows: 20 USC 1078.

"(2)(A) Each student qualifying for a portion of an interest payment under paragraph (1) shall—

"(i) have provided to the lender a statement from the eligible institution, at which the student has been accepted for enrollment, or at which the student is in attendance, which—

"(I) sets forth such student's estimated cost of attendance; and

"(II) sets forth such student's estimated financial assistance; and

"(ii) meet the requirements of subparagraph (B).

"(B) For the purpose of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if the adjusted gross income of such student's family—

"(i) is less than or equal to $30,000; or

"(ii) is greater than $30,000, and the eligible institution has provided the lender with a statement evidencing a determination of need for a loan and the amount of such need, subject to the provisions of subparagraph (F).

"(C) For the purpose of paragraph (1) and this paragraph—

"(i) a student's estimated cost of attendance means, for the period for which the loan is sought, the tuition and fees applicable to such student together with the institution's estimate of other expenses reasonably related to attendance at such institution, including, but not limited to, the cost of room and board, reasonable transportation costs, and costs for books and supplies;

"(ii) a student's estimated financial assistance means, for the period for which the loan is sought, the amount of assistance such student will receive under subparts 1 and 2 of part A, and parts C and E of this title, any amount paid under the Social Security Act to, or on account of, the student which would not be paid if he were not a student, and any amount paid the student under chapters 32, 34, and 35 of title 38, United States Code, plus other scholarship, grant, or loan assistance; and

20 USC 1070a, 1070b; 42 USC 2751; 20 USC 1087aa. 42 USC 1305. 38 USC 1601 *et seq.*, 1651 *et seq.*, 1700 *et seq.*

"(iii) the determination of need and of the amount of a loan by an eligible institution under subparagraph (B)(ii) with respect to a student shall be calculated by subtracting from the estimated cost of attendance at the eligible institution the total of the expected family contribution with respect to such student plus any estimated financial assistance reasonably available to such student.

"(D) The Secretary shall submit a separate schedule of expected family contributions to the President of the Senate and the Speaker of the House of Representatives not later than the submission of, and in accordance with the procedures for, the proposed schedule of expected family contributions under section 482, except as provided in subparagraph (E).

Schedule of expected family contributions.

94 Stat. 1445. 20 USC 1089.

"(E)(i) The initial separate schedule required by subparagraph (D) shall—

"(I) be submitted not later than August 15, 1981;

"(II) be effective on October 1, 1981, except as is otherwise provided in division (ii);

94 Stat. 1445.
20 USC 1089.
20 USC 1232.

"(III) not be the subject of public comment otherwise required by section 482(a)(1) of this Act or section 431 of the General Education Provisions Act; and

"(IV) be subject to amendment prior to the next regular submission of a separate schedule as required by subparagraph (D) only in accordance with division (iv) of this subparagraph.

Congressional disapproval.

"(ii) If either the Senate or the House of Representatives adopts, prior to October 1, 1981, a resolution of disapproval of the schedule submitted under division (i), such schedule shall not take effect. If such schedule is so disapproved, or if the Secretary does not submit such a schedule by August 15, 1981, then beginning on October 1, 1981, the expected family contribution for purposes of this paragraph shall be determined by the eligible institution in accordance with regulations promulgated under section 411 or 413B, as in effect for the period beginning on July 1, 1981, governing the determination of expected family contribution.

20 USC 1070a, 1070b-1.

"(iii) The method of determining the expected family contribution established under this subparagraph shall remain in effect until superseded by the taking effect of the next schedule submitted in accordance with subparagraph (D) or amended in accordance with division (iv) of this subparagraph.

"(iv) Any amendment promulgated by the Secretary to the initial separate schedule established under this subparagraph shall be transmitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or House of Representatives adopts, within 30 legislative days following the publication of such amendment, a resolution of disapproval of such amendment, such amendment shall not take effect.

"(F) For the purpose of a student described in clause (ii) of subparagraph (B), the amount of the loan which is qualified for a payment under paragraph (1) is the amount of the need of such student as determined by the eligible institution, except that, if the amount of need is equal to or more than $500, but is less than $1,000, the amount of the loan which is qualified for such payment shall be $1,000.".

20 USC 1078.

(b)(1) Section 428(b)(1)(A)(i) of the Act is amended by striking out "section 428(a)(2)(B)(i)" and inserting in lieu thereof "section 428(a)(2)(C)(i)".

Repeal.
20 USC 1087-3a, 1078 note.
20 USC 1001 note.
20 USC 1071.

(2) Section 439B of the Act is repealed. Nothing in this paragraph or in any other provision of this title, or in any provision of the Higher Education Act of 1965 as amended by this title, shall be construed to permit any analysis of need for the purposes of loans under part B of title IV of such Act other than that expressly required by section 428(a)(2) of such Act as amended by this section or to require a student seeking to qualify under section 428(a)(2)(B)(i) to prove any element of need other than compliance with the adjusted gross income amount specified in such section.

94 Stat. 1424.
20 USC 1078-2.

(3) Section 428B(b)(3) of the Act is amended by striking out "No" and inserting in lieu thereof "Any loan under this section may be counted as part of the student's expected family contribution in the determination of need under this title, but no".

94 Stat. 1425.
20 USC 1087-1.

(4) Section 438(b)(5) of the Act is amended to read as follows:

"(5) As used in this section, the term 'eligible loan' means a loan—

"(A)(i) on which a portion of the interest is paid on behalf of the student and for his account to the holder of the loan under section 428(a);

94 Stat. 1430.
20 USC 1087-2.

"(ii) which is made under section 428B or 439(o); or

"(iii) which was made prior to October 1, 1981; and

"(B) which is insured under this part, or made under a program covered by an agreement under section 428(b) of this Act.". 20 USC 1078.

NEED ANALYSIS AMENDMENTS

SEC. 533. (a)(1) Section 482(a)(1) of the Act is amended by striking out everything after the comma following the words "family income, which," and inserting in lieu thereof the following: "together with any amendments published in the Federal Register, no later than September 1, 1981, June 1, 1982, and June 1 of each succeeding year, shall become effective July 1 of the calendar year which succeeds such calendar year, except as is otherwise provided in paragraph (2). During the thirty-day period following publication of a schedule the Secretary shall provide interested parties with an opportunity to present their views and make recommendations with respect to such schedule. Such schedule shall be adjusted annually.". 94 Stat. 1445. 20 USC 1089.

(2) Section 482(a)(2) of the Act is amended to read as follows: New or revised schedules, congressional disapproval.

"(2) The schedule of expected family contributions required for each academic year, including any amendments thereto published pursuant to paragraph (1), shall be transmitted to the President of the Senate and the Speaker of the House of Representatives not later than the time of its publication in the Federal Register. If either the Senate or House of Representatives adopts, prior to October 15, 1981, July 15, 1982, or July 15 of any succeeding year, following the submission of such schedule and any amendments thereto as required by this paragraph, a resolution of disapproval of such schedule or amendments, in whole or in part, the Secretary shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. Such new schedule shall take into consideration such recommendations as may be made in either House in connection with such resolution. If within fifteen days following the submission of the revised schedule, either the Senate or the House of Representatives again adopts a resolution of disapproval, in whole or in part, of such revised schedule, the Secretary shall publish a new schedule of expected family contributions in the Federal Register not later than fifteen days after the adoption of such resolution of disapproval. This procedure shall be repeated until neither the Senate nor the House of Representatives adopts a resolution of disapproval. The Secretary shall publish together with each new schedule a statement identifying the recommendations made in either House in connection with such resolution of disapproval and explaining his reasons for the new schedule.". Publication in Federal Register. Publication in Federal Register.

(3) The first sentence of section 431(d)(1) of the General Education Provisions Act is amended by inserting after "final regulation" the first time it appears the following: "(except expected family contribution schedules and any amendments thereto promulgated pursuant to sections 428(a)(2) (D) and (E) and 482(a) (1) and (2) of the Higher Education Act of 1965)". 20 USC 1232. *Ante*, p. 451.

(b) Section 482(b)(4) of the Act is amended to read as follows: 94 Stat. 1445. 20 USC 1089.

"(4) In determining the expected family contribution under this section for any academic year after academic year 1981-1982, the Secretary shall establish a series of assessment rates to be applied to parental discretionary income.".

AUXILIARY PROGRAM

94 Stat. 1419.
20 USC 1077a.

SEC. 534. (a)(1) Section 427A of the Act is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

"(c)(1) Except as otherwise provided in this subsection, the applicable rate of interest on loans made pursuant to section 428B on or after October 1, 1981, shall be 14 per centum per annum on the unpaid principal balance of the loan.

94 Stat. 1424.
20 USC 1078-2.

"(2) If for any twelve-month period beginning on or after October 1, 1981, the Secretary, after consultation with the Secretary of the Treasury, determines that the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned for such twelve-month period is equal to or less than 14 per centum, the applicable rate of interest for loans made pursuant to section 428B on and after the first day of the first month beginning after the date of publication of such determination shall be 12 per centum per annum on the unpaid principal balance of the loan.

"(3) If for any twelve-month period beginning on or after the date of publication of a determination under paragraph (2), the Secretary, after consultation with the Secretary of the Treasury, determines that the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned for such twelve-month period exceeds 14 per centum, the applicable rate of interest for loans made pursuant to section 428B on and after the first day of the first month beginning after the date of publication of that determination under this paragraph shall be 14 per centum per annum on the unpaid principal balance of the loan.".

(2) Section 428B(c)(3) is amended by striking out everything after "unpaid principal balance of the loan," and inserting in lieu thereof the following: "except as otherwise required by section 427A(c).".

94 Stat. 1425.
20 USC 1087-1.

(b) Section 438(b)(2) of the Act is amended—

(1) by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

"(2)(A) Subject to subparagraph (B) and paragraph (4), the special allowance paid pursuant to this subsection on loans shall be computed (i) by determining the average of the bond equivalent rates of ninety-one-day Treasury bills auctioned for such three month period, (ii) by subtracting the applicable interest rate on such loans from such average, (iii) by adding 3.5 per centum to the resultant per centum, and (iv) by dividing the resultant per centum by four.";

(2) by redesignating subparagraph (D) as subparagraph (B); and

(3) by striking out "subparagraph (A), (B), or (C)" in subparagraph (B) (as so redesignated) and inserting in lieu thereof "subparagraph (A)".

(c)(1) Section 428B(a) of the Act is amended by inserting "(1)" after "(a)" and by adding at the end thereof the following new paragraph:

94 Stat. 1445.
20 USC 1089.

"(2) Graduate or professional students (as defined by regulations of the Secretary) and independent undergraduate students (as defined in section 482(c)(2)) shall be eligible to borrow funds under this section in amounts specified in subsection (b) (treating graduate and professional students as parents for the purposes of such subsection), and unless otherwise specified in subsections (c) and (d), such loans shall have the same terms, conditions, and benefits as all other loans made under this part.".

94 Stat. 1424.
20 USC 1078-2.

(2) Section 428B(b) of the Act is amended by adding at the end thereof the following new paragraph:

"(4)(A) Subject to subparagraph (B) of this paragraph, the maximum amount an independent undergraduate student may borrow under this section in any academic year or its equivalent (as defined by regulation by the Secretary) is equal to (i) $2,500, minus (ii) the amount of all other loans under this part to such student for such academic year or its equivalent.

"(B) The aggregate insured unpaid principal amount for insured loans made to an independent undergraduate student under this part (including loans made under this section) shall not exceed $12,500.".

(3) The heading of section 428B of the Act is amended to read as follows:

"AUXILIARY LOANS TO ASSIST STUDENTS".

INDEPENDENT STUDENT LOAN LIMITATIONS

SEC. 535. (a) Section 425(a)(1) of the Act is amended— 94 Stat. 1416. 20 USC 1075.

(1) by striking out clause (A) and by redesignating clauses (B), (C), and (D) as clauses (A), (B), and (C), respectively; and

(2) by striking out "clause (C)" in the last sentence of such section and inserting in lieu thereof "clause (B)".

(b) Section 425(a)(2) of the Act is amended—

(1) by striking out "(other than an independent student)"; and

(2) by striking out "$15,000 in the case of any independent student who has not successfully completed a program of undergraduate education,".

(c) The matter preceding subdivision (i) of section 428(b)(1)(A) of the Act is amended— *Ante*, p. 452.

(1) by striking out "(other than an independent student)"; and

(2) by striking out "or not more than $3,000 in the case of an independent student (defined in accordance with section 482(c)(2)) who has not successfully completed a program of undergraduate education,". 94 Stat. 1445. 20 USC 1089.

(d) Section 428(b)(1)(B) of the Act is amended—

(1) by striking out "(other than an independent student)"; and

(2) by striking out "$15,000 in the case of any independent student who has not successfully completed a program of undergraduate education,".

(e) Section 428A of the Act is amended— 94 Stat. 1416, 1417. 20 USC 1078-1.

(1) by striking out ", other than an independent student," in subsection (a)(1)(A) and in subsection (a)(2)(A);

(2) by striking out "$3,000 (in the case of an independent student (as defined in section 482(c)(2)) who has not successfully completed a program of undergraduate education)," in each such subsection;

(3) by striking out "(other than an independent student)" in each such subsection; and

(4) by striking out "$15,000 in the case of any independent student who has not successfully completed a program of undergraduate education," in each such subsection.

ORIGINATION FEES

SEC. 536. (a) Section 438 of the Act is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection: 94 Stat. 1425. 20 USC 1087-1.

"(c)(1) Notwithstanding subsection (b), the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsec- 20 USC 1078.

tion (b) of this section, respectively, to any holder shall be reduced by the Secretary by the amount which the lender is authorized to charge as an origination fee in accordance with paragraph (2) of this subsection. If the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount the lender was authorized to charge borrowers for origination fees in that quarter, the Secretary shall deduct the excess amount from the subsequent quarters' payments until the total amount has been deducted.

20 USC 1078.

"(2) With respect to any loan (other than loans made under section 428B and section 439(o)) for which a completed note or other written evidence of the loan was sent or delivered to the borrower for signing on or after 10 days after the date of enactment of the Postsecondary Student Assistance Amendments of 1981, each eligible lender under this part is authorized to charge the borrower an origination fee in an amount not to exceed 5 per centum of the principal amount of the loan, which may be deducted from the proceeds of the loan prior to payment to the borrower.

94 Stat. 1424, 1430.
20 USC 1078-2, 1087-2.
Ante, p. 450.

"(3) Such origination fee shall not be taken into account for purposes of determining compliance with section 427A.

94 Stat. 1419.
20 USC 1077a.

"(4) The lender shall disclose to the borrower the amount and method of calculating the origination fee. For any loan for which the lender is authorized to charge an origination fee and which is made prior to August 1, 1982—

"(A) this disclosure need not meet the requirements of the Truth in Lending Act (15 U.S.C. 1601 et seq.) or the disclosure requirements of any State law;

"(B) for purposes of such Act, a lender may disclose either in the note or other written evidence of the loan or in a supplementary letter (which need not be signed by the borrower);

"(C) for purposes of such Act, the origination fee shall not be taken into account in calculating and disclosing the annual percentage rate; and

"(D) a lender or an assignee shall not incur civil liability under section 130 of such Act nor be subject to any administrative enforcement action pursuant to section 108 of such Act for disclosures in connection with such loans.".

15 USC 1640.
15 USC 1607.

(b) Section 428(a)(3)(A) of the Act is amended by inserting "and subject to section 438(c)" after "Except as provided in paragraph (8)".

20 USC 1078.
Ante, p. 455.

ADMINISTRATIVE SAVINGS; TECHNICAL AMENDMENTS

SEC. 537. (a)(1) Section 428(e) of the Act is repealed.

(2) The first sentence of section 489(a) of the Act is amended by striking out "$10" and inserting in lieu thereof "$5".

94 Stat. 1453.
20 USC 1096.

(b)(1) Section 427(c) of the Act is amended by striking out "$360" each place it appears and inserting in lieu thereof "$600".

20 USC 1077.

(2) Section 428(b)(1)(L) of the Act is amended by striking out "$360" each place it appears and inserting in lieu thereof "$600".

20 USC 1078.

(c) Section 428(c) of the Act is amended—

(1) in paragraph (2)(D), by striking out "but shall not otherwise provide for subrogation of the United States to rights of any insurance beneficiary" and inserting in lieu thereof "but shall provide for subrogation of the United States to the rights of any insurance beneficiary only to the extent required for purposes of paragraph (8)"; and

(2) by adding at the end thereof the following new paragraph:

"(8) If the Secretary determines that the protection of the Federal fiscal interest so requires, a State or nonprofit private institution or organization with which the Secretary has an agreement under subsection (b) shall assign to the Secretary any loan of which it is the holder and for which the Secretary has made a payment pursuant to paragraph (1) of this subsection.".

(d)(1) The matter following section 428(b)(1)(M)(viii) of the Act is amended by striking out ", and that no repayment of principal of any loan for any period of study, training, service, or unemployment described in this clause or any combination thereof shall begin until six months after the completion of such period or combination thereof". 20 USC 1078.

(2) Section 427(a)(2)(C) of the Act is amended— 20 USC 1077.

(A) by striking out "that any such period" and inserting in lieu thereof "and that any such period"; and

(B) by striking out ", and that no repayment of principal of any loan for a period of study, training, service, or unemployment described in this clause or any combination thereof shall begin until six months after the completion of such period or combination thereof".

(e)(1) Section 427(a)(2)(B) of the Act is amended by striking out "not earlier than".

(2) Section 428(b)(1)(E) of the Act is amended by striking out "not earlier than".

AMENDMENTS CONCERNING THE STUDENT LOAN MARKETING ASSOCIATION

SEC. 538. (a) Section 439(a) of the Act is amended by striking out "insured" wherever it appears, and by inserting after "student loans," the first time it appears the following: "including loans which are insured". 20 USC 1087-2. 20 USC 1079.

(b) Section 439(a) of the Act is further amended by striking out "and" at the end of clause (1), and by striking the period at the end of clause (2) and inserting in lieu thereof the following: "; and (3) to assure nationwide the establishment of adequate loan insurance programs for students, to provide for an additional program of loan insurance to be covered by agreements with the Secretary.".

(c) Section 439(d)(1) of the Act is amended to read as follows:

"(d)(1) The Association is authorized, subject to the provisions of this section—

"(A) pursuant to commitments or otherwise to make advances on the security of, purchase, or repurchase, service, sell or resell, offer participations, or pooled interests or otherwise deal in, at prices and on terms and conditions determined by the Association, student loans which are insured by the Secretary under this part or by a State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b);

"(B) to buy, sell, hold, underwrite, and otherwise deal in obligations, if such obligations are issued, for the purpose of making or purchasing insured loans, by a State or nonprofit private institution or organization which has an agreement with the Secretary under section 428(b) or by an eligible lender in a State described in section 435(g)(1) (D) or (F);

"(C) to undertake a program of loan insurance pursuant to agreements with the Secretary under sections 428 and 428(A), and except with respect to loans under section 439(o), the Secre-

tary may enter into an agreement with the Association for such purpose only if the Secretary determines that (i) eligible borrowers are seeking and unable to obtain loans under this part, and (ii) no State or nonprofit private institution or organization having an agreement with the Secretary for a program of loan insurance under this part is capable of or willing to provide a program of loan insurance for such borrowers; and

"(D) to undertake any other activity which the Board of Directors of the Association determines to be in furtherance of the programs of insured student loans authorized under this part or will otherwise support the credit needs of students.

The Association is further authorized to undertake any activity with regard to student loans which are not insured or guaranteed as provided for in this subsection as it may undertake with regard to insured or guaranteed student loans. Any warehousing advance made on the security of such loans shall be subject to the provisions of paragraph (3) of this subsection to the same extent as a warehousing advance made on the security of insured loans.".

20 USC 1087-2.

(d) Section 439(l) of the Act is amended by adding at the end thereof the following: "The obligations of the Association shall be deemed to be obligations of the United States for purposes of section 3701 of the Revised Statutes (31 U.S.C. 742). For the purpose of the distribution of its property pursuant to section 726 of title 11, United States Code, the Association shall be deemed a person within the meaning of such title.".

DIRECT STUDENT LOAN INTEREST RATE

20 USC 1087dd.

SEC. 539. Section 464(c)(1)(D) of the Act is amended by striking out "October 1, 1980," and inserting in lieu thereof "July 1, 1981, or 5 per centum in the case of any loan made on or after October 1, 1981,".

EFFECTIVE DATES

20 USC 1078 note.

SEC. 540. (a) Except as provided in subsection (b), the amendments made by this subtitle take effect on October 1, 1981.

(b)(1) The amendments made by section 532 (other than subsection (b)(4)) shall apply to loans for which the statement required by section 428(a)(2)(A) of the Act is completed by the eligible institution on or after October 1, 1981.

20 USC 1078.

(2) The amendments made by section 534(b) shall apply to loans made on or after October 1, 1981.

(3) The amendments made by section 536 shall take effect as provided therein.

(4) The amendments made by section 538 shall take effect 30 days after the date of enactment of this Act.

Consolidated Refugee Education Assistance Act.

Subtitle C—Refugee Education Consolidation

SHORT TITLE

8 USC 1522 note.

SEC. 541. This subtitle may be cited as the "Consolidated Refugee Education Assistance Act".

REPEALER

SEC. 542. The following provisions are hereby repealed:

20 USC 239a.

(1) Section 4A of the Act of September 30, 1950 (Public Law 81-874).

(2) Titles I and II of the Indochina Refugee Children Assistance Act of 1976.

(3) Section 317 of the Adult Education Act.

20 USC 1211b note.
20 USC 1211b.

AMENDMENTS TO TITLE I OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980

SEC. 543. (a)(1) Section 101 of the Refugee Education Assistance Act of 1980 is amended—

8 USC 1522 note.

(A) by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(B) by inserting after paragraph (2) (as so redesignated) the following new paragraph:

"(3) The term 'eligible participant' means any alien who—

"Eligible participant."

"(A) has been admitted into the United States as a refugee under section 207 of the Immigration and Nationality Act;

8 USC 1157.

"(B) has been paroled into the United States as a refugee by the Attorney General pursuant to section 212(d)(5) of such Act;

8 USC 1182.

"(C) is an applicant for asylum, or has been granted asylum, in the United States; or

"(D) has fled from the alien's country of origin and has, pursuant to an Executive order of the President, been permitted to enter the United States and remain in the United States indefinitely for humanitarian reasons;

but only during the 36-month beginning with the first month in which the alien entered the United States (in the case of an alien described in (A), (B), or (D)) or the month in which the alien applied for asylum (in the case of an alien described in subparagraph (C)).''; and

(C) by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4).

(2) For purposes of the Refugee Education Assistance Act of 1980, an alien who entered the United States on or after November 1, 1979, and is in the United States with the immigration status of a Cuban-Haitian entrant (status pending) shall be considered to be an eligible participant (within the meaning of section 101(3) of such Act), but only during the 36-month period beginning with the first month in which the alien entered the United States as such an entrant or otherwise first acquired such status.

8 USC 1522 note.

(b) Section 103(b)(1)(A) of the Refugee Education Assistance Act of 1980 is amended by striking out "aggregate of the amounts to which all States are entitled" and inserting in lieu thereof "amount authorized to be appropriated".

8 USC 1522 note.

(c) Section 104 of the Refugee Education Assistance Act of 1980 is amended by striking out "1 percent of the amounts which that State educational agency is entitled to receive for that period under this Act" and inserting in lieu thereof "2 percent of the amount which that State educational agency receives for that period under this Act".

8 USC 1522 note.

(d) Title I of the Refugee Education Assistance Act of 1980 is amended by adding at the end thereof the following new section:

"CONSULTATION WITH OTHER AGENCIES

"SEC. 106. To the extent that may be appropriate to facilitate the determination of the amount of any reductions under sections 201(b)(2), 301(b)(3), and 401(b)(2), the Secretary shall consult with the

8 USC 1522 note.

heads of other agencies providing assistance to eligible participants in order to secure information concerning the disbursement of funds for educational purposes under programs administered by them and provide, wherever feasible, for coordination among those programs and the programs under titles II through IV of this Act.".

8 USC 1522 note.

AMENDMENTS TO TITLE II OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980

Grants to State educational agencies.
8 USC 1522 note.

SEC. 544. (a) Section 201 of the Refugee Education Assistance Act is amended—

(1) by amending the first sentence of subsection (a)(1) to read as follows: "The Secretary shall, in accordance with the provisions of this title, make grants to State educational agencies for fiscal year 1981, and for each subsequent fiscal year, for the purposes of assisting local educational agencies of that State in providing basic education for eligible participants enrolled in elementary or secondary public schools.";

(2) in the second sentence of subsection (a)(1), by striking out "Cuban and Haitian refugee children" and inserting in lieu thereof "eligible participants";

(3) by amending subsection (b)(1) to read as follows:

Grant entitlement formula.

"(b)(1) As soon as possible after the date of the enactment of the Consolidated Refugee Education Assistance Act, the Secretary shall establish a formula (reflecting the availability of the full amount authorized for this title under section 203(b)) by which to determine the amount of the grant which each State educational agency is entitled to receive under this title for any fiscal year. The formula established by the Secretary shall take into account the number of years that an eligible participant assisted under this title has resided within the United States and the relative costs, by grade level, of providing education for elementary and secondary school children. On the basis of the formula the Secretary shall allocate among the State educational agencies, for each fiscal year, the amounts available to carry out this title, subject to such reductions or adjustments as may be required under paragraph (2) or subsection (c). Funds shall be allocated among State educational agencies pursuant to the formula without regard to variations in educational costs among different geographical areas.";

(4) by amending the first sentence of subsection (b)(2) to read as follows: "The amount of the grant to which a State educational agency is otherwise entitled for any fiscal year, as determined under paragraph (1), shall be reduced by the amounts made available for such fiscal year under any other Federal law (other than section 303 of the Elementary and Secondary Education Act of 1965) for expenditure within the State for the same purposes as those for which funds are made available under this title, except that the reduction shall be made only to the extent that (A) such amounts are made available for such purposes specifically because of the refugee, parolee, or asylee status of the individuals to be served by such funds, and (B) such amounts are made available to provide assistance to individuals eligible for services under this title."; and

20 USC 843.

(5) in subsection (c), by striking out "Cuban and Haitian refugee children" and inserting in lieu thereof "eligible participants".

8 USC 1522 note.

(b) Section 202(a) of the Refugee Education Assistance Act of 1980 is amended—

(1) by amending paragraph (2) to read as follows:

"(2) provide assurances that such payments will be distributed among local educational agencies within that State in accordance with the formula established by the Secretary under section 201, subject to any reductions in payments for those local educational agencies identified under paragraph (3) to which funds described by section 201(b)(2) are made available for the same purposes under other Federal laws;";

8 USC 1522 note.

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) specify the amount of funds described by section 201(b)(2) which are made available under other Federal laws for expenditure within the State for the same purposes as those for which funds are made available under this title and the local educational agencies to which such funds are made available;".

(c) Section 203 of the Refugee Education Assistance Act of 1980 is amended—

8 USC 1522 note.

(1) by amending the section heading to read as follows:

"PAYMENTS AND AUTHORIZATIONS";

(2) by inserting "(a)" after the section designation; and

(3) by adding at the end the following new subsection:

"(b) For fiscal year 1981 and for each subsequent fiscal year, there is authorized to be appropriated, in the manner specified under section 102, to make payments under this title an amount equal to the product of—

8 USC 1522 note.

"(1) the total number of eligible participants enrolled in elementary or secondary public schools under the jurisdiction of local educational agencies within all the States (other than the jurisdictions to which section 103 is applicable) during the fiscal year for which the determination is made,

8 USC 1522 note.

multiplied by—

"(2) $400.".

AMENDMENTS TO TITLE III OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980

SEC. 545. (a) The heading of title III of the Refugee Education Assistance Act of 1980 is amended by striking out "REFUGEE".

Grants to State educational agencies.

(b) Section 301 of the Refugee Education Assistance Act of 1980 is amended—

8 USC 1522 note.

(1) in subsection (a), by striking out "for each of the fiscal years 1981, 1982, and 1983" and inserting in lieu thereof "for fiscal year 1981, and for each subsequent fiscal year,";

(2) by amending subsection (b)(1) to read as follows:

"(b)(1) Except as provided in paragraph (3) of this subsection and in subsections (c) and (d) of this section, the amount of the grant to which a State educational agency is entitled under this title for any fiscal year shall be equal to the sum of—

"(A) the amount equal to the product of (i) the number of eligible participants enrolled during the period for which the determination is made in elementary or secondary public schools under the jurisdiction of each local educational agency described under paragraph (2) within that State, or in any elementary or secondary nonpublic school within the district served by each

such local educational agency, who have been eligible participants less than one year, multiplied by (ii) $700;

"(B) the amount equal to the product of (i) the number of eligible participants enrolled during the period for which the determination is made in elementary or secondary public schools under the jurisdiction of each local educational agency described under paragraph (2) within that State, or in any elementary or secondary nonpublic school within the district served by each such local educational agency, who have been eligible participants at least one year but not more than two years, multiplied by (ii) $500; and

"(C) the product of (i) the number of eligible participants enrolled during the period for which the determination is made in elementary or secondary public schools under the jurisdiction of each local educational agency described under paragraph (2) within that State, or in any elementary or secondary nonpublic school within the district served by each such local educational agency, who have been eligible participants more than two years but not more than three years, multiplied by (ii) $300.";

(3) in subsection (b)(2), by striking out "Cuban and Haitian refugee children and Indochinese refugee children" and inserting in lieu thereof "eligible participants";

(4) in the first sentence of subsection (b)(3), by striking out "Cuban and Haitian refugee children and Indochinese refugee children" and all that follows through the period and inserting in lieu thereof "eligible participants, except that no reduction under this paragraph shall be made for any funds made available to the State under section 303 of the Elementary and Secondary Education Act of 1965.";

20 USC 843.

(5) in subsection (b)(5), by striking out "Cuban and Haitian refugee children who meet the requirements of section 101(1)" and inserting in lieu thereof "eligible participants who meet the requirements of section 101(4)"; and

(6) in subsection (c), by striking out "Cuban and Haitian refugee children and Indochinese refugee children" and inserting in lieu thereof "eligible participants".

8 USC 1522 note.

(b) Section 302 of the Refugee Education Assistance Act of 1980 is amended by striking out "Cuban and Haitian refugee children and Indochinese refugee children" each place it appears and inserting in lieu thereof "eligible participants".

8 USC 1522 note.

(c) Section 303(a) of the Refugee Education Assistance Act of 1980 is amended—

(1) in paragraph (3), by inserting before the semicolon ", subject to any reductions in payments for local educational agencies identified under paragraph (5) to take into account the funds described by section 301(b)(3) that are made available for educational, or education-related, services or activities for eligible participants enrolled in elementary or secondary public schools under the jurisdiction of such agencies or elementary or secondary nonpublic schools within the districts served by such agencies;";

8 USC 1522 note.

(2) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(3) by inserting after paragraph (4) the following:

"(5) specify (A) the amount of funds described by section 301(b)(3) that are made available under other Federal laws to agencies or other entities for educational, or education-related, services or activities within the State because of a significant

concentration of eligible participants, and (B) the local educational agencies within whose districts are eligible participants provided services from such funds who are enrolled in elementary or secondary schools under the jurisdiction of such agencies, or in elementary or secondary nonpublic schools served by such agencies;"; and

(4) in paragraph (7), as so redesignated, by striking out "Cuban and Haitian refugee children and Indochinese refugee children" and inserting in lieu thereof "eligible participants".

AMENDMENTS TO TITLE IV OF THE REFUGEE EDUCATION ASSISTANCE ACT OF 1980

SEC. 546. (a) Title IV of the Refugee Education Assistance Act of 1980 is amended by striking out "Cuban and Haitian refugee adults" and "Haitian and Cuban refugee adults" each place such terms appear and inserting in lieu thereof "eligible participants". 8 USC 1522 note.

(b)(1) Section 401(a) of the Refugee Education Assistance Act of 1980 is amended by striking out "for each of the fiscal years 1982 and 1983" and inserting in lieu thereof "for fiscal year 1982, and for each subsequent fiscal year".

(2) The first sentence of section 401(b)(2) of the Refugee Education Assistance Act of 1980 is amended to read as follows: "The amount of the grant to which a State educational agency is otherwise entitled for any fiscal year, as determined under paragraph (1), shall be reduced by the amounts made available for such fiscal year under any other Federal law (other than section 303 of the Elementary and Secondary Education Act of 1965) for expenditure within the State for the same purposes as those for which funds are made available under this title, except that the reduction shall be made only to the extent that (A) such amounts are made available for such purposes specifically because of the refugee, parolee, or asylee status of the individuals to be served by such funds, and (B) such amounts are made available to provide assistance to individuals eligible for services under this title.". 8 USC 1522 note. 20 USC 843.

(c) Section 403(a) of the Refugee Education Assistance Act of 1980 is amended— 8 USC 1522 note.

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following:

"(2) specify the amount of reduction required under section 401(b)(2);".

EFFECTIVE DATE

SEC. 547. This subtitle shall take effect on October 1, 1981. 8 USC 1522 note.

Subtitle D—Elementary and Secondary Education Block Grant

Education Consolidation and Improvement Act of 1981. 20 USC 3801 note.

SEC. 551. This subtitle may be cited as the "Education Consolidation and Improvement Act of 1981".

CHAPTER 1—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF DISADVANTAGED CHILDREN

DECLARATION OF POLICY

20 USC 3801.

SEC. 552. The Congress declares it to be the policy of the United States to continue to provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children, on the basis of entitlements calculated under title I of the Elementary and Secondary Education Act of 1965, but to do so in a manner which will eliminate burdensome, unnecessary, and unproductive paperwork and free the schools of unnecessary Federal supervision, direction, and control. Further, the Congress recognizes the special educational needs of children of low-income families, and that concentrations of such children in local educational agencies adversely affect their ability to provide educational programs which will meet the needs of such children. The Congress also finds that Federal assistance for this purpose will be more effective if education officials, principals, teachers, and supporting personnel are freed from overly prescriptive regulations and administrative burdens which are not necessary for fiscal accountability and make no contribution to the instructional program.

20 USC 2701.

DURATION OF ASSISTANCE

20 USC 3802.

SEC. 553. During the period beginning October 1, 1982, and ending September 30, 1987, the Secretary shall, in accordance with the provisions of this subtitle, make payments to State educational agencies for grants made on the basis of entitlements created under title I of the Elementary and Secondary Education Act of 1965 and calculated in accordance with provisions of that title in effect on September 30, 1982.

APPLICABILITY OF TITLE I PROVISIONS OF LAW

20 USC 3803.

SEC. 554. (a) PROGRAM ELIGIBILITY.—Except as otherwise provided in this subtitle, the Secretary shall make payments based upon the amount of, and eligibility for, grants as determined under the following provisions of title I of the Elementary and Secondary Education Act in effect on September 30, 1982:

20 USC 2711.

(1) Part A—"Programs Operated by Local Education Agencies":

(A) Subpart 1—"Basic Grants"; and

20 USC 2721.

(B) Subpart 2—"Special Grants".

20 USC 2761.

(2) Part B—"Programs Operated by State Agencies":

(A) Subpart 1—"Programs for Migratory Children";

20 USC 2771.

(B) Subpart 2—"Programs for Handicapped Children";

20 USC 2781.

(C) Subpart 3—"Programs for Neglected and Delinquent Children"; and

20 USC 2791.

(D) Subpart 4—"General Provisions for State Operated Programs".

(b) ADMINISTRATIVE PROVISIONS.—The Secretary, in making the payments and determinations specified in subsection (a), shall continue to use the following provisions of title I of the Elementary and Secondary Education Act as in effect on September 30, 1982:

20 USC 2841.

(1) Part E—"Payments":

(A) Section 191—"Payment Methods";

(B) Section 192—"Amount of Payments to Local Educational Agencies"; 20 USC 2842.

(C) Section 193—"Adjustments Where Necessitated by Appropriations"; and 20 USC 2843.

(D) Section 194—"Payments for State Administration", subject to subsection (d) of this section. 20 USC 2844.

(2) Part F—"General Provisions": 20 USC 2851.

(A) Section 197—"Limitation on Grants to Puerto Rico"; and 20 USC 2853.

(B) Section 198—"Definitions" and conforming amendments to other Acts, except that only those definitions applicable to this subtitle shall be used. 20 USC 2854.

(c) APPLICABILITY RULE.—The provisions of title I of the Elementary and Secondary Education Act of 1965 which are not specifically made applicable by this chapter shall not be applicable to programs authorized under this chapter. 20 USC 2701.

(d) AMENDMENT.—Section 194(a)(1) of the Elementary and Secondary Education Act of 1965 is amended by striking out "1.5 per centum" and inserting in lieu thereof "1 per centum". 20 USC 2844.

AUTHORIZED PROGRAMS

SEC. 555. (a) GENERAL.—Each State and local educational agency shall use the payments under this chapter for programs and projects (including the acquisition of equipment and, where necessary, the construction of school facilities) which are designed to meet the special educational needs of educationally deprived children. 20 USC 3804.

(b) PROGRAM DESIGN.—State agency programs shall be designed to serve those categories of children counted for eligibility for grants under section 554(a)(2) in accordance with the requirements of this chapter.

(c) PROGRAM DESCRIPTION.—A local education agency may use funds received under this chapter only for programs and projects which are designed to meet the special educational needs of educationally deprived children identified in accordance with section 556(b)(2), and which are included in an application for assistance approved by the State educational agency. Such programs and projects may include the acquisition of equipment and instructional materials, employment of special instructional and counseling and guidance personnel, employment and training of teacher aides, payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas, the training of teachers, the construction, where necessary, of school facilities, other expenditures authorized under title I of the Elementary and Secondary Education Act as in effect September 30, 1982, and planning for such programs and projects.

(d) RECORDS AND INFORMATION.—Each State educational agency shall keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter).

APPROVAL OF APPLICATIONS

SEC. 556. (a) APPLICATION BY LOCAL EDUCATIONAL AGENCY.—A local educational agency may receive a grant under this chapter for any fiscal year if it has on file with the State educational agency an application which describes the programs and projects to be conducted with such assistance for a period of not more than three years, 20 USC 3805.

and such application has been approved by the State educational agency.

(b) APPLICATION ASSURANCES.—The application described in subsection (a) shall be approved if it provides assurances satisfactory to the State educational agency that the local educational agency will keep such records and provide such information to the State educational agency as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the State agency under this chapter), and that the programs and projects described—

(1)(A) are conducted in attendance areas of such agency having the highest concentrations of low-income children;

(B) are located in all attendance areas of an agency which has a uniformly high concentration of such children; or

(C) are designed to utilize part of the available funds for services which promise to provide significant help for all such children served by such agency;

(2) are based upon an annual assessment of educational needs which identifies educationally deprived children in all eligible attendance areas, permits selection of those children who have the greatest need for special assistance, and determines the needs of participating children with sufficient specificity to ensure concentration on those needs;

(3) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served and are designed and implemented in consultation with parents and teachers of such children;

(4) will be evaluated in terms of their effectiveness in achieving the goals set for them, and that such evaluations shall include objective measurements of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than one year; and

(5) make provision for services to educationally deprived children attending private elementary and secondary schools in accordance with section 557.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

20 USC 3806.

SEC. 557. (a) GENERAL REQUIREMENTS.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall make provisions for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and which meet the requirements of sections 555(c), 556(b) (2), (3), and (4), and 558(b). Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.

(b) BYPASS PROVISION.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall waive such requirements, and shall arrange for the provision of

services to such children through arrangements which shall be subject to the requirements of subsection (a).

(2) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), he shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of subsection (a) shall be waived.

(3)(A) When the Secretary arranges for services pursuant to this subsection, he shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this chapter.

(B) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State or local educational agency the amount he estimates would be necessary to pay the cost of such services.

(C) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

(4)(A) The Secretary shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why such action should not be taken.

(B) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(c) Any bypass determination by the Secretary under title I of the Elementary and Secondary Education Act of 1965 prior to the effective date of this chapter shall remain in effect to the extent consistent with the purposes of this chapter. 20 USC 2701.

GENERAL PROVISIONS

20 USC 3807.

SEC. 558. (a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this chapter for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The State educational agency shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 per centum of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

Waiver of requirements.

(3) The State educational agency may waive, for one fiscal year only, the requirements of this subsection if the State educational agency determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

(b) FEDERAL FUNDS TO SUPPLEMENT, NOT SUPPLANT REGULAR NON-FEDERAL FUNDS.—A local educational agency may use funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this chapter, and in no case may such funds be so used as to supplant such funds from such non-Federal sources. In order to demonstrate compliance with this subsection a local education agency shall not be required to provide services under this chapter outside the regular classroom or school program.

(c) COMPARABILITY OF SERVICES.—(1) A local educational agency may receive funds under this chapter only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this chapter. Where all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable in each project area.

(2) A local educational agency shall be deemed to have met the requirements of paragraph (1) if it has filed with the State educational agency a written assurance that it has established—

(A) a districtwide salary schedule;

(B) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and

(C) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a school year shall not be included as a factor in determining comparability of services.

(d) EXCLUSION OF SPECIAL STATE AND LOCAL PROGRAM FUNDS.—For the purposes of determining compliance with the requirements of subsections (b) and (c), a local educational agency may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children, if such programs are consistent with the purposes of this chapter.

(e) ALLOCATION OF FUNDS IN CERTAIN STATES.—In any State in which a large number of local educational agencies overlap county boundaries, the State educational agency is authorized to make allocations of basic grants and special incentive grants directly to local educational agencies without regard to counties, if such allocations were made during fiscal year 1982, except that (1) precisely the same factors are used to determine the amount of such grants to counties, and (2) a local educational agency dissatisfied with such determination is afforded an opportunity for a hearing on the matter by the State educational agency.

CHAPTER 2—CONSOLIDATION OF FEDERAL PROGRAMS FOR ELEMENTARY AND SECONDARY EDUCATION

STATEMENT OF PURPOSE

SEC. 561. (a) It is the purpose of this chapter to consolidate the program authorizations contained in— 20 USC 3811.

(1) titles II, III, IV, V, VI, VIII, and IX (except part C) of the Elementary and Secondary Education Act of 1965; 20 USC 2881, 2941, 3081, 3141, 3191, 3281, 3311, 3341.

(2) the Alcohol and Drug Abuse Education Act;

(3) part A and section 532 of title V of the Higher Education Act of 1965; 21 USC 1001 note.

(4) the Follow Through Act (on a phased basis);

(5) section 3(a)(1) of the National Science Foundation Act of 1950 relating to precollege science teacher training; and 20 USC 1101, 1119a.

(6) the Career Education Incentive Act; *Post*, p. 508. 42 USC 1862. 20 USC 2601 note.

into a single authorization of grants to States for the same purposes set forth in the provisions of law specified in this sentence, but to be used in accordance with the educational needs and priorities of State and local educational agencies as determined by such agencies. It is the further purpose and intent of Congress to financially assist State and local educational agencies to improve elementary and secondary education (including preschool education) for children attending both public and private schools, and to do so in a manner designed to greatly reduce the enormous administrative and paperwork burden imposed on schools at the expense of their ability to educate children.

(b) The basic responsibility for the administration of funds made available under this chapter is in the State educational agencies, but it is the intent of Congress that this responsibility be carried out with a minimum of paperwork and that the responsibility for the design and implementation of programs assisted under the chapter shall be mainly that of local educational agencies, school superintendents and principals, and classroom teachers and supporting personnel, because they have the most direct contact with students and are most directly responsible to parents.

AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE

SEC. 562. (a) There are authorized to be appropriated such sums as may be necessary for fiscal year 1982 and each of the five succeeding fiscal years to carry out the provisions of this chapter. 20 USC 3812.

(b) During the period beginning July 1, 1982, and ending September 30, 1987, the Secretary shall, in accordance with the provisions of this subtitle, make payments to State educational agencies for the purposes of this chapter.

(c) Funds available under previously authorized programs shall be available for the purpose of such payments in accordance with section 514(b)(2) of the Omnibus Education Reconciliation Act of 1981.

Ante, p. 445.

ALLOTMENTS TO STATES

20 USC 3813.

SEC. 563. (a) From the sums appropriated to carry out this chapter in any fiscal year, the Secretary shall reserve not to exceed 1 per centum for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Secretary shall reserve an additional amount, not to exceed 6 per centum of the sums appropriated, to carry out the purposes of section 583. From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to 0.5 per centum of such remainder.

(b) For the purposes of this section:

"School-age population."

(1) The term "school-age population" means the population aged five through seventeen.

"States."

(2) The term "States" includes the fifty States, the District of Columbia, and Puerto Rico.

STATE APPLICATIONS

20 USC 3814.

SEC. 564. (a) Any State which desires to receive grants under this chapter shall file an application with the Secretary which—

(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this chapter;

(2) provides for a process of active and continuing consultation with the State educational agency of an advisory committee, appointed by the Governor and determined by the Governor to be broadly representative of the educational interests and the general public in the State, including persons representative of—

(A) public and private elementary and secondary schoolchildren;

(B) classroom teachers;

(C) parents of elementary and secondary schoolchildren;

(D) local boards of education;

(E) local and regional school administrators (including principals and superintendents);

(F) institutions of higher education; and

(G) the State legislature;

to advise the State educational agency on the allocation among authorized functions of funds (not to exceed 20 per centum of the amount of the State's allotment) reserved for State use under section 565(a), on the formula for the allocation of funds to local educational agencies, and on the planning, development, support, implementation, and evaluation of State programs assisted under this chapter;

(3) sets forth the planned allocation of funds reserved for State use under section 565(a) among subchapters A, B, and C of this

Post, pp. 472, 473, 475.

chapter and among the authorized programs and projects which are to be implemented, and the allocation of such funds required to implement section 586, including administrative costs of carrying out the responsibilities of the State educational agency under this chapter;

(4) provides for timely public notice and public dissemination of the information provided pursuant to paragraphs (2) and (3);

(5) beginning with fiscal year 1984, provides for an annual evaluation of the effectiveness of programs assisted under this chapter, which shall include comments of the advisory committee, and shall be made available to the public; and

(6) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter); and Recordkeeping.

(7) contains assurances that there is compliance with the specific requirements of this chapter.

(b) An application filed by the State under subsection (a) shall be for a period not to exceed three fiscal years, and may be amended annually as may be necessary to reflect changes without filing a new application.

ALLOCATION TO LOCAL EDUCATIONAL AGENCIES

SEC. 565. (a) From the sum made available each year under section 563, the State educational agency shall distribute not less than 80 per centum to local educational agencies within such State according to the relative enrollments in public and nonpublic schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as— 20 USC 3815.

(1) children from low-income families,

(2) children living in economically depressed urban and rural areas, and

(3) children living in sparsely populated areas.

(b) The Secretary shall approve criteria suggested by the State educational agency for adjusting allocations under subsection (a) if such criteria are reasonably calculated to produce an equitable distribution of funds with reference to the factors set forth in subsection (a).

(c) From the funds paid to it pursuant to sections 563 and 564 during each fiscal year, the State educational agency shall distribute to each local educational agency which has submitted an application as required in section 566 the amount of its allocation as determined under subsection (a).

LOCAL APPLICATIONS

SEC. 566. (a) A local educational agency may receive its allocation of funds under this chapter for any year in which it has on file with the State educational agency an application which— 20 USC 3816.

(1) sets forth the planned allocation of funds among subchapters A, B, and C of this chapter and for the programs authorized by such subchapters which it intends to support, including the allocation of such funds required to implement section 586; *Post*, pp. 472, 473, 475.

(2) provides assurances of compliance with provisions of this chapter relating to such programs, including the participation of children enrolled in private, nonprofit schools in accordance with section 586;

Recordkeeping.

(3) agrees to keep such records, and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this chapter; and

(4) in the allocation of funds for programs authorized by this chapter, and in the design, planning, and implementation of such programs, provides for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups as may be deemed appropriate by the local educational agency.

(b) An application filed by a local educational agency under subsection (a) shall be for a period not to exceed three fiscal years, may provide for the allocation of funds among programs and purposes authorized by this chapter for a period of three years, and may be amended annually as may be necessary to reflect changes without filing a new application.

(c) Each local educational agency shall have complete discretion, subject only to the provisions of this chapter, in determining how funds the agency receives under this section shall be divided among the purposes of this chapter in accordance with the application submitted under this section.

Subchapter A—Basic Skills Development

USE OF FUNDS

20 USC 3821.

SEC. 571. Funds allocated for use under this subchapter shall be used by State and local educational agencies to develop and implement a comprehensive and coordinated program designed to improve elementary and secondary school instruction in the basic skills of reading, mathematics, and written and oral communication, as formerly authorized by title II of the Elementary and Secondary Education Act of 1965, relating to basic skills improvement, including the special mathematics program as formerly authorized by section 232 of such title.

20 USC 2881.

20 USC 2912.

STATE LEADERSHIP AND SUPPORT SERVICES

Grants and contracts.
20 USC 3822.

SEC. 572. (a) In order to achieve the purposes of this subchapter, State educational agencies may use funds reserved for State programs to make grants to and enter into contracts with local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions—

(1) to carry out planning, research and development, demonstration projects, training of leadership personnel, short term and regular session teacher training institutes; and

(2) for the development of instructional materials, the dissemination of information, and technical assistance to local educational agencies.

Each State educational agency may also use such funds for technical assistance and training for State boards of education.

(b) State educational agencies may support activities designed to enlist the assistance of parents and volunteers working with schools

to improve the performance of children in the basic skills. Such activities may include—

(1) the development and dissemination of materials that parents may use in the home to improve their children's performance in those skills; and

(2) voluntary training activities for parents to encourage and assist them to help their children in developing basic skills;

except that such activities conducted in local areas shall be conducted with the approval of and in conjunction with programs of local educational agencies.

SCHOOL LEVEL PROGRAMS

SEC. 573. (a) In planning for the utilization of funds it allocates for this chapter (from its allotment under section 565) a local educational agency shall provide for the participation of children enrolled in private elementary and secondary schools (and of teachers in such schools) in accordance with section 586. Such plans shall be developed in conjunction with and involve continuing consultation with teachers and principals in such district. Such planning shall include a systematic strategy for improving basic skills instruction for all children which provides for planning and implementation at the school building level, involving teachers, administrators, and (to the extent practicable) parents, and utilizing all available resources in a comprehensive program. The programs shall include— 20 USC 3823.

(1) diagnostic assessment to identify the needs of all children in the school;

(2) the establishment of learning goals and objectives for children and for the school;

(3) to the extent practicable, pre-service and in-service training and development programs for teachers, administrators, teacher aides and other support personnel, designed to improve instruction in the basic skills;

(4) activities designed to enlist the support and participation of parents to aid in the instruction of their children; and

(5) procedures for testing students and for evaluation of the effectiveness of programs for maintaining a continuity of effort for individual children.

(b) The programs described in subsection (a) may include such areawide or districtwide activities as learning centers accessible to students and parents, demonstration and training programs for parents, and other activities designed to promote more effective instruction in the basic skills.

Subchapter B—Educational Improvement and Support Services

STATEMENT OF PURPOSE

SEC. 576. It is the purpose of this subchapter to permit State and local educational agencies to use Federal funds (directly, and through grants to or contracts with educational agencies, local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions) to carry out selected activities from among the full range of programs and projects formerly authorized under title IV, relating to educational improvement, resources, and support, title V, relating to State leadership, title VI, relating to emergency school aid, of the Elementary and Secondary Education Act of 1965, section 3(a)(1) of the National 20 USC 3831. 20 USC 3081. 20 USC 3141. 20 USC 3191.

42 USC 1862.

20 USC 1101, 1119a.

Science Foundation Act of 1950, relating to precollege science teacher training, and part A and section 532 of title V of the Higher Education Act of 1965, relating to the Teacher Corps and teacher centers, in accordance with the planned allocation of funds set forth in the applications under sections 564 and 566, in conformity with the other requirements of this chapter.

AUTHORIZED ACTIVITIES

20 USC 3832.

SEC. 577. Programs and projects authorized under this subchapter include—

(1) the acquisition and utilization—

(A) of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools which shall be used for instructional purposes only, and

(B) of instructional equipment and materials suitable for use in providing education in academic subjects for use by children and teachers in elementary and secondary schools which shall be used for instructional purposes only,

which take into account the needs of children in both public and private schools based upon periodic consultation with teachers, librarians, media specialists, and private school officials;

(2) the development of programs designed to improve local educational practices in elementary and secondary schools, and particularly activities designed to address educational problems such as the education of children with special needs (educationally deprived children, gifted and talented children, including children in private schools);

(3) programs designed to assist local educational agencies, upon their request, to more effectively address educational problems caused by the isolation or concentration of minority group children in certain schools if such assistance is not conditioned upon any requirement that a local educational agency which assigns students to schools on the basis of geographic attendance areas adopt any other method of student assignment, and that such assistance is not made available for the transportation of students or teachers or for the acquisition of equipment for such transportation;

(4) comprehensive guidance, counseling, and testing programs in elementary and secondary schools and State and local support services necessary for the effective implementation and evaluation of such programs (including those designed to help prepare students for employment);

(5) programs and projects to improve the planning, management and implementation of educational programs, including fiscal management, by both State and local educational agencies, and the cooperation of such agencies with other public agencies;

(6) programs and projects to assist in teacher training and in-service staff development, particularly to better prepare both new and in-service personnel to deal with contemporary teaching and learning requirements and to provide assistance in the teaching and learning of educationally deprived students; and

(7) programs and projects to assist local educational agencies to meet the needs of children in schools undergoing desegregation and to assist such agencies to develop and implement plans for desegregation in the schools of such agencies.

Subchapter C—Special Projects

STATEMENT OF PURPOSE

SEC. 581. It is the purpose of this subchapter to permit State and local educational agencies to use Federal funds (directly and through grants to or contracts with educational agencies, local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions) to carry out selected activities from among the full range of programs and projects formerly authorized under title III, relating to special projects, title VIII, relating to community schools, and title IX (except part C), relating to gifted and talented children, educational proficiency standards, safe schools program, and ethnic heritage program, of the Elementary and Secondary Education Act of 1965, the Career Education Incentive Act, and part B of title V of the Economic Opportunity Act of 1964, relating to Follow Through programs, in accordance with the planned allocation of funds set forth in the applications under sections 564 and 566, in conformity with the other requirements of this chapter.

20 USC 3841.

20 USC 2941, 3281, 3311.

20 USC 2601 note.

42 USC 2929.

AUTHORIZED ACTIVITIES

SEC. 582. Programs and projects authorized under this subchapter include—

20 USC 3842.

(1) special projects (as may be determined to be desirable by the State or local educational agencies) in such areas as—

(A) preparation of students to use metric weights and measurements when such use is needed;

(B) emphasis on the arts as an integral part of the curriculum;

(C)(i) in-school partnership programs in which the parents of school-age children participate to enhance the education and personal development of the children, previously authorized by part B of the Headstart-Follow Through Act;

42 USC 2929.

(ii) preschool partnership programs in which the schools work with parents of preschool children in cooperation with programs funded under the Headstart-Follow Through Act;

42 USC 2921.

(D) consumer education;

(E) preparation for employment, the relationship between basic academic skill development and work experience, and coordination with youth employment programs carried out under the Comprehensive Employment and Training Act;

(F) career education previously authorized by the Career Education Incentive Act;

(G) environmental education, health education, education about legal institutions and the American system of law and its underlying principles, and studies on population and the effects of population changes;

(H) academic and vocational education of juvenile delinquents, youth offenders, and adult criminal offenders; and

(I) programs to introduce disadvantaged secondary school students to the possibilities of careers in the biomedical and medical sciences, and to encourage, motivate, and assist them in the pursuit of such careers;

(2) the use of public education facilities as community centers operated by a local education agency in conjunction with other local governmental agencies and community organizations and groups to provide educational, recreational, health care, cul-

tural, and other related community and human services for the community served in accordance with the needs, interests, and concerns of the community and the agreement and conditions of the governing board of the local educational agency; and

(3) additional programs, including—

(A) special programs to identify, encourage, and meet the special educational needs of children who give evidence of high performance capability in areas such as intellectual, creative, artistic, leadership capacity, or specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities;

(B) establishment of educational proficiency standards for reading, writing, mathematics, or other subjects, the administration of examinations to measure the proficiency of students, and implementation of programs (coordinated with those under subchapter A of this chapter) designed to assist students in achieving levels of proficiency compatible with established standards;

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(C) programs designed to promote safety in the schools and to reduce the incidence of crime and vandalism in the school environment;

(D) planning, developing, and implementing ethnic heritage studies programs to provide all persons with an opportunity to learn about and appreciate the unique contributions to the American national heritage made by the various ethnic groups, and to enable students better to understand their own cultural heritage as well as the cultural heritage of others; and

(E) programs involving training and advisory services under title IV of the Civil Rights Act of 1964.

42 USC 2000c.

Subchapter D—Secretary's Discretionary Funds

DISCRETIONARY PROGRAM AUTHORIZED

20 USC 3851.

SEC. 583. (a) From the sums reserved by the Secretary pursuant to the second sentence of section 563(a) the Secretary is authorized to carry out directly or through grants to or contracts with State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions, programs and projects which—

(1) provide a national source for gathering and disseminating information on the effectiveness of programs designed to meet the special educational needs of educationally deprived children, and others served by this subtitle, and for assessing the needs of such individuals, including programs and projects formerly authorized by section 376 of the Elementary and Secondary Education Act of 1965 and programs and projects formerly funded under the "National Diffusion Network" program;

20 USC 3041.

(2) carry out research and demonstrations related to the purposes of this subtitle;

(3) are designed to improve the training of teachers and other instructional personnel needed to carry out the purposes of this subtitle; or

(4) are designed to assist State and local educational agencies in the implementation of programs under this subtitle.

(b) From the funds reserved for the purposes of this section, the Secretary shall first fund—

(1) the Inexpensive Book Distribution Program (as carried out through "Reading is Fundamental") as formerly authorized by part C of title II of the Elementary and Secondary Education Act of 1965, 20 USC 2911.

(2) the programs of national significance in the "Arts in Education" Program as formerly authorized by part C of title III of such Act, and

(3) programs in alcohol and drug abuse education as formerly authorized by the Alcohol and Drug Abuse Education Act, at least in amounts necessary to sustain the activities described in this sentence at the level of operations during fiscal year 1981, and then utilize the remainder of such funds for the other authorized activities described in subsection (a). 21 USC 1001 note.

Subchapter E—General Provisions

MAINTENANCE OF EFFORT; FEDERAL FUNDS SUPPLEMENTARY

SEC. 585. (a)(1) Except as provided in paragraph (2), a State is entitled to receive its full allocation of funds under this chapter for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year. 20 USC 3861.

(2) The Secretary shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 per centum of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The Secretary may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State. Waiver of requirements.

(b) A State or local educational agency may use and allocate funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available under this chapter, be made available from non-Federal sources, and in no case may such funds be used so as to supplant funds from non-Federal sources.

(c) The Secretary is specifically authorized to issue regulations to enforce the provisions of this section. Regulations.

PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS

SEC. 586. (a)(1) To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this chapter or which serves the area in which a program or project assisted under this chapter is located who are enrolled in private nonprofit elementary and secondary schools, or with respect to instructional or personnel training programs funded by the State educational agency from funds reserved for State use 20 USC 3862.

under section 565, such agency after consultation with appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment including the participation of the teachers of such children (and other educational personnel serving such children) in training programs, and the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such service, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this chapter.

Contract authority.

(2) If no program or project is carried out under subsection (a)(1) of this section in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit agencies or organizations, under which children in private schools in that district are provided with services and materials to the extent that would have occurred if the local educational agency had received funds under this chapter.

(3) The requirements of this section relating to the participation of children, teachers, and other personnel serving such children shall apply to programs and projects carried out under this chapter by a State or local educational agency, whether directly or through grants to or contracts with other public or private agencies, institutions, or organizations.

(b) Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this chapter for children enrolled in the public schools of the local educational agency, taking into account the needs of the individual children and other factors which relate to such expenditures, and when funds available to a local educational agency under this chapter are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.

(c)(1) The control of funds provided under this chapter and title to materials, equipment, and property repaired, remodeled, or constructed therewith shall be in a public agency for the uses and purposes provided in this chapter, and a public agency shall administer such funds and property.

(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which, in the provision of such services, is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this chapter shall not be commingled with State or local funds.

Waiver of requirements.

(d) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Secretary shall waive such requirements and shall arrange for the provision of services to such children

through arrangements which shall be subject to the requirements of this section.

Waiver of requirements.

(e)(1) If the Secretary determines that a State or a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, he may waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Secretary may withhold from the allocation of the affected State or local educational agency the amount he estimated would be necessary to pay the cost of those services.

(f) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

(g) When the Secretary arranges for services pursuant to this section, he shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this chapter.

(h)(1) The Secretary shall not take any final action under this section until the State educational agency and the local educational agency affected by such action have had an opportunity, for at least forty-five days after receiving written notice thereof, to submit written objections and to appear before the Secretary or his designee to show cause why that action should not be taken.

(2) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under paragraph (1) of this subsection, it may within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based this action, as provided in section 2112 of title 28, United States Code.

(3) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(i) Any bypass determination by the Secretary under titles II through VI and VIII and IX of the Elementary and Secondary Education Act of 1965 prior to the effective date of this chapter shall remain in effect to the extent consistent with the purposes of this chapter.

20 USC 2881, 3191, 3281, 3311.

REPEALS

20 USC 3863.

SEC. 587. (a) Effective October 1, 1982, the provisions of—

(1) titles II, III, IV, V, VI, VIII, and IX (except part C) of the Elementary and Secondary Education Act of 1965;

20 USC 2881, 2941, 3081, 3141, 3191, 3281, 3311, 3341.

(2) part A and section 532 of title V of the Higher Education Act of 1965;

20 USC 1101, 1119a.

(3) the Alcohol and Drug Abuse Education Act; and

21 USC 1001 note.

(4) the Career Education Incentive Act;

20 USC 2601 note.

are repealed.

(b) Effective October 1, 1984, subchapter C of chapter 8 of subtitle A of title VI of this Act, relating to Follow-Through programs is repealed.

Post, p. 508.

CHAPTER 3—GENERAL PROVISIONS

FEDERAL REGULATIONS

20 USC 3871.

SEC. 591. (a) The Secretary is authorized to issue regulations—

(1) relating to the discharge of duties specifically assigned to the Secretary under this subtitle;

(2) relating to proper fiscal accounting for funds appropriated under this subtitle and the method of making payments authorized under this subtitle; and

(3) which are deemed necessary to reasonably insure that there is compliance with the specific requirements and assurances required by this subtitle.

(b) In all other matters relating to the details of planning, developing, implementing, and evaluating programs and projects by State and local educational agencies the Secretary shall not issue regulations, but may consult with appropriate State, local, and private educational agencies and, upon request, provide technical assistance, information, and suggested guidelines designed to promote the development and implementation of effective instructional programs and to otherwise assist in carrying out the purposes of this subtitle.

(c) Regulations issued pursuant to this subtitle shall not have the standing of a Federal statute for the purposes of judicial review.

WITHHOLDING OF PAYMENTS

20 USC 3872.

SEC. 592. (a) Whenever the Secretary after reasonable notice to any State educational agency and an opportunity for a hearing on the record, finds that there has been a failure to comply substantially with any assurances required to be given or conditions required to be met under this subtitle the Secretary shall notify such agency of these findings and that beginning sixty days after the date of such notification, further payments will not be made to the State under this subtitle, or affected chapter thereof (or, in his discretion, that the State educational agency shall reduce or terminate further payments under the subtitle or affected chapter thereof, to specified local educational agencies or State agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, (1) no further payments shall be made to the State under the subtitle or affected chapter thereof, or (2) payments by the State educational agency under the subtitle or affected chapter thereof shall be limited to local educational agencies and State agencies not affected by the failure, or (3) payments to particular local educational agencies shall be reduced, as the case may be.

(b) Upon submission to a State of a notice under subsection (a) that the Secretary is withholding payments, the Secretary shall take such action as may be necessary to bring his action to the attention of the public within the State.

JUDICIAL REVIEW

SEC. 593. (a) If any State is dissatisfied with the Secretary's action under section 592(a), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The filing of such petition shall act to suspend any withholding of funds by the Secretary pending the judgment of the court and prior to a final action on any review of such judgment. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. 20 USC 3873.

(b) A State educational agency shall be presumed to have complied with this subtitle, but the findings of fact by the Secretary, if supported by the weight of evidence, may overcome such presumption. The court may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings.

(c) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

AVAILABILITY OF APPROPRIATIONS

SEC. 594. Notwithstanding any other provision of law, unless expressly in limitation of this section, funds appropriated in any fiscal year to carry out activities under this subtitle shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the succeeding fiscal year. 20 USC 3874.

DEFINITIONS

SEC. 595. (a) Except as otherwise provided herein as used in this subtitle— 20 USC 3875.

(1) the term "State" means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools;

(4) the term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having

administrative control and direction of a public elementary or secondary school;

(5) the term "parent" includes a legal guardian or other person standing in loco parentis;

(6) the term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade twelve;

(7) the term "elementary school" means a day or residential school which provides elementary education, as determined under State law, and the term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade twelve;

(8) the term "construction" includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities;

(9) the term "equipment" includes machinery, utilities, and building equipment and any necessary enclosure or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials; and

(10) the term "school facilities" means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

(b) Any term used in provisions referenced by section 554 and not defined in this section shall have the same meaning as that term was given in title I of the Elementary and Secondary Education Act of 1965 in effect prior to October 1, 1981.

20 USC 2701.

APPLICATION OF OTHER LAWS

20 USC 3876.
20 USC 1232c, 1232d, 1232e.

SEC. 596. (a) Sections 434, 435, and 436 of the General Education Provisions Act (relating to "State Educational Agency Monitoring and Agency Application") shall not apply to programs authorized under this subtitle except to the extent that they relate to fiscal control and fund accounting procedures (including the title to property acquired with Federal funds), and shall not be construed to authorize the Secretary to require any reports or take any actions not specifically authorized by this subtitle.

20 USC 1225.

(b) Section 412 of the General Education Provisions Act shall apply to any funds appropriated for any fiscal year pursuant to this subtitle.

TITLE VI—HUMAN SERVICES PROGRAMS

Subtitle A—Authorizations Savings for Fiscal Years 1982, 1983, and 1984

CHAPTER 1—GENERAL PROVISIONS

EFFECT ON OTHER LAWS

SEC. 601. (a) Any provision of law which is not consistent with the provisions of this subtitle hereby is superseded and shall have only such force and effect during each of the fiscal years 1982, 1983, and 1984 which is consistent with this subtitle. 42 USC 9801 note.

(b) Notwithstanding any authorization of appropriations for fiscal year 1982, 1983, or 1984 contained in any provision of law which is specified in this subtitle, no funds are authorized to be appropriated in excess of the limitations imposed upon appropriations by the provisions of this subtitle.

CHAPTER 2—EDUCATION OF THE HANDICAPPED PROGRAMS

EDUCATION OF THE HANDICAPPED ACT

SEC. 602. (a)(1) There is authorized to be appropriated to carry out part B of the Education of the Handicapped Act, other than sections 618 and 619, $969,850,000 for fiscal year 1982, and $1,017,900,000 for each of the fiscal years 1983 and 1984. 20 USC 1411 note. 20 USC 1418, 1419.

(2) There is authorized to be appropriated to carry out section 618 of such Act $2,300,000 for each of the fiscal years 1982 and 1983. 20 USC 1418 note.

(3) There is authorized to be appropriated to carry out section 619 of such Act $25,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1419 note.

(b)(1) There is authorized to be appropriated to carry out section 621 of the Education of the Handicapped Act (relating to regional resource centers) $9,800,000 for each of the fiscal years 1982 and 1983. 20 USC 1421 note.

(2) There is authorized to be appropriated to carry out section 622 of such Act $16,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1422 note.

(3) There is authorized to be appropriated to carry out section 623 of such Act $20,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1423 note.

(4) There is authorized to be appropriated to carry out sections 621 and 624 of such Act (relating to projects for severely handicapped children) $5,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1421 note.

(5) There is authorized to be appropriated to carry out section 625 of such Act $4,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1424a note.

(6) There is authorized to be appropriated to carry out sections 631, 632, and 634 of such Act $58,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1431 note.

(7) There is authorized to be appropriated to carry out section 633 of such Act $1,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1433 note.

(8) There is authorized to be appropriated to carry out part E of such Act $20,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1444 note.

(9) There is authorized to be appropriated to carry out part F of such Act $19,000,000 for each of the fiscal years 1982 and 1983. 20 USC 1454 note.

CHAPTER 3—VOCATIONAL REHABILITATION PROGRAMS

GENERAL AUTHORIZATION UNDER REHABILITATION ACT OF 1973

29 USC 701 note.

SEC. 603. There is authorized to be appropriated to carry out the Rehabilitation Act of 1973 $1,009,260,000 for fiscal year 1982, and $1,054,160,000 for fiscal year 1983.

SPECIFIC SPENDING LIMITS UNDER REHABILITATION ACT OF 1973

29 USC 701 note.

SEC. 604. (a) Of the amounts authorized to be appropriated in section 603, not to exceed $250,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out section 12 of the Rehabilitation Act of 1973.

29 USC 711.

(b) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 14 of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983.

29 USC 713.

(c) Of the amounts authorized to be appropriated in section 603, such sums as may be necessary shall be available, for each of the fiscal years 1982 and 1983, to carry out section 15 of the Rehabilitation Act of 1973.

29 USC 714.

(d) Of the amounts authorized to be appropriated in section 603, not to exceed $899,000,000 for fiscal year 1982, and not to exceed $943,900,000 for fiscal year 1983, shall be available for the purpose of making grants to States pursuant to State entitlements under part B of title I of the Rehabilitation Act of 1973.

29 USC 730.

(e) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 120(a) of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983.

29 USC 740.

(f) Of the amounts authorized to be appropriated in section 603, not to exceed $650,000 shall be available, for each of the fiscal years 1982 and 1983, for the purpose of making grants to Indian tribes under part D of title I of the Rehabilitation Act of 1973.

29 USC 750.

(g)(1) Of the amounts authorized to be appropriated in section 603, not to exceed $3,500,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out section 112 of the Rehabilitation Act of 1973.

29 USC 732.

(2) The requirement for the setting aside of funds established in the first sentence of section 112(a) of such Act shall not have any force or effect for each of the fiscal years 1982 and 1983.

(h) Of the amounts authorized to be appropriated in section 603, not to exceed $35,000,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out title II of the Rehabilitation Act of 1973.

29 USC 760.

(i) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 301 of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983.

29 USC 771.

(j) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 302 of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983.

29 USC 772.

(k) Of the amounts authorized to be appropriated in section 603, not to exceed $25,500,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out section 304 of the Rehabilitation Act of 1973.

29 USC 774.

(l) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 305 of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983. 29 USC 775.

(m)(1) Of the amounts authorized to be appropriated in section 603, not to exceed $12,210,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out sections 310, 311, 312, 314, and 315 of the Rehabilitation Act of 1973. 29 USC 777, 777a, 777b, 777d, 777e.

(2) The requirement for the setting aside of funds established in the first sentence of section 310(b) of such Act shall not have any force or effect for each of the fiscal years 1982 and 1983.

(n) Of the amounts authorized to be appropriated in section 603, not to exceed $2,000,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out section 316 of the Rehabilitation Act of 1973. 29 USC 777f.

(o) Of the amounts authorized to be appropriated in section 603, not to exceed $3,500,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out section 313 of the Rehabilitation Act of 1973. 29 USC 777c.

(p) Of the amounts authorized to be appropriated in section 603, not to exceed $256,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out title IV of the Rehabilitation Act of 1973. 29 USC 780.

(q) Of the amounts authorized to be appropriated in section 603, such sums as may be necessary shall be available, for each of the fiscal years 1982 and 1983, to carry out section 502 of the Rehabilitation Act of 1973. 29 USC 792.

(r) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out section 506 of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983. 29 USC 794b.

(s) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out part A of title VI of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983. 29 USC 795.

(t) Of the amounts authorized to be appropriated in section 603, not to exceed $8,000,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out part B of title VI of the Rehabilitation Act of 1973. 29 USC 795g.

(u) Notwithstanding the authorization of appropriations made in section 603, no funds are authorized to be appropriated to carry out part A, C, or D of title VII of the Rehabilitation Act of 1973 for fiscal year 1982 or 1983. 29 USC 796, 796f, 796g.

(v) Of the amounts authorized to be appropriated in section 603, not to exceed $19,400,000 shall be available, for each of the fiscal years 1982 and 1983, to carry out part B of title VII of the Rehabilitation Act of 1973. 29 USC 796e.

CHAPTER 4—OTHER HANDICAPPED PROGRAMS AND SERVICES

AMERICAN PRINTING HOUSE FOR THE BLIND; GALLAUDET COLLEGE; KENDALL SCHOOL; MODEL SECONDARY SCHOOL FOR THE DEAF; NATIONAL TECHNICAL INSTITUTE FOR THE DEAF ACT

SEC. 605. (a) The total amount of appropriations to carry out the Act of March 3, 1979 (20 Stat. 468), relating to the American Printing House for the Blind, shall not exceed $5,000,000 for each of the fiscal years 1982, 1983, and 1984. 20 USC 101 note.

(b) The total amount of appropriations to carry out the Act of June 18, 1954 (68 Stat. 265), relating to Gallaudet College, shall not exceed $52,000,000 for each of the fiscal years 1982, 1983, and 1984. Amounts appropriated pursuant to this subsection also shall be available for the administration of the Kendall Demonstration Elementary School and the Model Secondary School for the Deaf.

20 USC 681 note.

(c) The total amount of appropriations to carry out the National Technical Institute for the Deaf Act shall not exceed $26,300,000 for each of the fiscal years 1982, 1983, and 1984.

CHAPTER 5—OLDER AMERICAN PROGRAMS

OLDER AMERICANS ACT OF 1965

42 USC 3001 note.
42 USC 3056.
42 USC 3056f note.

SEC. 606. (a) There is authorized to be appropriated to carry out the Older Americans Act of 1965 (other than title V of such Act) $715,000,000 for fiscal year 1982 and $793,312,000 for fiscal year 1983.

(b)(1) There is authorized to be appropriated to carry out title V of the Older Americans Act of 1965—

(A) $277,100,000 for fiscal year 1982 and $293,726,000 for fiscal year 1983; and

(B) such additional sums as may be necessary for each such fiscal year to enable the Secretary of Labor, through the operation of older American community service employment programs under such title, to provide for at least 54,200 part-time employment positions for eligible individuals.

"Eligible individual."
42 USC 3056e.
"Part-time employment position.
42 USC 3020c.

(2) For purposes of this subsection:

(A) The term "eligible individual" has the meaning given it in section 507(2) of the Older Americans Act of 1965.

(B) The term "part-time employment position" means an employment position with a workweek of at least 20 hours.

(c) Section 213 of the Older Americans Act of 1965 is amended by striking out ", where such organization demonstrates clear superiority with respect to the quality of services covered by such contract".

CHAPTER 6—DOMESTIC VOLUNTEER SERVICE PROGRAMS

AUTHORIZATIONS UNDER DOMESTIC VOLUNTEER SERVICE ACT OF 1973

42 USC 5081.

SEC. 607. (a) Section 501 of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

42 USC 4951.

"SEC. 501. There is authorized to be appropriated to carry out title I of this Act $25,763,000 for fiscal year 1982 and $15,391,000 for fiscal year 1983. Of the amounts appropriated under this section, not less than $16,000,000 shall first be available for carrying out part A of title I for fiscal year 1982, and not less than $8,000,000 shall first be available for carrying out part A of title I for fiscal year 1983.".

42 USC 5082.

(b)(1) Section 502(a) of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"SEC. 502. (a) There is authorized to be appropriated $28,691,000 for fiscal year 1982 and $30,412,000 for fiscal year 1983, for the purpose of carrying out programs under part A of title II of this Act.".

(2) Section 502(b) of such Act is amended to read as follows:

"(b) There is authorized to be appropriated $49,670,000 for fiscal year 1982 and $52,650,000 for fiscal year 1983, for the purpose of carrying out programs under part B of title II of this Act.". 42 USC 5011.

(3) Section 502 of such Act is amended by adding at the end thereof the following new subsection: 42 USC 5082.

"(c) There is authorized to be appropriated $16,610,000 for fiscal year 1982 and $17,607,000 for fiscal year 1983, for the purpose of carrying out part C of title II of this Act.". 42 USC 5021.

(c) Section 504 of the Domestic Volunteer Service Act of 1973 is amended to read as follows: 42 USC 5084.

"ADMINISTRATION AND COORDINATION

"SEC. 504. There is authorized to be appropriated for the administration of this Act, as authorized in title IV of this Act, $30,091,000 for fiscal year 1982 and $29,348,000 for fiscal year 1983.". 42 USC 5041.

AMENDMENTS TO DOMESTIC VOLUNTEER SERVICE ACT OF 1973

SEC. 608. (a) Section 114(a) of the Domestic Volunteer Service Act of 1973 is amended to read as follows: Grants and contracts. 42 USC 4974.

"SEC. 114. (a) The Director is authorized to make grants and contracts for projects and programs which encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in-school or out-of-school basis in assignments of a character and on such terms and conditions as are described in subsections (a) and (c) of section 103.".

(b) Section 211 of the Domestic Volunteer Service Act of 1973 is amended— 42 USC 5011.

(1) by striking out subsection (b); and

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(c) Title II of the Domestic Volunteer Service Act of 1973 is amended—

(1) by redesignating part C as part D; and

(2) by inserting after section 212 the following new part:

"PART C—SENIOR COMPANIONS PROGRAM

"GRANTS AND CONTRACTS FOR THE PROGRAM

"SEC. 213. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to individuals serving under this part in the same manner as provided in section 211(a)) designed for the purpose of providing opportunities for low-income persons aged 60 or over to serve as 'senior companions' to persons with exceptional needs. Senior companions may provide services designed to help older persons requiring long-term care, including services to persons receiving home health care, nursing care, home-delivered meals or other nutrition services; services designed to help persons deinstitutionalized from mental hospitals, nursing homes, and other institutions; and services designed to assist persons having developmental disabilities and other special needs for companionship. 42 USC 5013.

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42 USC 5011.

"(b) The provisions of section 211(d) and section 211(e) and such other provisions of part B as the Director determines to be necessary shall apply to the provisions of this part.".

(d) The heading of part B of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"PART B—FOSTER GRANDPARENT PROGRAM".

(e)(1) The item relating to part B of title II in the table of contents of the Domestic Volunteer Service Act of 1973 is amended to read as follows:

"PART B—FOSTER GRANDPARENT PROGRAM".

(2) The table of contents of such Act is amended by inserting after the item relating to part B the following new items:

"PART C—SENIOR COMPANIONS PROGRAM

"Sec. 213. Grants and contracts for the program.".

(3) The item relating to part C of title II in the table of contents of such Act is amended by striking out "PART C" and inserting in lieu thereof "PART D".

42 USC 4973.

(f)(1) Section 113(c)(2) of the Domestic Volunteer Service Act of 1973 is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services".

42 USC 5021.

(2) Section 221 of such Act is amended—

(A) by striking out "the Community Services Administration,"; and

(B) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

42 USC 5057.

(3) Section 417(c)(2) of such Act is amended by striking out "Secretary of Health, Education, and Welfare or the Secretary of Health and Human Resources, as the case may be," and inserting in lieu thereof "Secretary of Health and Human Services".

CHAPTER 7—CHILD ABUSE PREVENTION AND TREATMENT PROGRAMS

STATE GRANTS UNDER CHILD ABUSE PREVENTION AND TREATMENT ACT

42 USC 5103 note.
42 USC 5103.

SEC. 609. There is authorized to be appropriated to make grants to States under section 4(b)(1) of the Child Abuse Prevention and Treatment Act $7,000,000 for each of the fiscal years 1982 and 1983.

DISCRETIONARY PROGRAMS

42 USC 5107.

SEC. 610. (a)(1) The Secretary of Health and Human Services, either directly, through grants to States and public and private, nonprofit organizations and agencies, or through jointly financed cooperative arrangements with States, public agencies, and other agencies and organizations, is authorized to provide for activities of national significance related to child abuse prevention and treatment and adoption reform, including operation of a national center to collect and disseminate information regarding child abuse and neglect, and operation of a national adoption information exchange system to facilitate the adoptive placement of children.

(2) The Secretary, in carrying out the provisions of this subsection, shall provide for the continued operation of the National Center on Child Abuse and Neglect in accordance with section 2(a) of the Child Abuse Prevention and Treatment Act for each of the fiscal years 1982 and 1983. 42 USC 5101.

(3) If the Secretary determines, in fiscal year 1982 or 1983, to carry out any of the activities described in section 2(b) of the Child Abuse Prevention and Treatment Act, the Secretary shall carry out such activities through the National Center on Child Abuse and Neglect.

(b) There is authorized to be appropriated to carry out this section $12,000,000 for each of the fiscal years 1982 and 1983. Of the amounts appropriated under this subsection for any fiscal year, not less than $2,000,000 shall be available to carry out title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978. Appropriation authorization. 42 USC 5111.

CHAPTER 8—COMMUNITY SERVICES PROGRAMS

Subchapter A—Community Economic Development

Community Economic Development Act of 1981.

SHORT TITLE

SEC. 611. This subchapter may be cited as the "Community Economic Development Act of 1981". 42 USC 9801 note.

STATEMENT OF PURPOSE

SEC. 612. The purpose of this subchapter is to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits. 42 USC 9801.

DEFINITION

SEC. 613. For purposes of this subchapter, the term "community development corporation" means a nonprofit organization responsible to residents of the area it serves which is receiving financial assistance under part 1 and any organization more than 50 percent of which is owned by such an organization, or otherwise controlled by such an organization, or designated by such an organization for the purpose of this subchapter. 42 USC 9802. *Post*, p. 490.

SOURCE OF FUNDS

SEC. 614. The Secretary is authorized to use funds made available to the Secretary under section 681(b) for purposes of carrying out the provisions of this subchapter. 42 USC 9803. *Post*, p. 518.

ADVISORY COMMUNITY INVESTMENT BOARDS

SEC. 615. (a)(1) The President is authorized to establish a National Advisory Community Investment Board (hereinafter in this section referred to as the "Investment Board"). Such Investment Board shall be composed of 15 members appointed, for staggered terms and without regard to the civil service laws, by the President, in consultation with the Secretary of Health and Human Services (hereinafter in Establishment. 42 USC 9804.

this subchapter referred to as the "Secretary"). Such members shall be representative of the investment and business communities and appropriate fields of endeavor related to this subchapter. The Investment Board shall meet at the call of the chairperson, but not less often than 3 times each year. The Secretary and the administrator of community economic development programs shall be ex officio members of the Investment Board.

(2) The Secretary shall carry out the provisions of this subchapter through the Office of Community Services established in section 676(a).

(b) The Investment Board shall promote cooperation between private investors and businesses and community development corporation projects through—

(1) advising the Secretary and the community development corporations on ways to facilitate private investment;

(2) advising businesses and other investors of opportunities in community development corporation projects; and

(3) advising the Secretary, community development corporations, and private investors and businesses of ways in which they might engage in mutually beneficial efforts.

(c) The governing body of each Community Development Corporation may establish an advisory community investment board composed of not to exceed 15 members who shall be appointed by the governing body after consultation with appropriate local officials. Each such board shall promote cooperation between private investors and businesses and the governing body of the Community Development Corporation through—

(1) advising the governing body on ways to facilitate private investors;

(2) advising businesses and other investors of opportunities in Community Development Corporation projects; and

(3) advising the governing body, private investors, and businesses of ways in which they might engage in mutually beneficial efforts.

PART 1—URBAN AND RURAL SPECIAL IMPACT PROGRAMS

STATEMENT OF PURPOSE

42 USC 9805.

SEC. 616. The purpose of this part is to establish special programs of assistance to nonprofit private locally initiated community development corporations which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban and rural areas having concentrations or substantial numbers of low-income persons; (2) are of sufficient size, scope, and duration to have an appreciable impact in such communities, neighborhoods, and rural areas in arresting tendencies toward dependency, chronic unemployment, and community deterioration; (3) hold forth the prospect of continuing to have such impact after the termination of financial assistance under this part; and (4) provide financial and other assistance to start, expand, or locate enterprises in or near the area to be served so as to provide employment and ownership opportunities for residents of such areas, including those who are disadvantaged in the labor market because of their limited speaking, reading, and writing abilities in the English language.

ESTABLISHMENT AND SCOPE OF PROGRAMS

SEC. 617. (a) The Secretary is authorized to provide financial assistance in the form of grants to nonprofit and for profit community development corporations and other affiliated and supportive agencies and organizations associated with qualifying community development corporations for the payment of all or part of the cost of programs which are designed to carry out the purposes of this part. Financial assistance shall be provided so that each community economic development program is of sufficient size, scope, and duration to have an appreciable impact on the area served. Such programs may include— Grants. 42 USC 9806.

(1) community business and commercial development programs, including (A) programs which provide financial and other assistance (including equity capital) to start, expand, or locate businesses in or near the area served so as to provide employment and ownership opportunities for residents of such areas; and (B) programs for small businesses located in or owned by residents of such areas;

(2) community physical development programs, including industrial parks and housing activities, which contribute to an improved environment and which create new training, employment and ownership opportunities for residents of such area;

(3) training and public service employment programs and related services for unemployed or low-income persons which support and complement community development programs financed under this part, including, without limitation, activities such as those described in the Comprehensive Employment and Training Act; and

(4) social service programs which support and complement community business and commercial development programs financed under this part, including child care, educational services, health services, credit counseling, energy conservation, recreation services, and programs for the maintenance of housing facilities.

(b) The Secretary shall conduct programs assisted under this part so as to contribute, on an equitable basis between urban and rural areas, to the elimination of poverty and the establishment of permanent economic and social benefits in such areas.

FINANCIAL ASSISTANCE REQUIREMENTS

SEC. 618. (a) The Secretary, under such regulations as the Secretary may establish, shall not provide financial assistance for any community economic development program under this part unless the Secretary determines that— 42 USC 9807.

(1) such community development corporation is responsible to residents of the area served (A) through a governing body not less than 50 percent of the members of which are area residents; and (B) in accordance with such other guidelines as may be established by the Secretary, except that the composition of the governing bodies of organizations owned or controlled by the community development corporation need not be subject to such residency requirement;

(2) the program will be appropriately coordinated with local planning under this subchapter with housing and community development programs, with employment and training pro-

grams, and with other relevant planning for physical and human resources in the areas served;

(3) adequate technical assistance is made available and committed to the programs being supported;

(4) such financial assistance will materially further the purposes of this part;

(5) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met;

(6) all projects and related facilities will, to the maximum feasible extent, be located in the areas served;

(7) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses and housing, cooperatively or otherwise, by residents of the area served;

(8) projects will be planned and carried out with the fullest possible participation of resident or local businessmen and representatives of financial institutions, including participation through contract, joint venture, partnership, stock ownership or membership on the governing boards or advisory councils of such projects consistent with the self-help purposes of this subchapter;

(9) no participant will be employed on projects involving political parties, or the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

(10) the program will not result in the displacement of employed workers or impair existing contracts for services, or result in the substitution of Federal or other funds in connection with work that would otherwise be performed;

(11) the rates of pay for time spent in work training and education, and other conditions of employment, will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant;

(12) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants;

(13) preference will be given to low-income or economically disadvantaged residents of the areas served in filling jobs and training opportunities; and

(14) training programs carried out in connection with projects financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities, neighborhoods, or rural areas other than those for which programs are established under this part.

(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in a substantial increase in unemployment in the area of original location.

(c) Financial assistance for commercial development under this part shall not be extended until the community economic development program that has applied for assistance under this subchapter has specified in some detail its development goals and its development timetable. The Secretary, in providing continued financial assistance to a community economic development program, shall give serious consideration to the experience such program has had in meeting development goals or in adhering to development timetables.

FEDERAL SHARE

SEC. 619. (a)(1) Assistance provided under this subchapter to any program described in section 618(a) shall not exceed 90 percent of the cost of such program, including costs of administration, unless the Secretary determines that the assistance in excess of such percentage is required in furtherance of the purposes of this subchapter. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. 42 USC 9808.

(2) The assistance referred to in paragraph (1) shall be made available (A) for deposit to the order of grantees which have demonstrated successful program performance, under conditions which the Secretary deems appropriate, within 30 days following approval of the grant agreement by the Secretary and such grantee; or (B) whenever the Secretary deems appropriate, in accordance with applicable rules and regulations prescribed by the Secretary of the Treasury, and including any other conditions which the Secretary of Health and Human Services deems appropriate, within 30 days following approval of the grant agreement by the Secretary and such grantee.

(b) Property acquired as a result of capital investments made by any community development corporation with funds granted as its Federal share of the cost of programs carried out under this subchapter, and the proceeds from such property, shall become the property of the community development corporation and shall not be considered to be Federal property. The Federal Government retains the right to direct that on severance of the grant relationship the assets purchased with grant funds shall continue to be used for the original purpose for which they were granted.

PART 2—SPECIAL RURAL PROGRAMS

STATEMENT OF PURPOSE

SEC. 620. It is the purpose of this part to meet the special economic needs of rural communities or areas with concentrations or substantial numbers of low-income persons by providing support to self-help programs which promote economic development and independence, as a supplement to existing similar programs conducted by other departments and agencies of the Federal Government. Such programs should encourage low-income families to pool their talents and resources so as to create and expand rural economic enterprise. 42 USC 9809.

FINANCIAL ASSISTANCE

SEC. 621. (a) The Secretary is authorized to provide financial assistance, including loans having a maximum maturity of fifteen years and in amounts not resulting in an aggregate principal indebtedness of more than $3,500 at any one time, to any low-income rural family where, in the judgment of the Secretary, such financial assistance has a reasonable possibility of effecting a permanent increase in the income of such families, or will contribute to the improvement of their living or housing conditions, by assisting or permitting them to— 42 USC 9810.

(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon;

(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment; or

(3) participate in cooperative associations, or finance nonagricultral enterprises which will enable such families to supplement their income.

(b) The Secretary is authorized to provide financial assistance to local cooperative associations or local public and private nonprofit organizations or agencies in rural areas containing concentrations or substantial numbers of low-income persons for the purpose of defraying all or part of the costs of establishing and operating cooperative programs for farming, purchasing, marketing, processing, and to improve their income as producers and their purchasing power as consumers, and to provide such essentials as credit and health services. Costs which may be defrayed shall include—

(1) administrative costs of staff and overhead;

(2) costs of planning and developing new enterprises;

(3) costs of acquiring technical assistance; and

(4) initial capital where it is determined by the Secretary that the poverty of the families participating in the program and the social conditions of the rural area require such assistance.

LIMITATION ON ASSISTANCE

42 USC 9811.

SEC. 622. No financial assistance shall be provided under this part unless the Secretary determines that—

(1) any cooperative association receiving assistance has a minimum of fifteen active members, a majority of which are low-income rural persons;

(2) adequate technical assistance is made available and committed to the programs being supported;

(3) such financial assistance will materially further the purposes of this part; and

(4) the applicant is fulfilling or will fulfill a need for services, supplies, or facilities which is otherwise not being met.

PART 3—DEVELOPMENT LOANS TO COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS

DEVELOPMENT LOAN FUND

42 USC 9812.

SEC. 623. (a) The Secretary is authorized to make or guarantee loans (either directly or in cooperation with banks or other organizations through agreements to participate on an immediate or deferred basis) to community development corporations, to families and local cooperatives and the designated supportive organizations of cooperatives eligible for financial assistance under this subchapter, to private nonprofit organizations receiving assistance under subtitle B of this title, or to public and private nonprofit organizations or agencies, for business facilities and community development projects, including community development credit unions, which the Secretary determines will carry out the purposes of this part. No loans, guarantees, or other financial assistance shall be provided under this section unless the Secretary determines that—

Post, p. 511.

(1) there is reasonable assurance of repayment of the loan;

(2) the loan is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs; and

(3) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made.

Loans made by the Secretary pursuant to this section shall bear interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus such additional charge, if any, toward covering other costs of the program as the Secretary of Health and Human Services may determine to be consistent with its purposes, except that, for the 5 years following the date in which funds are initially available to the borrower, the rate of interest shall be set at a rate considered appropriate by the Secretary in light of the particular needs of the borrower, which rate shall not be lower than 1 percent. All such loans shall be repayable within a period of not more than 30 years.

(b) The Secretary is authorized to adjust interest rates, grant moratoriums on repayment of principal and interest, collect or compromise any obligations held by the Secretary, and to take such other actions in respect to such loans as the Secretary shall determine to be necessary or appropriate, consistent with the purposes of this section.

Rural Development Loan Fund and Community Development Loan Fund, Establishment.

(c)(1) To carry out the lending and guaranty functions authorized under this part, there shall be established a Development Loan Fund consisting of two separate accounts, one of which shall be a revolving fund called the Rural Development Loan Fund and the other of which shall be a revolving fund called the Community Development Loan Fund. The capital of each such revolving fund shall remain available until expended.

(2) The Rural Development Loan Fund shall consist of the remaining funds provided for in part A of title III of the Economic Opportunity Act of 1964, as in effect on September 19, 1972, and such amounts as may be deposited in such fund by the Secretary out of funds made available from appropriations for purposes of carrying out this part. The Secretary shall utilize the services of the Farmers Home Administration in administering such fund.

42 USC 2851.

(3) The Community Development Loan Fund shall consist of such amounts as may be deposited in such fund by the Secretary out of funds made available from appropriations for purposes of carrying out this subchapter. The Secretary may make deposits in the Community Development Loan Fund in any fiscal year in which the Secretary has made available for grants to community development corporations under this subchapter not less than $60,000,000 out of funds made available from appropriations for purposes of carrying out this subchapter.

ESTABLISHMENT OF MODEL COMMUNITY ECONOMIC DEVELOPMENT FINANCE CORPORATION

42 USC 9813.

SEC. 624. To the extent he deems appropriate, the Secretary shall utilize funds available under this part to prepare a plan of action for the establishment of a Model Community Economic Development Finance Corporation to provide a user-controlled independent and professionally operated long-term financing vehicle with the principal purpose of providing financial support for community economic development corporations, cooperatives, other affiliated and supportive agencies and organizations associated with community economic development corporations, and other entities eligible for assistance under this subchapter.

PART 4—SUPPORTIVE PROGRAMS AND ACTIVITIES

TRAINING AND TECHNICAL ASSISTANCE

42 USC 9814.

SEC. 625. (a) The Secretary shall provide, directly or through grants, contracts, or other arrangements, such technical assistance and training of personnel as may be required to effectively implement the purposes of this subchapter. No financial assistance shall be provided to any public or private organization under this section unless the Secretary provides the beneficiaries of these services with opportunity to participate in the selection of and to review the quality and utility of the services furnished them by such organization.

(b) Technical assistance to community development corporations and both urban and rural cooperatives may include planning, management, legal assistance or support, preparation of feasibility studies, product development, marketing, and the provision of stipends to encourage skilled professionals to engage in full-time activities under the direction of a community organization financially assisted under this subchapter.

(c) Training for employees of community development corporations and for employees and members of urban and rural cooperatives shall include on-the-job training, classroom instruction, and scholarships to assist them in development, managerial, entrepreneurial, planning, and other technical and organizational skills which will contribute to the effectiveness of programs assisted under this subchapter.

SMALL BUSINESS ADMINISTRATION AND DEPARTMENT OF COMMERCE PROGRAMS

42 USC 9815.

SEC. 626. (a)(1) Funds granted under this subchapter which are invested directly or indirectly, in a small investment company, local development company, limited small business investment company, or small business investment company licensee under section 301(d) of the Small Business Investment Act of 1958 shall be included as "private paid-in capital and paid-in surplus", "combined paid-in capital and paid-in surplus", and "paid-in capital" for purposes of sections 302, 303, and 502, respectively, of the Small Business Investment Act of 1958.

15 USC 681.

15 USC 682, 683, 696.

Regulations.

(2) Not later than 90 days after the date of the enactment of this Act, the Administrator of the Small Business Administration, after consultation with the Secretary, shall promulgate regulations to ensure the availability to community development corporations of such programs as shall further the purposes of this subchapter, including programs under section 8(a) of the Small Business Act.

15 USC 637.

(b)(1) Areas selected for assistance under this subchapter shall be deemed "redevelopment areas" within the meaning of section 401 of the Publc Works and Economic Development Act of 1965, shall qualify for assistance under the provisions of title I and title II of such Act, and shall be deemed to have met the overall economic development program requirements of section 202(b)(10) of such Act.

42 USC 3161.

42 USC 3131, 3141.
42 USC 3142.
Regulations.

(2) Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce shall prescribe regulations which will ensure that community development corporations and cooperatives shall qualify for assistance and shall be eligible to receive such assistance under all such programs of the Economic Development Administration as shall further the purposes of this subchapter.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS

SEC. 627. The Secretary of Housing and Urban Development, after consultation with the Secretary, shall take all necessary steps to assist community development corporations and local cooperative associations to qualify for and receive (1) such assistance in connection with technical assistance, counseling to tenants and homeowners, and loans to sponsors of low-income and moderate-income housing under section 106 of the Housing and Urban Development Act of 1968, as amended by section 811 of the Housing and Community Development Act of 1974; (2) such land for housing and business location and expansion under title I of the Housing and Community Development Act of 1974; and (3) such funds for comprehensive planning under section 701 of the Housing Act of 1954, as amended by section 401 of the Housing and Community Development Act of 1974, as shall further the purposes of this subchapter.

42 USC 9816.
12 USC 1701x.
42 USC 5301.
40 USC 461.

DEPARTMENT OF AGRICULTURE AND FARMERS HOME ADMINISTRATION PROGRAMS

SEC. 628. The Secretary of Agriculture or, where appropriate, the Administrator of the Farmers Home Administration, after consultation with the Secretary of Health and Human Services, shall take all necessary steps to ensure that community development corporations and local cooperative associations shall qualify for and shall receive—

42 USC 9817.

(1) such assistance in connection with housing development under the Housing Act of 1949, as amended;

42 USC 1441 note.

(2) such assistance in connection with housing, business, industrial, and community development under the Consolidated Farmers Home Administration Act of 1961 and the Rural Development Act of 1972; and

7 USC 1921 note.
7 USC 1921 note.

(3) such further assistance under all such programs of the United States Department of Agriculture; as shall further the purposes of this subchapter.

COORDINATION AND ELIGIBILITY

SEC. 629. (a) The Secretary shall take all necessary and appropriate steps to encourage Federal departments and agencies and State and local governments to make grants, provide technical assistance, enter into contracts, and generally support and cooperate with community development corporations and local cooperative associations.

42 USC 9818.

(b) Eligibility for assistance under other Federal programs shall not be denied to any applicant on the ground that it is a community development corporation or any other entity assisted under this subchapter.

EVALUATION AND RESEARCH

SEC. 630. (a) Each program for which grants are made under this subchapter shall provide for a thorough evaluation of the effectiveness of the program in achieving its purposes, which evaluation shall be conducted by such public or private organizations as the Secretary in consultation with existing grantees familiar with programs carried out under the Community Services Block Grant Act may designate, and all or part of the costs of evaluation may be paid from funds appropriated to carry out this part. In evaluating the performance of any community development corporation funded under part 1, the criteria for evaluation shall be based upon such program objectives,

42 USC 9819.
Post, p. 511.

goals, and priorities as are consistent with the purposes of this subchapter and were set forth by such community development corporation in its proposal for funding as approved and agreed upon by or as subsequently modified from time to time by mutual agreement between the Secretary and such community development corporation.

(b) The Secretary shall conduct, either directly or through grants or other arrangements, research and demonstration projects designed to suggest new programs and policies to achieve the purposes of this subchapter in such ways as to provide opportunities for employment, ownership, and a better quality of life for low-income residents.

PLANNING GRANTS

42 USC 9820.

SEC. 631. In order to facilitate the purposes of this subchapter, the Secretary is authorized to provide financial assistance to any public or private nonprofit agency or organization for planning of community economic development programs and cooperative programs under this subchapter.

NONDISCRIMINATION PROVISIONS

42 USC 9821.

SEC. 632. (a) The Secretary shall not provide financial assistance for any program, project, or activity under this subchapter unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this subchapter. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this subchapter.

42 USC 2000d-1.
42 USC 2000d-2.

AVAILABILITY OF CERTAIN APPROPRIATED FUNDS

42 USC 9822.
42 USC 2981.

SEC. 633. Funds appropriated to the Rural Development Loan Fund under title VII of the Economic Opportunity Act of 1964 (as in effect on the day before the date of the enactment of this Act), and interest accumulated in such fund, shall be deposited in the Rural Development Loan Fund established under section 623(c)(1) and shall continue to be available to carry out the purposes of such fund. Funds appropriated to the Community Development Credit Union Revolving Loan Fund under title VII of the Economic Opportunity Act of 1964 (as in effect on the day before the date of the enactment of this Act), and interest accumulated in such fund, shall continue to be available to carry out the purposes of such fund.

Subchapter B—Head Start Programs

Head Start Act.

SHORT TITLE

SEC. 635. This subchapter may be cited as the "Head Start Act". 42 USC 9801 note.

STATEMENT OF PURPOSE AND POLICY

SEC. 636. (a) In recognition of the role which Project Head Start has played in the effective delivery of comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families, it is the purpose of this subchapter to extend the authority for the appropriation of funds for such program. 42 USC 9831.

(b) In carrying out the provisions of this subchapter, the Secretary of Health and Human Services shall continue the administrative arrangement responsible for meeting the needs of migrant and Indian children and shall assure that appropriate funding is provided to meet such needs.

DEFINITIONS

SEC. 637. For purposes of this subchapter: 42 USC 9832.

(1) The term "Secretary" means the Secretary of Health and Human Services.

(2) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(3) The term "financial assistance" includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS

SEC. 638. The Secretary may, upon application by an agency which is eligible for designation as a Head Start agency pursuant to section 641, provide financial assistance to such agency for the planning, conduct, administration, and evaluation of a Head Start program focused primarily upon children from low-income families who have not reached the age of compulsory school attendance which (1) will provide such comprehensive health, nutritional, educational, social, and other services as will aid the children to attain their full potential; and (2) will provide for direct participation of the parents of such children in the development, conduct, and overall program direction at the local level. 42 USC 9833.

AUTHORIZATION OF APPROPRIATIONS

SEC. 639. There is authorized to be appropriated for carrying out the provisions of this subchapter $950,000,000 for fiscal year 1982, $1,007,000,000 for fiscal year 1983, and $1,058,357,000 for fiscal year 1984. 42 USC 9834.

ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

SEC. 640. (a)(1) Of the sums appropriated pursuant to section 639 for any fiscal year beginning after September 30, 1981, the Secretary shall allot such sums in accordance with paragraphs (2) and (3). 42 USC 9835.

(2) The Secretary shall reserve 13 percent of the amount appropriated for each fiscal year for use in accordance with the following order of priorities—

(A) Indian and migrant Head Start programs and services for handicapped children, except that—

(i) there shall be made available for use by Indian and migrant Head Start programs, on a nationwide basis, no less funds for fiscal year 1982 and each subsequent fiscal year than were obligated for use by Indian and migrant Head Start programs for fiscal year 1981; and

(ii) cost-of-living adjustments shall be made with respect to such Indian and migrant Head Start programs for fiscal year 1982 and each subsequent fiscal year, and such adjustments shall, at the minimum, reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor;

(B) payments to Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Virgin Islands according to their respective needs, except that such amount shall not exceed one-half of 1 percent of the sums appropriated for any fiscal year;

(C) training and technical assistance activities which are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities; and

(D) discretionary payments made by the Secretary.

(3) The Secretary shall allot the remaining 87 percent of the amounts appropriated in each fiscal year among the States, in accordance with latest satisfactory data so that—

(A) each State receives an amount which is equal to the amount the State received for fiscal year 1981; and

(B)(i) 33⅓ percent of any amount available after all allotments have been made under clause (A) for such fiscal year shall be distributed on the basis of the relative number of children from birth through 18 years of age, on whose behalf payments are made under the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act in each State as compared to all States; and

(ii) 66⅔ percent of such amount shall be distributed on the basis of the relative number of children from birth through 5 years of age living with families with incomes below the poverty line in each State as compared to all States.

(4) For purposes of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(b) Financial assistance extended under this subchapter for a Head Start program shall not exceed 80 percent of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if the Secretary determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this subchapter. Non-Federal contributions may be in cash or in kind, fairly evaluated, including plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 percent of the approved costs of programs or activities assisted under this subchapter.

(c) No programs shall be approved for assistance under this subchapter unless the Secretary is satisfied that the services to be provided under such program will be in addition to, and not in substitution for, comparable services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may prescribe.

(d) The Secretary shall establish policies and procedures designed to assure that for fiscal year 1982 and thereafter no less than 10 percent of the total number of enrollment opportunities in Head Start programs in each State shall be available for handicapped children (as defined in paragraph (1) of section 602 of the Education of the Handicapped Act) and that services shall be provided to meet their special needs. The Secretary shall report to the Congress at least annually on the status of handicapped children in Head Start programs, including the number of children being served, their handicapping conditions, and the services being provided such children.

20 USC 3192.

Report to Congress.

(e) The Secretary shall adopt appropriate administrative measures to assure that the benefits of this subchapter will be distributed equitably between residents of rural and urban areas.

DESIGNATION OF HEAD START AGENCIES

SEC. 641. (a) The Secretary is authorized to designate as a Head Start agency any local public or private nonprofit agency which (1) has the power and authority to carry out the purposes of this subchapter and perform the functions set forth in section 642 within a community; and (2) is determined by the Secretary to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a Head Start program.

42 USC 9836.

(b) For purposes of this subchapter, a community may be a city, county, or multicity or multicounty unit within a State, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.

"Community."

(c) In the administration of the provisions of this section, the Secretary shall give priority in the designation of Head Start agencies to any local public or private nonprofit agency which is receiving funds under any Head Start program on the date of the enactment of this Act, except that—

(1) the Secretary shall, before giving such priority, determine that the agency involved meets program and fiscal requirements established by the Secretary; and

(2) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the Secretary shall give priority in the designation of Head Start agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds in the fiscal year preceding the fiscal year for which the determination is made.

The provisions of clause (2) shall apply only to agencies actually operating Head Start programs.

(d) The Secretary shall require that the practice of significantly involving parents and area residents affected by the program in selection of Head Start agencies be continued.

POWERS AND FUNCTIONS OF HEAD START AGENCIES

42 USC 9837.

SEC. 642. (a) In order to be designated as a Head Start agency under this subchapter, an agency must have authority under its charter or applicable law to receive and administer funds under this subchapter, funds and contributions from private or local public sources which may be used in support of a Head Start program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accordance with this subchapter, could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a Head Start program. Such an agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

(b) In order to be so designated, a Head Start agency must also (1) establish effective procedures by which parents and area residents concerned will be enabled to directly participate in decisions that influence the character of programs affecting their interests; (2) provide for their regular participation in the implementation of such programs; (3) provide technical and other support needed to enable parents and area residents to secure on their own behalf available assistance from public and private sources; and (4) establish procedures to seek reimbursement, to the extent feasible, from other agencies for services for which any such other agency is responsible, which are provided to a Head Start participant by the Head Start agency.

(c) The head of each Head Start agency shall coordinate with other programs serving the children in the Head Start agency to carry out the provisions of this subsection.

SUBMISSION OF PLANS TO GOVERNORS

42 USC 9838.

SEC. 643. In carrying out the provisions of this subchapter, no contract, agreement, grant, or other assistance shall be made for the purpose of carrying out a Head Start program within a State unless a plan setting forth such proposed contract, agreement, grant, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within 30 days of such submission, or, if so disapproved, has been reconsidered by the Secretary and found by the Secretary to be fully consistent with the provisions and in furtherance of the purposes of this subchapter. Funds to cover the costs of the proposed contract, agreement, grant, or other assistance shall be obligated from the appropriation which is current at the time the plan is submitted to the Governor. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the enactment of this Act.

ADMINISTRATIVE REQUIREMENTS AND STANDARDS

42 USC 9839.

SEC. 644. (a) Each Head Start agency shall observe standards of organization, management, and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this subchapter and the

objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each such agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each agency shall also provide for reasonable public access to information, including public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. Each such agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to (1) establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; (2) assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; (3) guard against personal or financial conflicts of interest; and (4) define employee duties in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

(b) No financial assistance shall be extended under this subchapter in any case in which the Secretary determines that the costs of developing and administering a program assisted under this subchapter exceed 15 percent of the total costs, including non-Federal contributions to such costs, of such program. The Secretary shall establish by regulation, criteria for determining (1) the costs of developing and administering such program; and (2) the total costs of such program. In any case in which the Secretary determines that the cost of administering such program does not exceed 15 percent of such total costs but is, in the judgment of the Secretary, excessive, the Secretary shall forthwith require the recipient of such financial assistance to take such steps prescribed by the Secretary as will eliminate such excessive administrative cost, including the sharing by one or more Head Start agencies of a common director and other administrative personnel. The Secretary may waive the limitation prescribed by this subsection for specific periods of time not to exceed 12 months whenever the Secretary determines that such a waiver is necessary in order to carry out the purposes of this subchapter.

Regulations.

(c) The Secretary shall prescribe rules or regulations to supplement subsection (a), which shall be binding on all agencies carrying on Head Start program activities with financial assistance under this subchapter. The Secretary may, where appropriate, establish special or simplified requirements for smaller agencies or agencies operating in rural areas. Policies and procedures shall be established to ensure that indirect costs attributable to the common or joint use of facilities and services by programs assisted under this subchapter and other programs shall be fairly allocated among the various programs which utilize such facilities and services.

Publication in Federal Register.

(d) At least 30 days prior to their effective date, all rules, regulations, guidelines, instructions, and application forms shall be published in the Federal Register and shall be sent to each grantee with the notification that each such grantee has the right to submit comments pertaining thereto to the Secretary prior to the final adoption thereof.

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PARTICIPATION IN HEAD START PROGRAMS

42 USC 9840.

SEC. 645. (a)(1) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter. Except as provided in paragraph (2), such criteria may provide (A) that children from low-income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance; and (B) pursuant to such regulations as the Secretary shall prescribe, that programs assisted under this subchapter may include, to a reasonable extent, participation of children in the area served who would benefit from such programs but whose families do not meet the low-income criteria prescribed pursuant to clause (A).

(2) Whenever a Head Start program is operated in a community with a population of 1,000 or less individuals and—

(A) there is no other preschool program in the community;

(B) the community is located in a medically underserved area, as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act and is located in a health manpower shortage area, as designated by the Secretary pursuant to section 332(a)(1) of such Act;

42 USC 254c.

42 USC 254e.

(C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B); and

(D) not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1);

the Head Start program in each such locality shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program.

(b) The Secretary shall not prescribe any fee schedule or otherwise provide for the charging of any fees for participation in Head Start programs, unless such fees are authorized by legislation hereafter enacted. Nothing in this subsection shall be construed to prevent the families of children who participate in Head Start programs and who are willing and able to pay the full cost of such participation from doing so.

APPEALS, NOTICE, AND HEARING

42 USC 9841.

SEC. 646. The Secretary shall prescribe procedures to assure that—

(1) special notice of and an opportunity for a timely and expeditious appeal to the Secretary will be provided for an agency or organization which desires to serve as a delegate agency under this subchapter and whose application to the Head Start agency has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Secretary, in accordance with regulations which the Secretary shall prescribe;

(2) financial assistance under this subchapter shall not be suspended, except in emergency situations, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(3) financial assistance under this subchapter shall not be terminated, an application for refunding shall not be denied, and

a suspension of financial assistance shall not be continued for longer than 30 days, unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

RECORDS AND AUDITS

SEC. 647. (a) Each recipient of financial assistance under this subchapter shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit. 42 USC 9842.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this subchapter.

TECHNICAL ASSISTANCE AND TRAINING

SEC. 648. The Secretary may provide, directly or through grants or other arrangements (1) technical assistance to communities in developing, conducting, and administering programs under this subchapter; and (2) training for specialized or other personnel needed in connection with Head Start programs. 42 USC 9843.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 649. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this subchapter. Grants and contracts. 42 USC 9844.

(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this subchapter. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECTS CONTRACTS

SEC. 650. (a) The Secretary shall make a public announcement concerning— 42 USC 9845.

(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this subchapter; and

(2) the results, findings, data, or recommendations made or reported as a result of such activities.

(b) The public announcements required by subsection (a)(1) shall be made within 30 days of making such grants or contracts, and the public announcements required by subsection (a)(2) shall be made within 90 days of the receipt of such results.

(c) The Secretary shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this subchapter shall become the property of the United States.

(d) The Secretary shall publish summaries of the results of activities carried out pursuant to this subchapter not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such summaries.

Report to congressional committees.

EVALUATION

Grants and contracts. 42 USC 9846.

SEC. 651. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this subchapter, including evaluations that measure and evaluate the impact of programs authorized by this subchapter, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project operation.

(b) The Secretary shall operate the programs and projects covered by this subchapter in accordance with Head Start performance standards. Any revisions in such standards shall result in standards which are no less comprehensive than those in effect on the date of the enactment of the Economic Opportunity Amendments of 1978. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this subchapter.

42 USC 2701 note.

(c)(1) In carrying out evaluations under this subchapter, the Secretary shall establish working relationships with the faculties of colleges or universities located in the area in which any such evaluation is being conducted, unless there is no such college or university willing and able to participate in the evaluation. For purposes of the preceding sentence, for any single evaluation, areas in which such working relationships are established may not be larger than 3 contiguous States.

(2) In carrying out evaluations under this subchapter, the Secretary may require Head Start agencies to provide for independent evaluations.

(d) In carrying out evaluations under this subchapter, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this subchapter about such programs and projects.

(e) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

Report to congressional committees.

(f) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this subchapter shall become the property of the United States.

POVERTY LINE

42 USC 9847.

SEC. 652. (a) The Secretary shall revise annually (or at any shorter interval the Secretary deems feasible and desirable) a poverty line

which, except as provided in section 645, shall be used as a criterion of eligibility for participation in Head Start programs.

(b) The revision required by subsection (a) shall be accomplished by multiplying the official poverty line (as defined by the Office of Management and Budget) by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

(c) Revisions required by subsection (a) shall be made and issued not more than 30 days after the date on which the necessary Consumer Price Index data become available.

COMPARABILITY OF WAGES

SEC. 653. The Secretary shall take such action as may be necessary to assure that persons employed in carrying out programs financed under this subchapter shall not receive compensation at a rate which is (1) in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of the persons providing substantially comparable services, or in excess of the average rate of compensation paid to a substantial number of the persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher; or (2) less than the minimum wage rate prescribed in section 6(a)(1) of the Fair Labor Standards Act of 1938. 42 USC 9848. 29 USC 206.

NONDISCRIMINATION PROVISIONS

SEC. 654. (a) The Secretary shall not provide financial assistance for any program, project, or activity under this subchapter unless the grant or contract with respect thereto specifically provides that no person with responsibilities in the operation thereof will discriminate with respect to any such program, project, or activity because of race, creed, color, national origin, sex, political affiliation, or beliefs. 42 USC 9849.

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with any program or activity receiving assistance under this subchapter. The Secretary shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964. Section 603 of such Act shall apply with respect to any action taken by the Secretary to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if such person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with, any program, project, or activity receiving assistance under this subchapter. 42 USC 2000d-1, 2000d-2.

(c) The Secretary shall not provide financial assistance for any program, project, or activity under this subchapter unless the grant or contract relating to the financial assistance specifically provides that no person with responsibilities in the operation of the program, project, or activity will discriminate against any individual because of a handicapping condition in violation of section 504 of the Rehabilitation Act of 1973. 29 USC 794.

LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES

SEC. 655. No individual employed or assigned by any Head Start agency or other agency assisted under this subchapter shall, pursu- 42 USC 9850.

ant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this subchapter by such Head Start agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.

POLITICAL ACTIVITIES

42 USC 9851. 5 USC 1501 *et seq.*

SEC. 656. (a) For purposes of chapter 15 of title 5, United States Code, any agency which assumes responsibility for planning, developing, and coordinating Head Start programs and receives assistance under this subchapter shall be deemed to be a State or local agency.

5 USC 1502.

For purposes of clauses (1) and (2) of section 1502(a) of such title, any agency receiving assistance under this subchapter shall be deemed to be a State or local agency.

(b) Programs assisted under this subchapter shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or (3) any voter registration activity. The Secretary, after consultation with the Office of Personnel Management, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

ADVANCE FUNDING

42 USC 9852.

SEC. 657. For the purpose of affording adequate notice of funding available under this subchapter, appropriations for carrying out this subchapter are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

Follow Through Act.

Subchapter C—Follow Through Programs

SHORT TITLE

42 USC 9801 note.

SEC. 661. This subchapter may be cited as the "Follow Through Act".

FINANCIAL ASSISTANCE FOR FOLLOW THROUGH PROGRAMS

42 USC 9861.

SEC. 662. (a) The Secretary of Education (hereinafter in this subchapter referred to as the "Secretary") is authorized to provide financial assistance in the form of grants to local educational agencies, combinations of such agencies, and, as provided in subsection (b), any other public or appropriate nonprofit private agencies, organizations, and institutions for the purpose of carrying out Follow Through programs focused primarily on children from low-income families in kindergarten and primary grades, including such children enrolled in private nonprofit elementary schools, who were previously enrolled in Head Start or similar programs. Other children in kindergarten and primary grades, including such other children enrolled in private nonprofit elementary schools, who were previously enrolled in preschool programs of a compensatory nature which received

Federal financial assistance may participate in such Follow Through programs.

(b) Whenever the Secretary determines—

(1) that a local educational agency receiving assistance under subsection (a) is unable or unwilling to include in a Follow Through program children enrolled in nonprofit private schools who would otherwise be eligible to participate therein; or

(2) that it is otherwise necessary in order to accomplish the purposes of this section;

the Secretary may provide financial assistance for the purpose of carrying out a Follow Through program to any other public or appropriate nonprofit private agency, organization, or institution.

(c) Programs to be assisted under this section shall provide such comprehensive educational, health, nutritional, social, and other services as will aid in the continued development of children described in subsection (a) to their full potential. Such projects shall provide for the direct participation of the parents of such children in the development, conduct, and overall direction of the program at the local level. If the Secretary determines that participation in the project of children who are not from low-income families will serve to carry out the purposes of this section, the Secretary may provide for the inclusion of such children from non-low-income families, but only to the extent that their participation will not dilute the effectiveness of the services designed for children described in subsection (a).

AUTHORIZATION OF APPROPRIATIONS

SEC. 663. (a)(1) There is authorized to be appropriated for carrying out the purposes of this subchapter $44,300,000 for fiscal year 1982, $22,150,000 for fiscal year 1983, and $14,767,000 for fiscal year 1984. 42 USC 9862.

(2) Funds appropriated under this section for fiscal years 1982 and 1983 shall remain available for obligation and expenditure during the fiscal year succeeding the fiscal year for which they are appropriated.

(b) Financial assistance extended under this subchapter for a Follow Through program shall not exceed 80 percent of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if the Secretary determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this subchapter. Non-Federal contributions may be in cash or in kind, fairly evaluated, including plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 percent of the approved costs of programs or activities assisted under this subchapter.

(c) No project shall be approved for assistance under this subchapter unless the Secretary is satisfied that the services to be provided under such project will be in addition to, and not in substitution for, services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may adopt.

RESEARCH, DEMONSTRATION, AND PILOT PROJECTS

SEC. 664. (a) The Secretary may provide financial assistance through grants or contracts for research, demonstration, or pilot projects conducted by public and private agencies which are designed to test or assist in the development of new approaches or methods 42 USC 9863.

that will aid in overcoming special problems or in otherwise furthering the purposes of this subchapter.

(b) The Secretary shall establish an overall plan to govern the approval of research, demonstration, or pilot projects and the use of all research authority under this subchapter. Such plan shall set forth specific objectives to be achieved and priorities among such objectives.

ANNOUNCEMENT OF RESEARCH, DEMONSTRATION, AND PILOT PROJECT CONTRACTS

42 USC 9864.

SEC. 665. (a) The Secretary shall make a public announcement concerning—

(1) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal public agency or organization for any research, demonstration, or pilot project under this subchapter; and

(2) the results, findings, data, or recommendations made or reported as a result of such activities.

(b) The public announcements required by subsection (a)(1) shall be made not later than 30 days after making such grants or contracts, and the public announcements required by subsection (a)(2) shall be made not later than 90 days after the receipt of such results.

(c) The Secretary shall take necessary action to assure that all studies, proposals, and data produced or developed with Federal funds employed under this subchapter shall become the property of the United States.

Summaries, submittal to congressional committees.

(d) The Secretary shall publish summaries of the results of activities carried out pursuant to this subchapter not later than 90 days after the completion thereof. The Secretary shall submit to the appropriate committees of the Congress copies of all such summaries.

EVALUATION

42 USC 9865.

SEC. 666. (a) The Secretary shall provide, directly or through grants or contracts, for the continuing evaluation of programs under this subchapter, including evaluations that measure and evaluate the impact of programs authorized by this subchapter, in order to determine their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanism for delivery of services, including, where appropriate, comparisons with appropriate control groups composed of persons who have not participated in such programs. Evaluations shall be conducted by persons not directly involved in the administration of the program or project.

(b) The Secretary shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this subchapter. The extent to which such standards have been met shall be considered in deciding whether to renew or supplement financial assistance authorized under this subchapter.

(c) In carrying out evaluations under this subchapter, the Secretary shall, whenever feasible, arrange to obtain the specific views of persons participating in and served by programs and projects assisted under this subchapter about such programs and projects.

Submittal to congressional committees.

(d) The Secretary shall publish the results of evaluative research and summaries of evaluations of program and project impact and effectiveness not later than 90 days after the completion thereof. The

Secretary shall submit to the appropriate committees of the Congress copies of all such research studies and evaluation summaries.

(e) The Secretary shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this section become the property of the United States.

TECHNICAL ASSISTANCE AND TRAINING

SEC. 667. The Secretary may provide, directly or through grants or other appropriate arrangements (1) technical assistance to Follow Through programs in developing, conducting, and administering programs under this subchapter; and (2) training for specialized or other personnel which is needed in connection with Follow Through programs. 42 USC 9866.

SPECIAL CONDITIONS

SEC. 668. (a) Recipients of financial assistance under this subchapter shall provide maximum employment opportunities for residents of the area to be served, and to parents of children who are participating in projects assisted under this subchapter. 42 USC 9867.

(b) Financial assistance under this subchapter shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, nor shall an application for refunding be denied, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken.

(c) Financial assistance under this subchapter shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

APPLICABILITY OF PROVISIONS OF SUBCHAPTER B

SEC. 669. The provisions of sections 637 (other than section 637(1)), 653, 654, 655, 656, and 657 shall apply to the administration of this subchapter. 42 USC 9868.

REPEALER

SEC. 670. Effective October 1, 1984, the provisions of this subchapter are repealed. *Ante*, p. 508. 42 USC 9861 note, 9801 note.

Subtitle B—Community Services Block Grant Program

Community Services Block Grant Act.

SHORT TITLE

SEC. 671. This subtitle may be cited as the "Community Services Block Grant Act". 42 USC 9901 note.

COMMUNITY SERVICES GRANTS AUTHORIZED

SEC. 672. (a) The Secretary is authorized to make grants in accordance with the provisions of this subtitle, to States to ameliorate the causes of poverty in communities within the State. 42 USC 9901.

(b) There is authorized to be appropriated $389,375,000 for the fiscal year 1982 and for each of the 4 succeeding fiscal years to carry out the provisions of this subtitle.

DEFINITIONS

SEC. 673. For purposes of this subtitle: 42 USC 9902.

(1) The term "eligible entity" means any organization which was officially designated as a community action agency or a community action program under the provisions of section 210 of the Economic Opportunity Act of 1964 for fiscal year 1981, unless such community action agency or a community action program lost its designation under section 210 of such Act as a result of a failure to comply with the provisions of such Act.

42 USC 2790.

(2) The term "poverty line" means the official poverty line established by the Director of the Office of Management and Budget. The Secretary shall revise the poverty line annually (or at any shorter interval the Secretary deems feasible and desirable) which shall be used as a criterion of eligibility in community service block grant programs. The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the revision is made.

(3) The term "Secretary" means the Secretary of Health and Human Services.

(4) The term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

STATE ALLOCATIONS

42 USC 9903.

SEC. 674. (a)(1) The Secretary shall from the amount appropriated under section 672 for each fiscal year which remains after—

(A) the Secretary makes the apportionment required in subsection (b)(1); and

(B) the Secretary determines the amount necessary for the purposes of section 681(b);

allot to each State an amount which bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such part, except that no State shall receive less than one-quarter of 1 percent of the amount appropriated under section 672 for such fiscal year.

42 USC 2808.

(2) For purposes of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b)(1) The Secretary shall apportion one-half of 1 percent of the amount appropriated under section 672 for each fiscal year on the basis of need among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(2) Each jurisdiction to which paragraph (1) applies may receive grants under this subtitle upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this subtitle, and which are consistent with the requirements of section 675.

(c)(1) If, with respect to any State, the Secretary—

(A) receives a request from the governing body of an Indian tribe or tribal organization within the State that assistance under this subtitle be made directly to such tribe or organization; and

(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly to provide benefits under this subtitle;

the Secretary shall reserve from amounts which would otherwise be allotted to such State under this subtitle for the fiscal year the amount determined under paragraph (2).

(2) The Secretary shall reserve for the purpose of paragraph (1) from sums that would otherwise be allotted to such State not less than 100 percent of an amount which bears the same ratio to the State's allotment for the fiscal year involved as the population of all eligible Indians for whom a determination under this paragraph has been made bears to the population of all individuals eligible for assistance under this subtitle in such State.

(3) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

(4) In order for an Indian tribe or tribal organization to be eligible for an award for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe by regulation.

(5) The terms "Indian tribe" and "tribal organization" mean those tribes, bands, or other organized groups of Indians recognized in the State in which they reside or considered by the Secretary of the Interior to be an Indian tribe or an Indian organization for any purpose.

"Indian tribe," and "tribal organization."

APPLICATIONS AND REQUIREMENTS

SEC. 675. (a) Each State desiring to receive an allotment for a fiscal year under this subtitle shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will comply with subsection (b) and will meet the conditions enumerated in subsection (c).

42 USC 9904.

(b) After the expiration of the first fiscal year in which a State received funds under this subtitle, no funds shall be allotted to such State for any fiscal year under this subtitle unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under this subtitle for such fiscal year.

(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to—

(1) use the funds available under this subtitle—

(A) to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

(B) to provide activities designed to assist low-income participants including the elderly poor—

(i) to secure and retain meaningful employment;

(ii) to attain an adequate education;

(iii) to make better use of available income;

(iv) to obtain and maintain adequate housing and a suitable living environment;

(v) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services,

nutritious food, housing, and employment-related assistance;

(vi) to remove obstacles and solve problems which block the achievement of self-sufficiency;

(vii) to achieve greater participation in the affairs of the community; and

(viii) to make more effective use of other programs related to the purposes of this subtitle;

(C) to provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor;

(D) to coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low-income individuals; and

(E) to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community;

(2)(A)(i) use, for fiscal year 1982 only, not less than 90 percent of the funds allotted to the State under section 674 to make grants to use for the purposes described in clause (1) to eligible entities (as defined in section 673(1)) or to organizations serving seasonal or migrant farmworkers; and

(ii) use, for fiscal year 1983 and for each subsequent fiscal year, not less than 90 percent of the funds allotted to the State under section 674 to make grants to political subdivisions of the State for the political subdivisions to use for the purposes described in clause (1) directly or to nonprofit private community organizations which have a board which meets the requirements of clause (3), or to migrant and seasonal farm worker organizations; and

(B) provide assurances that the State will not expend more than 5 percent of its allotment under section 674 for administrative expenses at the State level;

(3) provide assurances that, in the case of a community action agency or nonprofit private organization, each board will be constituted so as to assure that (A) one-third of the members of the board are elected public officials, currently holding office, or their representatives, except that if the number of elected officials reasonably available and willing to serve is less than one-third of the membership of the board, membership on the board of appointive public officials may be counted in meeting such one-third requirement; (B) at least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served; and (C) the remainder of the members are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community;

(4) give special consideration in the designation of local community action agencies under this subtitle to any community action agency which is receiving funds under any Federal antipoverty program on the date of the enactment of this Act, except that (A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and (B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, the State

shall give special consideration in the designation of community action agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds in the fiscal year preceding the fiscal year for which the determination is made;

(5) provide assurances that the State may transfer funds, but not to exceed 5 percent of its allotment under section 674, for the provisions set forth in this subtitle to services under the Older Americans Act of 1965, the Head Start program under subchapter B of chapter 8 of subtitle A of this title, or the energy crisis intervention program under title XXVI of this Act (relating to low-income home energy assistance);

42 USC 3001 note.
Ante, p. 499.
Post, p. 893.

(6) prohibit any political activities in accordance with subsection (e);

(7) prohibit any activities to provide voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election or any voter registration activity;

(8) provide for coordination between antipoverty programs in each community, where appropriate, with emergency energy crisis intervention programs under title XXVI of this Act (relating to low-income home energy assistance) conducted in such community;

(9) provide that fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this subtitle, including procedures for monitoring the assistance provided under this subtitle, and provide that at least every year each State shall prepare, in accordance with subsection (f), an audit of its expenditures of amounts received under this subtitle and amounts transferred to carry out the purposes of this subtitle; and

(10) permit and cooperate with Federal investigations undertaken in accordance with section 679.

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.

(d)(1) In addition to the requirements of subsection (c), the chief executive officer of each State shall prepare and furnish to the Secretary a plan which contains provisions describing how the State will carry out the assurances contained in subsection (c). The chief executive officer of each State may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

(2) Each plan prepared under paragraph (1) shall be made available for public inspection within the State in such a manner as will facilitate review of, and comment on, the plan.

(e) For purposes of chapter 15 of title 5, United States Code, any nonprofit private organization receiving assistance under this subtitle which has responsibility for planning, developing, and coordinating community antipoverty programs shall be deemed to be a State or local agency. For purposes of clauses (1) and (2) of section 1502(a) of such title, any such organization receiving assistance under this subtitle shall be deemed to be a State or local agency.

5 USC 1501 *et seq.*

5 USC 1502.

(f) Each audit required by subsection (c)(9) shall be conducted by an entity independent of any agency administering activities or services carried out under this subtitle and shall be conducted in accordance with generally accepted accounting principles. Within 30 days after the completion of each audit, the chief executive officer of the State

shall submit a copy of such audit to the legislature of the State and to the Secretary.

(g) The State shall repay to the United States amounts found not to have been expended in accordance with this subtitle or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this subtitle.

(h) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this subtitle in order to assure that expenditures are consistent with the provisions of this subtitle and to determine the effectiveness of the State in accomplishing the purposes of this subtitle.

ADMINISTRATION

Office of Community Services. Establishment. 42 USC 9905.

SEC. 676. (a) There is established in the Department of Health and Human Services an Office of Community Services. The Office shall be headed by a Director.

(b) The Secretary shall carry out his functions under this subtitle through the Office of Community Services established in subsection (a).

NONDISCRIMINATION PROVISIONS

42 USC 9906.

SEC. 677. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

42 USC 6101 note.

29 USC 794.

(b) Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with subsection (a) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or (3) take such other action as may be provided by law.

42 USC 2000d.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

PAYMENTS TO STATES

42 USC 9907.

SEC. 678. (a) From its allotment under section 674, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), for use under this subtitle.

(b) Payments to a State from its allotment for any fiscal year shall be expended by the State in such fiscal year or in the succeeding fiscal year.

WITHHOLDING

SEC. 679. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not utilize its allotment substantially in accordance with the provisions of this subtitle and the assurances such State provided under section 675.

Notice and hearing.
42 USC 9908.

(2) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this subtitle or the assurances provided by the State under section 675. For purposes of this paragraph, a violation of any one of the assurances contained in section 675(c) that constitutes a disregard of that assurance shall be considered a serious complaint.

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this subtitle in order to evaluate compliance with the provisions of this subtitle.

Investigations.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, he shall conduct an investigation of the use of funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this subtitle by a State in order to ensure compliance with the provisions of this subtitle.

(c) Pursuant to an investigation conducted under subsection (b), a State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or require that any information be compiled, collected, or transmitted in any new form not already available.

LIMITATION ON USE OF GRANTS FOR CONSTRUCTION

SEC. 680. (a) Except as provided in subsection (b), grants made under this subtitle (other than amounts made available under section 681(b)) may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this subtitle, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

42 USC 9909.

(b) The Secretary may waive the limitation contained in subsection (a) upon the State's request for such a waiver if he finds that the request describes extraordinary circumstances to justify the purchase of land or the construction of facilities (or the making of permanent improvements) and that permitting the waiver will contribute to the State's ability to carry out the purposes of this subtitle.

DISCRETIONARY AUTHORITY OF SECRETARY

42 USC 9910.

SEC. 681. (a) The Secretary is authorized, either directly or through grants, loans, or guarantees to States and public and other organizations and agencies, or contracts or jointly financed cooperative arrangements with States and public and other organizations and agencies, to provide for—

(1) training related to the purposes of this subtitle; and

(2) ongoing activities of national or regional significance related to the purposes of this subtitle, including special emphasis programs for—

(A) special programs of assistance to private, locally initiated community development programs which sponsor enterprises providing employment and business development opportunities for low-income residents of the area;

(B) Rural Development Loan Fund revolving loans and guarantees under subchapter A of chapter 8 of subtitle A of this title;

(C) community development credit union programs administered under subchapter A of chapter 8 of subtitle A of this title;

Ante, p. 489.

(D) technical assistance and training programs in rural housing and community facilities development;

(E) assistance for migrants and seasonal farmworkers; and

(F) national or regional programs designed to provide recreational activities for low-income youth.

(b) Of the amounts appropriated under section 672(b) for any fiscal year, not more than 9 percent of such amounts shall be available to the Secretary for purposes of carrying out this section and subchapter A of chapter 8 of subtitle A of this title.

TRANSITION PROVISIONS

42 USC 9911.

SEC. 682. (a)(1) The purpose of this section is to permit, for fiscal year 1982 only, States to choose to operate programs under the block grant established by this subtitle or to have the Secretary operate programs under the provisions of law repealed by section 683(a).

(2) The Secretary shall carry out the provisions of this section through the Office of Community Services established in section 676(a).

(b)(1) Notwithstanding the provisions of section 683(a) or any other provision of law, a State may, for fiscal year 1982 only, make a determination that the State chooses not to operate programs under the block grant established by this subtitle. If the State makes such a determination, the State's allotment under section 674 shall be used within the State by the Secretary to carry out programs (in accordance with paragraph (4)) under the provisions of law in effect on September 30, 1981, but repealed by section 683(a).

(2) The provisions of paragraph (1) apply to the provisions of law referred to in such paragraph, regardless of whether there is a specific termination provision or other provision of law repealing or otherwise terminating any program subject to this Act.

(3) Each State which, pursuant to paragraph (1), determines to have the Secretary operate programs under the provisions of law in effect on September 30, 1981, but repealed by section 683(a), shall give notice to the Secretary of such determination. Such notice shall be submitted to the Secretary prior to the beginning of the first quarter of fiscal year 1982 and at least 30 days before the beginning of any

other quarter during such fiscal year. For purposes of this section, the quarters for fiscal year 1982 shall commence on October 1, January 1, April 1, and July 1 of fiscal year 1982.

(4) In any case in which the Secretary carries out programs under paragraph (1), the Secretary shall provide for the carrying out of such programs by making grants for such purpose to eligible entities (as defined in section 673(1)).

(c) The Secretary shall provide such assistance to the States as the States may require in order to carry out the provisions of this section.

(d) The Secretary may reserve not more than 5 percent of any State's allotment for administration of such State's programs under the block grant established by this subtitle, if such State has made a determination that the State chooses not to operate programs under the block grant established by this subtitle, and the Secretary is carrying out such State's programs under the provisions of law in effect on September 30, 1981.

(e) Upon the enactment of this Act, the Director of the Office of Management and Budget is authorized to provide for termination of the affairs of the Community Services Administration. He shall provide for the transfer or other disposition of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with implementation of the authorities terminated by section 683(a) as necessary to effectuate the purposes of this subtitle.

REPEALER; REAUTHORIZATION PROVISIONS; TECHNICAL AND CONFORMING PROVISIONS

SEC. 683. (a) Effective October 1, 1981, the Economic Opportunity Act of 1964, other than titles VIII and X of such Act, is repealed. 42 USC 9912. Repeal.

(b) There is authorized to be appropriated such sums as may be necessary for each of the fiscal years 1982, 1983, and 1984, to carry out title VIII of the Economic Opportunity Act of 1964. 42 USC 2701. 42 USC 2991.

(c)(1) Any reference in any provision of law to the poverty line set forth in section 624 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673(2) of this Act. 42 USC 2971c.

(2) Any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to private nonprofit community organizations eligible to receive funds under this subtitle.

(3) No action or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of any agency administering the Act repealed by subsection (a) of this section shall abate by reason of the enactment of this Act.

TITLE VII—EMPLOYMENT PROGRAMS

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT

SEC. 701. (a) Section 112 of the Comprehensive Employment and Training Act is amended to read as follows: 29 USC 822.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 112. (a) There are authorized to be appropriated for fiscal year 1982 for the purpose of carrying out this Act—

29 USC 841, 846, 852.
29 USC 871, 891.

"(1) $1,430,775,000 for carrying out parts A, B, and C of title II;

"(2) $219,015,000 for carrying out titles III and V, of which not more than $3 million may be transferred to the National Occupational Information Coordinating Committee established pursuant to section 161(b) of the Vocational Education Act of 1963 for purposes described in section 315 of this Act;

29 USC 893.
29 USC 923.
29 USC 942.
29 USC 981.

"(3) $576,200,000 for carrying out part A of title IV;

"(4) $628,263,000 for carrying out part B of title IV;

"(5) $766,100,000 for carrying out part C of title IV;

"(6) $274,700,000 for carrying out title VII; and

"(7) $75,462,000 for the expenses of the Department of Labor in administering this Act.

"(b)(1) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in an appropriation Act for the fiscal year preceding the fiscal year for which they are first available for obligation.

"(2) In order to effect a transition to the advance funding method of timing appropriation action, the provisions of this subsection shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.".

29 USC 842.

(b) The matter preceding clause (i) of section 202(a)(2)(A) of the Act is amended by striking out "Eighty-five percent" and inserting in lieu thereof "Eighty-six and one-half percent".

(c) Section 202 of the Comprehensive Employment and Training Act is amended by adding the following subsection at the end thereof:

"(h) Notwithstanding the provisions of subsections (b), (c), (d), and (e) of this section, not more than 10½ percent of the amounts available for this title shall be available for the purposes specified in such subsections. The Governor of each State may in his own discretion determine the amount of funds to be used for each of the functions specified in such subsections but not to exceed the amounts specified therein.".

29 USC 909.

(d)(1) Section 433(a)(1) of the Comprehensive Employment and Training Act is amended by striking out "75" and inserting in lieu thereof "85".

29 USC 912.

(2) Section 436(a)(2) of such Act is amended by striking out ", but services to youth under that title shall not be reduced because of the availability of financial assistance under this subpart".

(e)(1) Title IV of the Comprehensive Employment and Training Act is amended by inserting after section 402 the following new section:

"TRANSFERABILITY OF FUNDS

29 USC 892a.
29 USC 893.
29 USC 942.

"SEC. 403. (a) Twenty percent of the funds available to a prime sponsor in fiscal year 1982 to carry out part A of this title may, at the prime sponsor's discretion, be used in accordance with the provisions of part C and 20 percent of the funds available to a prime sponsor in fiscal year 1982 to carry out part C of this title may, at the prime sponsor's discretion, be used in accordance with the provisions of part A.

29 USC 899.
29 USC 818.

"(b) Funds available to a prime sponsor under subpart 2 of part A of this title may, at the prime sponsor's discretion, be used in accordance with the provisions of subpart 3 of part A of this title. Any funds allocated under subpart 2 of part A of this title which are reallocated by the Secretary pursuant to section 108 may, in the Secretary's

discretion, be allocated for use in accordance with the provisions of subpart 3 of part A of this title.". 29 USC 907.

(2) The table of contents of such Act is amended by inserting after the item pertaining to section 402 the following new item:

"403. Transferability of funds.".

(f) Section 702 of the Comprehensive Employment and Training Act is amended— 29 USC 982.

(1) by striking out "Eighty-five" in subsection (b)(1) and inserting in lieu thereof "Ninety-five"; and

(2) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Funds available to prime sponsors under this title may be used to promote coordination with economic development activities supported by Federal, State, or local funds. Funds used for such coordinated activities shall not be taken into account in the computation of cost per participant or cost per placement for purposes of program evaluation.".

(g) If, during the second session of the 97th Congress, neither the House of Representatives nor the Senate have passed legislation replacing or amending the Comprehensive Employment and Training Act by September 10, 1982, the provisions of section 112 of that Act (relating to authorization of appropriations) applicable to fiscal 1982 shall be applicable to fiscal 1983. 29 USC 822 note. *Ante*, p. 519.

THE WAGNER-PEYSER ACT

SEC. 702. Section 5(b) of the Act of June 6, 1933 (commonly known as the Wagner-Peyser Act), is amended by inserting before the period at the end thereof a comma and the following: "but not to exceed $677,800,000 in the fiscal year beginning October 1, 1981. For purposes of this subsection, the term 'proper and efficient administration of its public employment offices' shall mean only such functions as are necessary to carry out the provisions of this Act and shall not include functions authorized or required under the Internal Revenue Code of 1954, the Immigration and Nationality Act, or chapter 41 of title 38, United States Code.". 29 USC 49d. 26 USC 1 *et seq.*; 8 USC 1101 *et seq.*; 38 USC 2001 *et seq.*

TITLE VIII—SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

CHANGES IN REIMBURSEMENT FOR SCHOOL LUNCHES AND BREAKFASTS

SEC. 801. (a) Section 4 of the National School Lunch Act is amended— 42 USC 1753.

(1) by inserting "(a)" after "SEC. 4.";

(2) in subsection (a) (as so designated), by striking out the second sentence; and

(3) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary shall make food assistance payments to each State educational agency each fiscal year, at such times as the Secretary may determine, from the sums appropriated for such purpose, in a total amount equal to the product obtained by multiplying—

"(A) the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a) of this Act) served

during such fiscal year in schools in such State which participate in the school lunch program under this Act under agreements with such State educational agency; by

"(B) the national average lunch payment prescribed in paragraph (2) of this subsection.

"(2) The national average lunch payment for each lunch served shall be 10.5 cents (as adjusted pursuant to section 11(a) of this Act) except that for each lunch served in school food authorities in which 60 percent or more of the lunches served in the school lunch program during the second preceding school year were served free or at a reduced-price, the national average lunch payment shall be 2 cents more.".

42 USC 1759a.

(b) Section 11(a) of the National School Lunch Act is amended—

(1) by inserting "(1)" after "SEC. 11. (a)";

(2) in the third sentence, by striking out "(1)" and inserting in lieu thereof "(A)" and by striking out "(2)" and inserting in lieu thereof "(B)"; and

(3) by striking out the fifth sentence and all that follows through the end of the subsection and inserting in lieu thereof the following:

"(2) The special-assistance factor prescribed by the Secretary for free lunches shall be 98.75 cents and the special-assistance factor for reduced-price lunches shall be 40 cents less than the special-assistance factor for free lunches.

"(3)(A) The Secretary shall prescribe on July 1, 1982, and on each subsequent July 1, an annual adjustment in the following:

"(i) The national average payment rates for lunches (as established under section 4 of this Act).

Ante, p. 521.

"(ii) The special assistance factor for lunches (as established under paragraph (2) of this subsection).

"(iii) The national average payment rates for breakfasts (as established under section 4(b) of the Child Nutrition Act of 1966).

Infra.

"(iv) The national average payment rates for supplements (as established under section 17(c) of this Act).

Post, p. 528.

"(B) The annual adjustment under this paragraph shall reflect changes in the cost of operating meal programs under this Act and the Child Nutrition Act of 1966, as indicated by the change in the series for food away from home of the Consumer Price Index for all Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor. Each annual adjustment shall reflect the changes in the series for food away from home for the most recent 12-month period for which such data are available. The adjustments made under this paragraph shall be computed to the nearest one-fourth cent.".

42 USC 1773.

(c)(1) Section 4(b)(1) of the Child Nutrition Act of 1966 is amended to read as follows:

"(b)(1)(A) The Secretary shall make breakfast assistance payments to each State educational agency each fiscal year, at such times as the Secretary may determine, from the sums appropriated for such purpose, in an amount equal to the product obtained by multiplying—

"(i) the number of breakfasts served during such fiscal year to children in schools in such States which participate in the school breakfast program under agreements with such State educational agency; by

"(ii) the national average breakfast payment for free breakfasts, for reduced-price breakfasts, or for breakfasts served to

children not eligible for free or reduced-price meals, as appropriate, as prescribed in clause (B) of this paragraph.

"(B) The national average payment for each free breakfast shall be 57 cents (as adjusted pursuant to section 11(a) of the National School Lunch Act). The national average payment for each reduced-price breakfast shall be one-half of the national average payment for each free breakfast, adjusted to the nearest one-fourth cent, except that in no case shall the difference between the amount of the national average payment for a free breakfast and the national average payment for a reduced-price breakfast exceed 30 cents. The national average payment for each breakfast served to a child not eligible for free or reduced-price meals shall be 8.25 cents (as adjusted pursuant to section 11(a) of the National School Lunch Act).

Ante, p. 522.

"(C) No school which receives breakfast assistance payments under this section may charge a price of more than 30 cents for a reduced-price breakfast.

"(D) No breakfast assistance payment may be made under this subsection for any breakfast served by a school unless such breakfast consists of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under subsection (e) of this section.".

(2) Section 4(b)(2) of the Child Nutrition Act of 1966 is amended—

Ante, p. 522.

(A) in clause (B)(ii)—

(i) by striking out "on a semiannual basis each July 1 and January 1" and inserting in lieu thereof "on an annual basis each July 1"; and

(ii) by striking out "six-month" and inserting in lieu thereof "twelve-month"; and

(B) in clause (C), by striking out "five" and inserting in lieu thereof "thirty".

(3)(A) Section 4(d) of the Child Nutrition Act of 1966 is amended to read as follows:

42 USC 1773.

"(d)(1) Each State educational agency shall provide additional assistance to schools in severe need, which shall include only—

"(A) those schools in which the service of breakfasts is required pursuant to State law; and

"(B) those schools (having a breakfast program or desiring to initiate a breakfast program) in which, during the most recent second preceding school year for which lunches were served, 40 percent or more of the lunches served to students at the school were served free or at a reduced-price, and in which the rate per meal established by the Secretary is insufficient to cover the costs of the breakfast program.

The provision of eligibility specified in clause (A) of this paragraph shall terminate effective July 1, 1983, for schools in States where the State legislatures meet annually and shall terminate effective July 1, 1984, for schools in States where the State legislatures meet biennially.

"(2) A school, upon the submission of appropriate documentation about the need circumstances in that school and the school's eligibility for additional assistance, shall be entitled to receive 100 percent of the operating costs of the breakfast program, including the costs of obtaining, preparing, and serving food, or the meal reimbursement rate specified in paragraph (2) of section 4(b) of this Act, whichever is less.".

REDUCTION IN COMMODITY ASSISTANCE FOR LUNCHES

42 USC 1755.

SEC. 802. The first sentence of section 6(e) of the National School Lunch Act is amended to read as follows: "The national average value of donated foods, or cash payments in lieu thereof, shall be 11 cents, adjusted on July 1, 1982, and each July 1 thereafter to reflect changes in the Price Index for Food Used in Schools and Institutions.".

REVISION OF INCOME ELIGIBILITY GUIDELINES

42 USC 1758.

SEC. 803. (a) Section 9(b) of the National School Lunch Act is amended—

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

"(1)(A) Not later than June 1 of each fiscal year, the Secretary shall prescribe income guidelines for determining eligibility for free and reduced-price lunches during the 12-month period beginning July 1 of such fiscal year and ending June 30 of the following fiscal year. For the school years ending June 30, 1982, and June 30, 1983, the income guidelines for determining eligibility for free lunches shall be 130 percent of the applicable family-size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). Beginning July 1, 1983, the income guidelines for determining eligibility for free lunches for any school year shall be the same as the gross income eligibility standards announced by the Secretary for any such period for eligibility for participation in the food stamp program under the Food Stamp Act of 1977. The income guidelines for determining eligibility for reduced-price lunches for any school year shall be 185 percent of the applicable family-size income levels contained in the nonfarm income poverty guidelines prescribed by the Office of Management and Budget, as adjusted annually in accordance with subparagraph (B). The Office of Management and Budget guidelines shall be revised at annual intervals, or at any shorter interval deemed feasible and desirable.

7 USC 2011 note.

"(B) The revision required by subparagraph (A) of this paragraph shall be made by multiplying—

"(i) the official poverty line (as defined by the Office of Management and Budget); by

"(ii) the percentage change in the Consumer Price Index during the annual or other interval immediately preceding the time at which the adjustment is made.

Revisions under this subparagraph shall be made not more than 30 days after the date on which the consumer price index data required to compute the adjustment becomes available.";

(2) by redesignating paragraph (2) (and any references thereto) as paragraph (5) and by inserting after paragraph (1) the following new paragraphs:

"(2)(A) Following the determination by the Secretary under paragraph (1) of this subsection of the income eligibility guidelines for each school year, each State educational agency shall announce the income eligibility guidelines, by family-size, to be used by schools in the State in making determinations of eligibility for free and reduced-price lunches. Local school authorities shall, each year, publicly announce the income eligibility guidelines for free and reduced-price lunches on or before the opening of school.

"(B) Applications for free and reduced-price lunches, in such form as the Secretary may prescribe or approve, and any descriptive material, shall be distributed to the parents or guardians of children

in attendance at the school, and shall contain only the family-size income levels for reduced-price meal eligibility with the explanation that households with incomes less than or equal to these values would be eligible for free or reduced-price lunches. Such forms and descriptive material may not contain the income eligibility guidelines for free lunches.

"(C) Eligibility determinations shall be made on the basis of a complete application executed by an adult member of the household. The Secretary, States, and local school food authorities may seek verification of the data contained in the application. Local school food authorities shall undertake such verification of the information contained in these applications as the Secretary may by regulation prescribe and, in accordance with such regulations, make appropriate changes in the eligibility determinations on the basis of such verification.

"(3) Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate which does not exceed the applicable family-size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), shall be served a free lunch. Any child who is a member of a household whose income, at the time the application is submitted, is at an annual rate greater than the applicable family-size income level of the income eligibility guidelines for free lunches, as determined under paragraph (1), but less than or equal to the applicable family-size income level of the income eligibility guidelines for reduced-price lunches, as determined under paragraph (1), shall be served a reduced-price lunch. The price charged for a reduced-price lunch shall not exceed 40 cents.

"(4) No physical segregation of or other discrimination against any child eligible for a free lunch or a reduced-price lunch under this subsection shall be made by the school nor shall there by any overt identification of any child by special tokens or tickets, announced or published lists of names, or by other means."; and

(3) in the second sentence of paragraph (5), as so redesignated by paragraph (2) of this subsection, by striking out "solely".

(b) Section 9 of the National School Lunch Act is further amended by adding at the end thereof the following new subsection: 42 USC 1758.

"(d)(1) The Secretary shall require as a condition of eligibility for receipt of free or reduced-price lunches that the member of the household who executes the application furnish the social security account numbers of all adult members of the household of which such person is a member.

"(2) No member of a household may be provided a free or reduced-price lunch under this Act unless—

"(A) appropriate documentation, as prescribed by the Secretary, of the income of such household has been provided to the appropriate local school food authority; or

"(B) documentation showing that the household is participating in the food stamp program under the Food Stamp Act of 1977 has been provided to the appropriate local school food authority.".

(c) Notwithstanding any other provision of law, the Secretary of Agriculture shall conduct a pilot study to verify the data submitted on a sample of applications for free and reduced-price meals. In conducting the pilot study, the Secretary may require households included in the study to furnish social security numbers of all household members and such other information as the Secretary may require, including, but not limited to, pay stubs, documentation of the Study. 42 USC 1758 note.

current status of household members who are recipients of public assistance, unemployment insurance documents, and written statements from employers, as a condition for receipt of free or reduced-price meals.

42 USC 1758 note.

(d) For the school year ending June 30, 1982, the Secretary may prescribe procedures for implementing the revisions made by the amendments contained in this section to the income eligibility guidelines for free and reduced-price lunches under section 9 of the National School Lunch Act. Such procedures may allow school food authorities to (1) use applications distributed at the beginning of the school year when making eligibility determinations based on the revised income eligibility guidelines, or (2) distribute new applications and make determinations using such applications.

42 USC 1758.

REVISION OF STATE REVENUE MATCHING REQUIREMENTS

42 USC 1756.

SEC. 804. Section 7 of the National School Lunch Act is amended to read as follows:

42 USC 1753.

"SEC. 7. (a)(1) Funds appropriated to carry out section 4 of this Act during any fiscal year shall be available for payment to the States for disbursement by State educational agencies in accordance with such agreements, not inconsistent with the provisions of this Act, as may be entered into by the Secretary and such State educational agencies for the purpose of assisting schools within the States in obtaining agricultural commodities and other foods for consumption by children in furtherance of the school lunch program authorized under this Act. For any school year, such payments shall be made to a State only if, during such school year, the amount of the State revenues (excluding State revenues derived from the operation of the program) appropriated or used specifically for program purposes (other than any State revenues expended for salaries and administrative expenses of the program at the State level) is not less than 30 percent of the funds made available to such State under section 4 of this Act for the school year beginning July 1, 1980.

"(2) If, for any school year, the per capita income of a State is less than the average per capita income of all the States, the amount required to be expended by a State under paragraph (1) for such year shall be an amount bearing the same ratio to the amount equal to 30 percent of the funds made available to such State under section 4 of this Act for the the school year beginning July 1, 1980, as the per capita income of such State bears to the average per capita income of all the States.

"(b) The State revenues provided by any State to meet the requirement of subsection (a) shall, to the extent the State deems practicable, be disbursed to schools participating in the school lunch program under this Act. No State in which the State educational agency is prohibited by law from disbursing State appropriated funds to private schools shall be required to match Federal funds made available for meals served in such schools, or to disburse, to such schools, any of the State revenues required to meet the requirements of subsection (a).

"(c) The Secretary shall certify to the Secretary of the Treasury, from time to time, the amounts to be paid to any State under this section and shall specify when such payments are to be made. The Secretary of the Treasury shall pay to the State, at the time or times fixed by the Secretary, the amounts so certified.".

TERMINATION OF FOOD SERVICE EQUIPMENT ASSISTANCE

SEC. 805. (a) Section 5 of the National School Lunch Act is repealed. (b) Section 5 of the Child Nutrition Act of 1966 is repealed. Repeals. 42 USC 1754. 42 USC 1774.

NUTRITION EDUCATION AND TRAINING PROGRAM

SEC. 806. The second sentence of section 19(j)(2) of the Child Nutrition Act of 1966 is amended to read as follows: "There is authorized to be appropriated for the grants referred to in the preceding sentence not more than $15,000,000 for fiscal year 1981, and not more than $5,000,000 for each subsequent fiscal year.". 42 USC 1788.

REVISION OF THE SPECIAL MILK PROGRAM

SEC. 807. Section 3 of the Child Nutrition Act of 1966 is amended— 42 USC 1772.

(1) in the first sentence—

(A) in clause (1), by inserting "which do not participate in a meal service program authorized under this Act or the National School Lunch Act," after "under,"; and 42 USC 1751 note.

(B) in clause (2), by inserting ", which do not participate in a meal service program authorized under this Act or the National School Lunch Act" after "training of children";

(2) in the fourth sentence, by inserting "which does not participate in a meal service program authorized under this Act or the National School Lunch Act" after "institution";

(3) in the fifth sentence, by striking out "also"; and

(4) by striking out the eighth sentence.

LIMITATION ON PRIVATE SCHOOL PARTICIPATION

SEC. 808. (a) Section 12(d)(6) of the National School Lunch Act is amended by inserting in the first sentence "except private schools whose average yearly tuition exceeds $1,500 per child," after "under,". 42 USC 1760.

(b) Section 15(c) of the Child Nutrition Act of 1966 is amended by inserting in the first sentence "except private schools whose average yearly tuition exceeds $1,500 per child," after "such school,". 42 USC 1784.

SUMMER FOOD SERVICE PROGRAM

SEC. 809. Section 13 of the National School Lunch Act is amended— 42 USC 1761.

(1) in subsection (a)(1)—

(A) in clause (B), by striking out "nonresidential public or private nonprofit institutions," and inserting in lieu thereof "public or private nonprofit school food authorities, local, municipal, or county governments,"; and

(B) in clause (C), by striking out "33⅓ percent" and inserting in lieu thereof "50 percent"; and

(2) by adding at the end of subsection (a) the following new paragraph:

"(6) Service institutions that are local, municipal, or county governments shall be eligible for reimbursement for meals served in programs under this section only if such programs are operated directly by such governments.".

REVISION OF CHILD CARE FOOD PROGRAM

42 USC 1766.

SEC. 810. (a) Section 17(a) of the National School Lunch Act is amended—

(1) in the second sentence, by adding at the end before the period the following: "(but only if such organization receives compensation under such title for at least 25 percent of the children for which the organization provides such nonresidential day care services)"; and

(2) by adding after the third sentence the following: "Reimbursement may be provided under this section only for meals or supplements served to children not over 12 years of age (except that such age limitation shall not be applicable for children of migrant workers if 15 years of age or less or for handicapped children).".

(b) Section 17(b) of the National School Lunch Act is amended by striking out "served in the manner specified in subsection (c)" and inserting in lieu thereof "as provided in subsection (f)".

(c) Section 17(c) of the National School Lunch Act is amended to read as follows:

"(c)(1) For purposes of this section, the national average payment rate for free lunches and suppers, the national average payment rate for reduced-price lunches and suppers, and the national average payment rate for paid lunches and suppers shall be the same as the national average payment rates for free lunches, reduced-price lunches, and paid lunches, respectively, under sections 4 and 11 of this Act as appropriate (as adjusted pursuant to section 11(a) of this Act).

42 USC 1753, 1759a.

"(2) For purposes of this section, the national average payment rate for free breakfasts, the national average payment rate for reduced-price breakfasts, and the national average payment rate for paid breakfasts shall be the same as the national average payment rates for free breakfasts, reduced-price breakfasts, and paid breakfasts, respectively, under section 4(b) of the Child Nutrition Act of 1966 (as adjusted pursuant to section 11(a) of this Act).

Ante, p. 522.

"(3) For purposes of this section, the national average payment rate for free supplements shall be 30 cents, the national average payment rate for reduced-price supplements shall be one-half the rate for free supplements, and the national average payment rate for paid supplements shall be 2.75 cents (as adjusted pursuant to section 11(a) of this Act).

"(4) Determinations with regard to eligibility for free and reduced-price meals and supplements shall be made in accordance with the income eligibility guidelines for free lunches and reduced-price lunches, respectively, under section 9 of this Act.".

42 USC 1758.

(d) Section 17(f) of the National School Lunch Act is amended—

(1) by amending paragraph (2) to read as follows:

"(2)(A) Subject to subparagraph (B) of this paragraph, the disbursement for any fiscal year to any State for disbursement to institutions, other than family or group day care home sponsoring organizations, for meals provided under this section shall be equal to the sum of the products obtained by multiplying the total number of each type of meal (breakfast, lunch or supper, or supplement) served in such institution in that fiscal year by the applicable national average payment rate for each such type of meal, as determined under subsection (c).

"(B) No reimbursement may be made to any institution under this paragraph, or to family or group day care home sponsoring organiza-

tions under paragraph (3) of this subsection, for more than two meals and one supplement per day per child.";

(2) by striking out paragraph (3) and by redesignating paragraphs (4) and (5) (and any references thereto) as paragraphs (3) and (4), respectively; and

(3) in paragraph (3), as so redesignated—

(A) by redesignating the fourth sentence and all that follows through the end of the paragraph as subparagraph (C); and

(B) by amending all that precedes subparagraph (C) (as so redesignated) to read as follows:

"(3)(A) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, a reimbursement factor set by the Secretary for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section, without a requirement for documentation of such costs, except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligiblity standards for free or reduced-price meals under section 9 of this Act. The reimbursement factor in effect as of the date of the enactment of this sentence shall be reduced by 10 percent. The reimbursement factor under this subparagraph shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factor under this subparagraph shall be rounded to the nearest one-fourth cent.

"(B) Family or group day care home sponsoring organizations shall also receive reimbursement for their administrative expenses in amounts not exceeding the maximum allowable levels prescribed by the Secretary. Such levels shall be adjusted July 1 of each year to reflect changes in the Consumer Price Index for all items for the most recent 12-month period for which such data are available. The maximum allowable levels for administrative expense payments, as in effect as of the date of the enactment of this subparagraph, shall be adjusted by the Secretary so as to achieve a 10 percent reduction in the total amount of reimbursement provided to institutions for such administrative expenses. In making the reduction required by the preceding sentence, the Secretary shall increase the economy of scale factors used to distinguish institutions that sponsor a greater number of family or group day care homes from those that sponsor a lesser number of such homes.".

(e) Section 17(g) of the National School Lunch Act is amended by striking out paragraph (2) and by redesignating paragraphs (3) and (4) (and any references thereto) as paragraphs (2) and (3), respectively. 42 USC 1766.

(f) Section 17 of the National School Lunch Act is further amended by striking out subsections (i) and (n).

(g) Section 17(o) of the National School Lunch Act is amended in the second sentence by striking out "the availability of food service equipment funds under the program,".

FOOD NOT INTENDED TO BE CONSUMED

SEC. 811. The third sentence of section 9(a) of the National School Lunch Act is amended by striking out "in any junior high school or middle school". 42 USC 1758.

STATE PLAN REQUIREMENTS

42 USC 1759a.

SEC. 812. Section 11(e) of the National School Lunch Act is amended—

(1) by striking out paragraph (1) and redesignating paragraphs (2) and (3) (and any references thereto) as paragraphs (1) and (2), respectively; and

(2) in paragraphs (1) and (2), as so redesignated, by striking out the second sentence of each such paragraph.

COMMODITY ONLY SCHOOLS

42 USC 1762a.

SEC. 813. (a) Section 14 of the National School Lunch Act is amended by adding at the end thereof the following new subsection:

"(f) Commodity only schools shall be eligible to receive donated commodities equal in value to the sum of the national average value of donated foods established under section 6(e) of this Act and the national average payment established under section 4 of this Act. Such schools shall be eligible to receive up to 5 cents per meal of such value in cash for processing and handling expenses related to the use of such commodities. Lunches served in such schools shall consist of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a) of this Act, and shall represent the four basic food groups, including a serving of fluid milk.".

Ante, p. 524.

42 USC 1753.

42 USC 1759a.

(b) Section 11 of the National School Lunch Act is further amended by adding at the end thereof the following new subsection:

"(f) Commodity only schools shall also be eligible for special-assistance payments under this section. Such schools shall serve meals free to children who meet the eligibility requirements for free meals under section 9(b) of this Act, and shall serve meals at a reduced price, not exceeding the price specified in section 9(b)(3) of this Act, to children meeting the eligibility requirements for reduced-price meals under such section. No physical segregation of, or other discrimination against, any child eligible for a free or reduced-priced lunch shall be made by the school, nor shall there be any overt identification of any such child by any means.".

Ante, p. 524.

42 USC 1772.

(c) Section 3 of the Child Nutrition Act of 1966 is further amended by—

(1) inserting "(a)" after "SEC. 3."; and

(2) by adding at the end thereof the following new subsection:

"(b) Commodity only schools shall not be eligible to participate in the special milk program under this section. For the purposes of the preceding sentence, the term 'commodity only schools' means schools that do not participate in the school lunch program under the National School Lunch Act, but which receive commodities made available by the Secretary for use by such schools in nonprofit lunch programs.".

42 USC 1760.

(d) Section 12(d) of the National School Lunch Act is further amended by adding at the end thereof the following new paragraph:

"(8) 'Commodity only schools' means schools that do not participate in the school lunch program under this Act, but which receive commodities made available by the Secretary for use by such schools in nonprofit lunch programs."

STATE ADMINISTRATIVE EXPENSES

SEC. 814. (a) Section 7(a)(2) of the Child Nutrition Act of 1966 is amended by striking out "September 30, 1978" in the second sentence and inserting in lieu thereof "September 30, 1981". 42 USC 1776.

(b) Section 7(e) of the Child Nutrition Act is amended to read as follows:

"(e) Notwithstanding any other provision of law, funds made available to each State under this section shall remain available for obligation and expenditure by that State during the fiscal year immediately following the fiscal year for which such funds were made available. For each fiscal year the Secretary shall establish a date by which each State shall submit to the Secretary a plan for the disbursement of funds provided under this section for each such year, and the Secretary shall reallocate any unused funds, as evidenced by such plans, to other States as the Secretary considers appropriate.".

AUTHORIZATIONS FOR WIC PROGRAM

SEC. 815. Section 17(g) of the Child Nutrition Act of 1966 is amended by striking out in the first sentence "and such sums as may be necessary for the three subsequent fiscal years," and inserting in lieu thereof "$1,017,000,000 for the fiscal year ending September 30, 1982, $1,060,000,000 for the fiscal year ending September 30, 1983, and $1,126,000,000 for the fiscal year ending September 30, 1984,". 42 USC 1786.

CLAIMS ADJUSTMENT AUTHORITY

SEC. 816. Section 16 of the Child Nutrition Act of 1966 is amended— 42 USC 1785.

(1) by inserting "(a)" after "SEC. 16."; and

(2) by adding at the end thereof the following new subsection:

"(b) With regard to any claim arising under this Act or under the National School Lunch Act, the Secretary shall have the authority to determine the amount of, to settle and to adjust any such claim, and to compromise or deny such claim or any part thereof. The Secretary shall also have the authority to waive such claims if the Secretary determines that to do so would serve the purposes of either such Act. Nothing contained in this subsection shall be construed to diminish the authority of the Attorney General of the United States under section 516 of title 28, United States Code, to conduct litigation on behalf of the United States.". 42 USC 1751 note.

LIMITATIONS ON SECRETARY'S AUTHORITY TO DIRECTLY ADMINISTER PROGRAMS

SEC. 817. (a) Section 10 of the National School Lunch Act is amended to read as follows: 42 USC 1759.

"DISBURSEMENT TO SCHOOLS BY THE SECRETARY

"SEC. 10. (a) The Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to schools, institutions, or service institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed such funds continuously since October 1, 1980, but only to such extent (except as otherwise required by subsection (b)). Any funds so withheld and disbursed by the Secretary shall be used for the same purposes, and shall be subject to the same conditions, as applicable to a State disbursing funds made available under this Act.

If the Secretary is administering (in whole or in part) any program authorized under this Act, the State in which the Secretary is administering the program may, upon request to the Secretary, assume administration of that program.

"(b) If a State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the nonpublic schools in the State, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to public schools within the State by the State educational agency.".

42 USC 1761.

(b) Section 13 of the National School Lunch Act is further amended by striking out subsection (i).

42 USC 1766.

(c) Section 17 of the National School Lunch Act is further amended—

(1) by striking out subsection (m); and

(2) by redesignating subsections (j), (k), (l), (o), (p), (q), and (r), as subsections (i), (j), (k), (l), (m), (n), and (o), respectively.

42 USC 1773

(d) Section 4 of the Child Nutrition Act of 1966 is further amended by striking out subsection (f) and redesignating subsection (g) as subsection (f).

(e) The Child Nutrition Act of 1966 is further amended by inserting after section 4 the following new section:

"DISBURSEMENT TO SCHOOLS BY THE SECRETARY

Ante, p. 527.
42 USC 1774.

"SEC. 5. (a) The Secretary shall withhold funds payable to a State under this Act and disburse the funds directly to schools or institutions within the State for the purposes authorized by this Act to the extent that the Secretary has so withheld and disbursed such funds continuously since October 1, 1980, but only to such extent (except as otherwise required by subsection (b)). Any funds so withheld and disbursed by the Secretary shall be used for the same purposes, and shall be subject to the same conditions, as applicable to a State disbursing funds made available under this Act. If the Secretary is administering (in whole or in part) any program authorized under this Act, the State in which the Secretary is administering the program may, upon request to the Secretary, assume administration of that program.

"(b) If a State educational agency is not permitted by law to disburse the funds paid to it under this Act to any of the nonpublic schools in the State, the Secretary shall disburse the funds directly to such schools within the State for the same purposes and subject to the same conditions as are authorized or required with respect to the disbursements to public schools within the State by the State educational agency.".

42 USC 1788.

(f) Section 19(d) of the Child Nutrition Act of 1966 is amended by striking out paragraph (6).

COST SAVINGS REVISIONS BY THE SECRETARY

SEC. 818. As soon as possible after the date of the enactment of this Act, the Secretary of Agriculture shall review regulations promulgated under section 10 of the Child Nutrition Act of 1966 (including regulations pertaining to nutritional requirements for meals) for the purposes of determining ways in which cost savings might be accomplished at the local level in the operation of meal programs under the National School Lunch Act and the Child Nutrition Act of 1966

42 USC 1779.

42 USC 1751 note, 1771 note.

without impairing the nutritional value of such meals. Not later than 90 days after the date of the enactment of this Act, on the basis of such review, the Secretary of Agriculture shall promulgate such regulations as the Secretary considers appropriate to effectuate such cost savings. Regulations.

CONFORMING AND MISCELLANEOUS AMENDMENTS

SEC. 819. (a) Section 11 of the National School Lunch Act is amended— 42 USC 1759a.

(1) by striking out "financing the cost of" in the first sentence in subsection (b); and

(2) by striking out "or 5" in subsection (d).

(b) Section 4(c) of the Child Nutrition Act of 1966 is amended by striking out "financing the costs of" in the first sentence. 42 USC 1773.

(c) Section 12 of the National School Lunch Act is amended— 42 USC 1760.

(1) in subsection (d)—

(A) by striking out paragraph (3); and

(B) by redesignating paragraphs (4) through (8) (and any references thereto) as paragraphs (3) through (7), respectively; and

(2) by striking out the second sentence of subsection (h).

(d) Section 8 of the National School Lunch Act is amended— 42 USC 1757.

(1) by striking out "or 5" in the first sentence;

(2) by striking out "to finance the cost of obtaining" in the second sentence and inserting in lieu thereof "to obtain";

(3) by striking out "and food service equipment assistance in connection with such program" in the second sentence; and

(4) by striking out "Federal food-cost contribution rate" both places it occurs in the fifth and sixth sentences and inserting in lieu thereof "per meal reimbursement rate".

(e) Section 7 of the Child Nutrition Act of 1966 is amended by striking out "3, 4, and 5" in subsections (a)(1), (a)(2), and (b) and inserting in lieu thereof "3 and 4". 42 USC 1776.

(f) Section 11(a) of the Child Nutrition Act of 1966 is amended by striking out "section 3 through 5" and inserting in lieu thereof "sections 3 and 4". 42 USC 1780.

(g) Section 4(a) of the National School Lunch Act is amended in the first sentence by striking out ", excluding the sum specified in section 5,". 42 USC 1753.

(h) Section 6(a)(2) of the National School Lunch Act is amended— 42 USC 1755.

(1) by striking out "sections 4 and 5" and inserting in lieu thereof "section 4"; and

(2) by striking out "sections 4, 5, and 7" and inserting in lieu thereof "sections 4 and 7".

(i) Section 15(f) of the National School Lunch Act is amended by striking out "annually" in the second sentence and inserting in lieu thereof "biennially". 42 USC 1763.

(j) Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended—

(1) by striking out "title VII" in paragraph (1) of subsection (a) and inserting in lieu thereof "title III"; and

(2) by striking out "section 707(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3045(a)(4)) or for cash payments in lieu of such donations under section 707(d)(1) of such Act (42 U.S.C. 3045f(d)(1))" in the first sentence of subsection (c) and inserting in lieu thereof "section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030(a)(4)) or for cash payments in lieu of such 42 USC 3030a.

42 USC 3030a.

donations under section 311(c)(1) of such Act (42 U.S.C. 3030(c)(1))".

42 USC 1766.

(k) The second sentence of section 17(f)(1) of the National School Lunch Act is amended by striking out "financing the cost of".

EFFECTIVE DATES AND REPEALER

42 USC 1753 note.

SEC. 820. (a) The provisions of this title shall take effect as follows:

(1) The amendments made by the following sections shall take effect on the first day of the month following the date of the enactment of this Act, or on September 1, 1981, whichever is earlier:

(A) section 801;

(B) that portion of the amendment made by section 810(c) pertaining to the reimbursement rate for supplements;

(C) that portion of the amendment made by section 810(d)(1) pertaining to the limitation on the number of meals for which reimbursement may be made under the child care food program;

(D) that portion of the amendment made by section 810(d)(3) which reduces the meal reimbursement factor by 10 percent; and

(E) section 811.

(2) The amendments made by sections 802 and 804 shall take effect on July 1, 1981.

(3) The amendments made by sections 807, 808, and 810(a)(2) shall take effect on the first day of the second month following the date of the enactment of this Act.

(4) The amendments made by the following sections shall take effect October 1, 1981: sections 805, 806, 809, 810(a)(1), 810(f), 810(g), 812, 814, 817, and 819.

(5) The amendments made by section 813 shall take effect 90 days after the date of the enactment of this Act.

(6) The amendments made by the following provisions shall take effect January 1, 1982: subsections (b), (c), (d), and (e) of section 810, except that—

(A) the amendment made by section 810(c) pertaining to the reimbursement rate for supplements shall take effect as provided under paragraph (1) of this subsection;

(B) the amendment made by section 810(d)(1) pertaining to the limitation on the number of meals for which reimbursement may be made shall take effect as provided under paragraph (1) of this subsection; and

(C) the amendment made by section 810(d)(3) which reduces the meal reimbursement factor by 10 percent shall take effect as provided under paragraph (1) of this subsection.

(7) The following provisions shall take effect on the date of the enactment of this Act:

(A) the amendments made by subsections (a) and (b) of section 803 and the provisions of subsections (c) and (d) of section 803;

(B) the amendment made by section 815;

(C) the amendment made by section 816; and

(D) the provisions of section 818.

(b) The Omnibus Reconciliation Act of 1980 (Public Law 96-499) is amended—

(1) by striking out subsection (a) of section 201 effective September 1, 1981, or the first day of the first month following the month in which this Act is enacted, whichever is earlier; 94 Stat. 2599. 42 USC 1753 note.

(2) by striking out subsection (a) of section 202 effective July 1, 1981; and 94 Stat. 2600. 42 USC 1755 note.

(3) by striking out subsections (a) and (b) of section 203 effective on the date of the enactment of this Act. 94 Stat. 2600. 42 USC 1758 note.

(c) Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement the amendments made by this title. Regulations. 42 USC 1753 note.

TITLE IX—HEALTH SERVICES AND FACILITIES

Subtitle A—Block Grants

PREVENTIVE HEALTH, HEALTH SERVICES, AND PRIMARY CARE HEALTH BLOCK GRANTS

SEC. 901. Effective October 1, 1981, the Public Health Service Act is amended by adding at the end the following new title: 42 USC 300w note.

"TITLE XIX—BLOCK GRANTS

"PART A—PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1901. (a) For the purpose of allotments under section 1902, there is authorized to be appropriated $95,000,000 for fiscal year 1982, $96,500,000 for fiscal year 1983, and $98,500,000 for fiscal year 1984. 42 USC 300w.

"(b) Of the amount appropriated for any fiscal year under subsection (a), at least $3,000,000 shall be made available for allotments under section 1902(b).

"ALLOTMENTS

"SEC. 1902. (a)(1) From the amounts appropriated under section 1901 for any fiscal year and available for allotment under this subsection, the Secretary shall allot to each State an amount which bears the same ratio to the available amounts for that fiscal year as the amounts provided by the Secretary under the provisions of law listed in paragraph (2) to the State and entities in the State for fiscal year 1981 bore to the total amount appropriated for such provisions of law for fiscal year 1981. 42 USC 300w-1.

"(2) The provisions of law referred to in paragraph (1) are the following provisions of law as in effect on September 30, 1981:

"(A) The authority for grants under section 317 for preventive health service programs for the the control of rodents. 42 USC 247b.

"(B) The authority for grants under section 317 for establishing and maintaining community and school-based fluoridation programs.

"(C) The authority for grants under section 317 for preventive health service programs for hypertension.

"(D) Sections 401 and 402 of the Health Services and Centers Amendments of 1978. 42 USC 247b-1, 247b-2.

"(E) Section 314(d). 42 USC 246.

42 USC 255.
42 USC 300d-1-300d-3.

"(F) Section 339(a).

"(G) Sections 1202, 1203, and 1204.

"(b) From the amount required to be made available under section 1901(b) for allotments under this subsection for any fiscal year, the Secretary shall make allotments to each State on the basis of the population of the State.

"(c) To the extent that all the funds appropriated under section 1901 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1905 for the fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3);

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subsection.

"(d)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this part,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for the fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount provided or allotted for fiscal year 1981 by the Secretary to such tribe or tribal organization under the provisions of law referred to in subsection (a) bore to the total amount provided or allotted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under such provisions of law.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"Indian tribe," and "tribal organization." 25 USC 450b.

"(5) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(e) The Secretary shall conduct a study for the purpose of devising a formula for the equitable distribution of funds available for allotment to the States under this section. In conducting the study, the Secretary shall take into account—

"(1) the financial resources of the various States,

"(2) the populations of the States, and

"(3) any other factor which the Secretary may consider appropriate.

Before June 30, 1982, the Secretary shall submit a report to the Congress respecting the development of a formula and make such recommendations as the Secretary may deem appropriate in order to ensure the most equitable distribution of funds under allotments under this section.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1903. (a)(1) For each fiscal year, the Secretary shall make payments, as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), to each State from its allotment under section 1902 (other than any amount reserved under section 1902(d)) from amounts appropriated for that fiscal year. 42 USC 300w-2.

"(2) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(b) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

"(1) the fair market value of any supplies or equipment furnished the State, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 1904. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

"USE OF ALLOTMENTS

"SEC. 1904. (a)(1) Except as provided in subsections (b) and (c), amounts paid to a State under section 1903 from its allotment under section 1902(a) and amounts transferred by the State for use under this part may be used for the following: 42 USC 300w-3.

"(A) Preventive health service programs for the control of rodents and community and school-based fluoridation programs.

"(B) Establishing and maintaining preventive health service programs for screening for, the detection, diagnosis, prevention, and referral for treatment of, and follow-up on compliance with treatment prescribed for, hypertension.

"(C) Community based programs for the purpose of demonstrating and evaluating optimal methods for organizing and delivering comprehensive preventive health services to defined populations, comprehensive programs designed to deter smoking and the use of alcoholic beverages among children and adolescents, and other risk-reduction and health education programs.

"(D) Comprehensive public health services.

"(E) Demonstrate the establishment of home health agencies (as defined in section 1861(m) of the Social Security Act) in areas where the services of such agencies are not available. Amounts 42 USC 1395x.

provided for such agencies may not be used for the direct provision of health services.

"(F) Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems. Amounts for such systems may not be used for the costs of the operation of the systems or the purchase of equipment for the systems.

"(G) Providing services to rape victims and for rape prevention.

Amounts provided for the activities referred to in the preceding sentence may also be used for related planning, administration, and educational activities.

"(2) Except as provided in subsection (b), amounts paid to a State under section 1903 from its allotment under section 1902(b) may only be used for providing services to rape victims and for rape prevention.

"(3) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this part.

"(b) A State may not use amounts paid to it under section 1903 to—

"(1) provide inpatient services,

"(2) make cash payments to intended recipients of health services,

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment,

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds, or

"(5) provide financial assistance to any entity other than a public or nonprofit private entity.

Except as provided in subsection (a)(1)(E), the Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part.

"(c) A State may transfer not more than 7 percent of the amount allotted to the State under section 1902(a) for any fiscal year for use by the State under parts B and C of this title and title V of the Social Security Act in such fiscal year as follows: At any time in the first three quarters of the fiscal year a State may transfer not more than 3 percent of the allotment of the State for the fiscal year for such use, and in the last quarter of a fiscal year a State may transfer for such use not more than the remainder of the amount of its allotment which may be transferred.

Post, pp. 543, 552.
42 USC 701.

"(d) Of the amount paid to any State under section 1903, not more than 10 percent paid from each of its allotments under subsections (a) and (b) of section 1902 may be used for administering the funds made available under section 1903. The State will pay from non-Federal sources the remaining costs of administering such funds.

"APPLICATION AND DESCRIPTION OF ACTIVITIES

42 USC 300w-4.

"SEC. 1905. (a) In order to receive an allotment for a fiscal year under section 1902 each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

"(b) After the expiration of the first fiscal year in which a State receives an allotment under section 1902, no funds shall be allotted to such State for any fiscal year under such section unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1903 for such fiscal year.

"(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State—

"(1) agrees to use the funds alloted to it under section 1902 in accordance with the requirements of this part;

"(2) except as provided in subsection (e), shall make grants for fiscal year 1982 to each entity within the State which received a grant or contract under section 1202, 1203, or 1204 in fiscal year 1981 and which would be eligible to receive a grant or contract under such section (as in effect on September 30, 1981) for such fiscal year if such grants or contracts were made under such section;

42 USC 300d-1-300d-3.

"(3) agrees to establish reasonable criteria to evaluate the effective performance of entities which receive funds from the allotment of the State under this part and procedures for procedural and substantive independent State review of the failure by the State to provide funds for any such entity.

"(4) agrees to make grants for preventive health service programs for hypertension in amounts equal to—

"(A) for fiscal year 1982, 75 percent of the total amount provided by the Secretary in fiscal year 1981 to the State and entities in the State under section 317 for such programs,

"(B) for fiscal year 1983, 70 percent of such total amount, and

"(C) for fiscal year 1984, 60 percent of such total amount.

"(5) agrees to permit and cooperate with Federal investigations undertaken in accordance with section 1907;

"(6) has identified those populations, areas, and localities in the State with a need for the services for which funds may be provided by the State under this part;

"(7) agrees that Federal funds made available under section 1903 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds; and

"(8) has in effect a system to protect from inappropriate disclosure patient and rape victim records maintained by the State in connection with an activity funded under this part or by any entity which is receiving payments from the allotment of the State under this part.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(d) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1903 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public

agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(e) A State shall be required to make a grant to an entity as prescribed by subsection (c)(2) unless—

"(1) the State recommends on the basis of—

"(A) any Federal finding, Federal administrative action, or judicial proceeding with respect to any such entity, or

"(B) a review of such entity in accordance with the criteria and procedures required under subsection (c)(3),

that the State not be required to make such grants; and

"(2) the Secretary approves the recommendation of the State under paragraph (1) based upon a substantive and procedural review of the record made by the State in making its recommendation under paragraph (1).

"REPORTS AND AUDITS

42 USC 300w-5.

"SEC. 1906. (a)(1) Each State shall prepare and submit to the Secretary annual reports on its activities under this part. Such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (A) to determine whether funds were expended in accordance with this part and consistent with the needs within the State identified pursuant to section 1905(c)(6), (B) to secure a description of the activities of the State under this part, and (C) to secure a record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes for which the funds were provided. Copies of the report shall be provided, upon request, to any interested person (including any public agency).

"(2) In determining the information that States must include in the report required by this subsection, the Secretary may not establish reporting requirements that are burdensome.

"(b)(1) Each State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under section 1903 and funds transferred under section 1904(c) for use under this part.

"(2) Each State shall annually audit its expenditures from payments received under section 1903. Such State audits shall be conducted by an entity independent of any agency administering a program funded under this part and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. Within 30 days following the date each audit is completed, the chief executive officer of the State shall transmit a copy of that audit to the Secretary.

Notice and hearing.

"(3) Each State shall, after being provided by the Secretary with adequate notice and opportunity for a hearing within the State, repay to the United States amounts found not to have been expended in accordance with the requirements of this part or the certification provided by the State under section 1905. If such repayment is not made, the Secretary shall, after providing the State with adequate notice and opportunity for a hearing within the State, offset such

amounts against the amount of any allotment to which the State is or may become entitled under this part.

"(4) The State shall make copies of the reports and audits required by this section available for public inspection within the State. Public inspection.

"(5) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this part in order to assure that expenditures are consistent with the provisions of this part and the certification provided by the State under section 1905.

"(6) Not later than October 1, 1983, the Secretary shall report to the Congress on the activities of the States that have received funds under this part and may include in the report any recommendations for appropriate changes in legislation. Report to Congress.

"(c) Title XVII of the Omnibus Budget Reconciliation Act of 1981 shall not apply with respect to audits of funds allotted under this part. *Post*, p. 753.

"WITHHOLDING

"SEC. 1907. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not use its allotment in accordance with the requirements of this part or the certification provided under section 1905. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur. Notice and hearing. 42 USC 300w-6.

"(2) The Secretary may not institute proceedings to withhold funds under paragraph (1) unless the Secretary has conducted an investigation concerning whether the State has used its allotment in accordance with the requirements of this part or the certification provided under section 1905. Investigations required by this paragraph shall be conducted within the affected State by qualified investigators.

"(3) The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the requirements of this part or certifications provided under section 1905.

"(4) The Secretary may not withhold funds under paragraph (1) from a State for a minor failure to comply with the requirements of this part or certifications provided under section 1905.

"(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this part in order to evaluate compliance with the requirements of this part and certifications provided under section 1905.

"(2) The Comptroller General of the United States may conduct investigations of the use of funds received under this part by a State in order to insure compliance with the requirements of this part and certifications provided under section 1905.

"(c) Each State, and each entity which has received funds from an allotment made to a State under this part, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

"(d)(1) In conducting any investigation in a State, the Secretary or the Comptroller General of the United States may not make a request for any information not readily available to such State or an entity which has received funds from an allotment made to the State under

this part or make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

"(2) Paragraph (1) does not apply to the collection, compilation, or transmittal of data in the course of a judicial proceeding.

"NONDISCRIMINATION

42 USC 300w-7.

42 USC 6101 note.
29 USC 794.
20 USC 1681.
42 USC 2000d.

"SEC. 1908. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this part are considered to be programs and activities receiving Federal financial assistance.

"(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this part.

"(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 1902, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

"(3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"CRIMINAL PENALTY FOR FALSE STATEMENTS

42 USC 300w-8.

"SEC. 1909. Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this part, or

"(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than $25,000 or imprisoned for not more than five years, or both.".

"PART B—ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1911. For the purpose of grants and allotments under section 1912, there is authorized to be appropriated $491,000,000 for fiscal year 1982, $511,000,000 for fiscal year 1983, and $532,000,000 for fiscal year 1984. 42 USC 300x.

"GRANTS AND ALLOTMENTS

"SEC. 1912. (a)(1) The Secretary may use not more than 1 percent of the amount appropriated under section 1911 for any fiscal year to make grants to public and nonprofit private entities for projects for the training and retraining of employees adversely affected by changes in the delivery of mental health services and for providing such employees assistance in securing employment. 42 USC 300x-1.

"(2) No grant may be made by the Secretary under paragraph (1) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain and be accompanied by such information, as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under paragraph (1).

"(b)(1) From the remainder of the amount appropriated under section 1911 for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such remainder for that fiscal year as the amounts—

"(A) which would have been provided by the Secretary to the State and entities in the State under the Community Mental Health Centers Act and the Mental Health Systems Act for fiscal year 1981 if the Secretary had obligated all the funds for mental health services available for such Acts under Public Law 96-536, and 94 Stat. 3166.

"(B) provided by the Secretary to the State and entities in the State under the laws referred to in subparagraphs (C) and (D) of paragraph (2) for fiscal year 1980,

bore to the total amount appropriated for mental health services for fiscal year 1981 under Public Law 96-536 under the Community Mental Health Centers Act and the Mental Health Systems Act and the total amount appropriated for fiscal year 1980 for the provisions of law referred to in subparagraphs (C) and (D) of paragraph (2). 42 USC 2689 note. 94 Stat. 1564.

"(2) The provisions of law referred to in paragraph (1) are the following provisions of law as in effect on the day before the date of the enactment of the Omnibus Budget Reconciliation Act of 1981: 42 USC 9401 note.

"(A) The Community Mental Health Centers Act.

"(B) The Mental Health Systems Act.

"(C) Sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970. 42 USC 4571, 4578.

21 USC 1176, 1177.

"(D) Sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act.

"(3) To the extent that all the funds appropriated under section 1911 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(A) one or more States have not submitted an application or description of activities in accordance with section 1915 for the fiscal year;

"(B) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(C) some State allotments are offset or repaid under section 1916(b)(3);

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this paragraph.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this part,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (b) for the fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (b) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount provided or allotted for fiscal year 1980 by the Secretary to such tribe or tribal organization under the provisions of law referred to in subsection (b)(2) bore to the total amount provided or allotted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under such provisions of law.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"Indian tribe," and "tribal organization." 25 USC 450b.

"(5) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(d) The Secretary shall conduct a study for the purpose of devising a formula for the equitable distribution of funds available for allotment to the States under subsection (b). In conducting the study, the Secretary shall take into account—

"(1) the financial resources of the various States,

"(2) the populations of the States, and

"(3) any other factor which the Secretary may consider appropriate.

Before June 30, 1982, the Secretary shall submit a report to the Congress respecting the development of a formula and make such recommendations as the Secretary may deem appropriate in order to

insure the most equitable distribution of funds under allotments under subsection (b).

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1913. (a)(1) For each fiscal year, the Secretary shall make payments, as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), to each State from its allotment under section 1912(b) (other than any amount reserved under section 1912(c)) from amounts appropriated for that fiscal year. 42 USC 300x-2.

"(2) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such State for the purposes for which it was made for the next fiscal year.

"(b) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

"(1) the fair market value of any supplies or equipment furnished the State, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 1914. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

"USE OF ALLOTMENTS

"SEC. 1914. (a)(1) Except as provided in subsections (b) and (c), amounts paid to a State under section 1913 and amounts transferred by the State for use under this part may be used by the State for— 42 USC 300x-3.

"(A) planning, establishing, maintaining, coordinating, and evaluating projects for the development of more effective prevention, treatment, and rehabilitation programs and activities to deal with alcohol and drug abuse; and

"(B) grants to community mental health centers in accordance with section 1915(c) and grants to community mental health centers for the provision of the following services:

"(i) Services for chronically mentally ill individuals, which include identification of chronically mentally ill individuals and assistance to such individuals in gaining access to essential services through the assignment of case managers.

"(ii) Identification and assessment of severely mentally disturbed children and adolescents and provision of appropriate services to such individuals.

"(iii) Identification and assessment of mentally ill elderly individuals and provision of appropriate services to such individuals.

"(iv) Services for identifiable populations which are currently underserved in the State.

"(v) Coordination of mental health and health care services provided within health care centers.

Amounts provided for the activities referred to in the preceding sentence may also be used for related planning, administration, and educational activities.

"(2) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this part.

"(b) A State may not use amounts paid to it under section 1913 to—

"(1) provide inpatient services in the case of amounts provided for community mental health centers or provide inpatient hospital services in the case of amounts provided for alcohol or drug abuse programs,

"(2) make cash payments to intended recipients of health services,

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment,

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds, or

"(5) provide financial assistance to any entity other than a public or nonprofit private entity.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part.

"(c) A State may transfer not more than 7 percent of the amount allotted to the State under section 1912 for any fiscal year for use by the State under parts A and C of this title and title V of the Social Security Act in such fiscal year as follows: At any time in the first three quarters of the fiscal year a State may transfer not more than 3 percent of the allotment of the State for the fiscal year for such use, and in the last quarter of a fiscal year a State may transfer for such use not more than the remainder of the amount of its allotment which may be transferred.

Ante, p. 535, *Post*, p. 552. 42 USC 701.

"(d) Of the amount paid to any State under section 1913, not more than 10 percent may be used for administering the funds made available under such section. The State will pay from non-Federal sources the remaining costs of administering such funds.

"APPLICATION AND DESCRIPTION OF ACTIVITIES

42 USC 300x-4.

"SEC. 1915. (a) In order to receive an allotment for a fiscal year under section 1912(b) each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

"(b) After the expiration of the first fiscal year in which a State receives an allotment under section 1912(b), no funds shall be allotted to such State for any fiscal year under such section unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1913 for such fiscal year.

"(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify as follows:

"(1) The State agrees to use the funds alloted to it under section 1912 in accordance with the requirements of this part.

"(2) Except as provided in subsection (e), for fiscal years 1982, 1983, and 1984, the State agrees to make grants, subject to

paragraphs (3) and (4), to each community mental health center within the State which received a grant under the Community Mental Health Centers Act in fiscal year 1981 and which would be eligible to receive a grant for its operation under that Act (as in effect on the day before the date of the enactment of the Omnibus Budget Reconciliation Act of 1981) for such fiscal year if such grants were made under such Act.

42 USC 2689 note.

"(3) The State agrees to make grants to community mental health centers in the State for the provision of comprehensive mental health services—

"(A) principally to individuals residing in a defined geographic area (hereinafter in this section referred to as a 'mental health service area'), with special attention to individuals who are chronically mentally ill,

"(B) within the limits of its capacity, to any individual residing or employed in its mental health service area regardless of ability to pay for such services, current or past health condition, or any other factor, and

"(C) which are available and accessible promptly, as appropriate and in a manner which preserves human dignity and assures continuity and high quality care.

"(4) The State agrees to require that any community mental health center in the State receiving a grant from the State under this part provide—

"(A) outpatient services, including specialized outpatient services for children, the elderly, individuals who are chronically mentally ill, and residents of its mental health service area who have been discharged from inpatient treatment at a mental health facility,

"(B) 24-hour-a-day emergency care services,

"(C) day treatment or other partial hospitalization services,

"(D) screening for patients being considered for admission to State mental health facilities to determine the appropriateness of such admission, and

"(E) consultation and education services.

"(5) The State agrees to establish reasonable criteria to evaluate the effective performance of entities which receive funds from the State under this part and procedural and substantive independent State review procedures of the failure by the State to provide funds for any such entity.

"(6)(A) The State agrees to use the funds allotted to it under section 1912 for fiscal year 1982 for the mental health and alcohol and drug abuse activities prescribed by section 1914(a) as follows:

"(i) The amount provided for mental health activities shall not exceed an amount which bears the same relationship to the funds allotted to the State for such fiscal year as the funds for mental health services which would have been received by the State and entities in the State in fiscal year 1981 under the Community Mental Health Centers Act and the Mental Health Systems Act if the Secretary had obligated all of the funds appropriated for such Acts under Public Law 96-536 bore to the funds which would have been so received by the State and entities in the State in such fiscal year under such Acts and the funds received by the State and entities in the State in fiscal year 1980 under sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation

94 Stat. 1564.
42 USC 9401 note.
94 Stat. 3166.

42 USC 4571, 4578.
21 USC 1176, 1177.

Act of 1970 and sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act.

"(ii) The amount provided for alcohol and drug abuse activities shall not exceed an amount which bears the same relationship to the funds allotted to the State for such fiscal year as the funds received by the State and entities in the State in fiscal year 1980 under sections 301 and 312 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act bore to the funds received by the State and entities in the State in such fiscal year under such sections and the funds for mental health services which would have been received by the State and entities in the State in fiscal year 1981 under the Community Mental Health Centers Act and the Mental Health Systems Act if the Secretary had obligated all of the funds appropriated for such Acts under Public Law 96-536.

42 USC 2689 note; 94 Stat. 1564.
42 USC 9401 note.
94 Stat. 3166.

"(B) The State agrees to use 95 percent of the funds allotted to it under section 1912 for fiscal year 1983 for the mental health and alcohol and drug abuse activities prescribed by section 1914(a) as prescribed by subparagraph (A).

"(C) The State agrees to use 85 percent of the funds allotted to it under section 1912 for fiscal year 1984 for the mental health and alcohol and drug abuse activities prescribed by section 1914(a) as prescribed by subparagraph (A).

"(7) In any fiscal year, the State agrees to use funds for the alcohol and drug abuse activities prescribed by section 1914(a) as follows:

"(A) Not less than 35 percent of the amount to be made available for such activities shall be used for programs and activities relating to alcoholism and alcohol abuse.

"(B) Not less than 35 percent of the amount to be made available for such activities shall be used for programs and activities relating to drug abuse.

"(8) Of the amount to be used in any fiscal year for alcohol or drug abuse activities, the State agrees to use not less than 20 percent of such amount for prevention and early intervention programs designed to discourage the abuse of alcohol or drugs, or both.

"(9) The State agrees to permit and cooperate with Federal investigations undertaken in accordance with section 1917.

"(10) That the State has identified those populations, areas, and localities in the State with a need for mental health, alcohol abuse and alcoholism, and drug abuse services.

"(11) That the Federal funds made available under section 1913 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

"(12) That the State has in effect a system to protect from inappropriate disclosure patient records maintained by the State in connection with an activity funded under this part or by any entity which is receiving payments from the allotment of the State under this part.

"(13) That the State shall develop and implement arrangements, which are not excessively burdensome on the State, to locate jobs for employees affected adversely by actions taken by the State mental health authority to emphasize outpatient mental health services.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(d) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1913 for the fiscal year for which the application is submitted, including information on the programs and activities to be supported and services to be provided. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(e) A State shall be required to make a grant to a community mental health center under subsection (c)(2) unless—

"(1) the State recommends on the basis of—

"(A) any Federal finding, Federal administrative action, or judicial proceeding with respect to any such community mental health center, or

"(B) a review of such center in accordance with the criteria and procedures required under subsection (c)(5),

that the State not be required to make such grants; and

"(2) the Secretary approves the recommendation of the State under paragraph (1) based upon a substantive and procedural review of the record made by the State in making its recommendation under paragraph (1) which review demonstrates that the community mental health center is not providing services as prescribed by paragraphs (3) and (4) of subsection (c) or is engaged in a substantial misuse of funds.

"REPORTS AND AUDITS

SEC. 1916. (a) Each State shall prepare and submit to the Secretary annual reports on its activities under this part. Such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (1) to determine whether funds were expended in accordance with this part and consistent with the needs within the State identified pursuant to section 1915(c)(10), (2) to secure a description of the activities of the State under this part, and (3) to secure a record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes for which the funds were provided. Copies of the report shall be provided, upon request, to any interested person (including any public agency). 42 USC 300x-5.

"(2) In determining the information that States must include in the report required by this subsection, the Secretary may not establish reporting requirements which are burdensome.

"(b)(1) Each State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under section 1913 and funds transferred for use under this part.

"(2) Each State shall annually audit its expenditures from payments received under section 1913. Such State audits shall be conducted by an entity independent of any agency administering a program funded under this part and, in so far as practical, in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions. Within 30 days following the date each audit is completed, the chief executive officer of the State shall transmit a copy of that audit to the Secretary.

"(3) Each State shall, after being provided by the Secretary with adequate notice and opportunity for a hearing within the affected State, repay to the United States amounts found not to have been expended in accordance with the requirements of this part or the certification provided under section 1915. If such repayment is not made, the Secretary shall, after providing the State with adequate notice and opportunity for a hearing, offset such amounts against the amount of any allotment to which the State is or may become entitled under section 1912.

"(4) The State shall make copies of the reports and audits required by this section available for public inspection within the State.

"(5) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this part in order to assure that expenditures are consistent with the provisions of this part.

"(6) Not later than October 1, 1983, the Secretary shall report to the Congress on the activities of the States which have received funds under this part and may include in the report any recommendations for appropriate changes in legislation.

"(c) The provisions of title XVII of the Omnibus Budget Reconciliation Act of 1981 shall not apply with respect to the audit of funds allotted under this part.

Post, p. 753.

"WITHHOLDING

42 USC 300x-6.

"SEC. 1917. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not use its allotment in accordance with the requirements of this part or the certification provided under section 1915. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

"(2) The Secretary may not institute proceedings to withhold funds under paragraph (1) unless the Secretary has conducted an investigation concerning whether the State has used its allotment in accordance with the requirements of this part or the certification provided under section 1915. Investigations required by this paragraph shall be conducted within the affected State by qualified investigators.

"(3) The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the requirements of this part or the certification provided under section 1915.

"(4) The Secretary may not withhold funds under paragraph (1) from a State for a minor failure to comply with the requirements of this part or the certification provided under section 1915.

"(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this part in order to evaluate compliance with the requirements of this part and the certification provided under section 1915.

"(2) The Comptroller General of the United States may conduct investigations of the use of funds received under this part by a State in order to insure compliance with the requirements of this part and the certification provided under section 1915.

"(c) Each State, and each entity which has received funds from an allotment made to a State under this part, shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

"(d)(1) In conducting any investigation in a State, the Secretary or the Comptroller General of the United States may not make a request for any information not readily available to such State or an entity which has received funds from an allotment made to the State under this part or make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

"(2) Paragraph (1) does not apply to the collection, compilation, or transmittal of data in the course of a judicial proceeding.

"NONDISCRIMINATION

"SEC. 1918. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this part are considered to be programs and activities receiving Federal financial assistance.

42 USC 300x-7.

42 USC 6101 note.
29 USC 794.
20 USC 1681.
42 USC 2000d.

"(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this part.

"(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 1912, has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

"(3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision

of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"CRIMINAL PENALTY FOR FALSE STATEMENTS

42 USC 300x-8.

"SEC. 1919. Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this part, or

"(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than $25,000 or imprisoned for not more than five years, or both.

"TRANSITION PROVISION

42 USC 300x-9.

"SEC. 1920. If at the request of a State the Secretary uses the allotment of the State during the transition period prescribed by title XVII of the Omnibus Budget Reconciliation Act of 1981 for grants under this part, the Secretary shall make the grants in accordance with the requirements of paragraphs (6), (7), and (8) of section 1915(c). The Secretary shall deduct from the allotment of the State the amount the Secretary (after consultation with the State) requires to fund such programs.".

Post, p. 753.

"PART C—PRIMARY CARE BLOCK GRANTS

"PLANNING GRANTS

42 USC 300y.

"SEC. 1921. (a) The Secretary may make grants to any State to undertake planning and other administrative activities to enable the State to administer allotments provided to it under this part. The amount of any grant to a State shall be determined by the Secretary but may not exceed $150,000.

"(b) No grant may be made under subsection (a) unless an application therefore is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner and shall contain such information as the Secretary shall prescribe.

"(c) For grants under subsection (a), there are authorized to be appropriated $2,500,000 for fiscal year 1982.

"AUTHORIZATION OF APPROPRIATIONS

42 USC 300y-1.

"SEC. 1922. For allotments under section 1924 and for grants under section 330, there is authorized to be appropriated $302,500,000 for fiscal year 1983, and $327,000,000 for fiscal year 1984.

42 USC 254c.

"GRANTS UNDER SECTION 330

42 USC 300y-2.

SEC. 1923. If a State does not submit an application for an allotment under section 1924 for a fiscal year or does not qualify for such an allotment for such fiscal year, the Secretary shall use funds appropriated under section 1922 to make grants under section 330 to commu-

nity health centers within the State. Before making grants under section 330 for community health centers within a State the Secretary shall consult with the chief executive officer of the State and with appropriate local officials. The amount of funds from appropriations under section 1922 which may be used for grants for a fiscal year under section 330 for community health centers shall be the amount remaining after allotments are made under section 1924 for such fiscal year. 42 USC 254c.

"ALLOTMENTS

"SEC. 1924 (a). If a State submits an application under section 1927 for an allotment for a fiscal year and is determined by the Secretary to be eligible under such section for such an allotment, the Secretary shall allot to such State from the amount appropriated under section 1922 for such fiscal year an amount which bears the same ratio to the amount appropriated under section 1922 for that fiscal year as the amount granted for fiscal year 1982 by the Secretary to community health centers in the State under section 330 bore to the amount granted for that fiscal year by the Secretary under such section to centers in all States from appropriations for that fiscal year. 42 USC 300y-3.

"(b)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this part,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for the fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragraph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount granted for fiscal year 1982 by the Secretary to such tribe or tribal organization under section 330 bore to the total amount granted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under section 330.

"(3) From the amount reserved by the Secretary on the basis of a determination under this subsection, the Secretary shall make grants under section 330 to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(4) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act. 25 USC 450b.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1925. (a)(1) For each fiscal year, the Secretary shall make payments, as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), from amounts appropriated for allotments (other than any amount reserved under section 1924(b)) under section 1924(a) to each State which receives such an allotment. 42 USC 300y-4.

"(2) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available to such

State for the purposes for which it was made for the next fiscal year if the Secretary determines that the State acted in accordance with section 1926(a)(1) and there is good cause for funds remaining unobligated.

"(b) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

"(1) the fair market value of any supplies or equipment furnished to the State, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 1926. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

"GRANTS TO COMMUNITY HEALTH CENTERS

42 USC 300y-5.

"SEC. 1926. (a)(1) In fiscal years 1983 and 1984 each State shall use for grants under paragraphs (2) and (3) the entire amount allotted to it under section 1924 for such fiscal year and the entire amount required to be made available under paragraph (4).

"(2) From the amounts paid to it under section 1925 for fiscal year 1983 and from the State funds required to be made available under paragraph (4) for such fiscal year, each State shall make grants to each community health center which received a grant for its operation under section 330(d) for fiscal year 1982 and which meets the requirements of this paragraph. A grant may be made under this paragraph to a community health center only—

42 USC 254c.

"(A) if the center has made an application to the State in accordance with section 330(e), and

"(B) if the center meets the requirements for receiving a grant under section 330 for its operation.

The amount of a grant under this paragraph to a center shall be not less than the amount the center received under section 330(d) for fiscal year 1982. If the State determines under subparagraph (B) that a community health center which has applied for a grant does not meet the requirements referred to in that subparagraph, the Secretary shall review the State's determination. If the Secretary finds that the center does not meet such requirements, the State may withhold a grant to the center under this paragraph.

"(3) In fiscal years 1983 and 1984, each State shall make grants to community health centers within the State which serve medically underserved populations and which meet the requirements of this paragraph. A grant under this paragraph for fiscal year 1983 shall be made from any amount not obligated under paragraph (2) or (4) for such fiscal year, and a grant for fiscal year 1984 shall be made from the amounts paid to it under section 1925 for the fiscal year and from the State funds required to be made available under paragraph (4) for the fiscal year. A grant may be made under this paragraph to a community health center only—

"(A) if the center has made an application to the State in accordance with section 330(e), and

42 USC 254c.

"(B) if the center meets the requirements for receiving a grant under section 330 for its operation.

The limitation prescribed by section 330(g)(3) shall apply with respect to grants under this paragraph. States shall make grants under this paragraph in such a manner that medically underserved populations which have been served by community health centers and which are still medically underserved populations will continue to receive health care, and in making such grants a State shall not, to the extent practicable, disrupt established provider-patient relationships.

"(4)(A) In fiscal year 1983 a State which receives an allotment under section 1924 for that fiscal year shall make available, from State funds, for the grants described in paragraphs (2) and (3) and for State administrative expenses for such grants for such fiscal year an amount equal to 20 percent of its allotment. In fiscal year 1984 a State which receives an allotment under section 1924 for that fiscal year shall make available, from State funds, for the grants described in paragraphs (2) and (3) and for State administrative expenses for such grants for such fiscal year an amount equal to one-third of its allotment.

"(B) A State, at the request of a community health center, may reduce the amount of the State's contribution under subparagraph (A) to the center by—

"(i) the fair market value of any supplies or equipment furnished to the center, and

"(ii) the amount of the pay, allowances, and travel expenses of any officer or employee of the State when detailed to the center and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the center and for the purpose of activities centers assisted under this section. The amount by which any payment is so reduced shall be available for payment by the State of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid by the State under subparagraph (A).

"(5) A State may not use any funds paid to it under section 1925 for the purposes of administration of the grants required by paragraphs (2) and (3).

"(6) For purposes of this part—

"(A) the term 'community health center' has the same meaning as that term has under section 330(a), and

"Community health center."

"(B) a medically underserved population is such a population designated by the Secretary under section 330(b)(3).

"(b) A State may not use amounts paid to it under section 1925 to—

"(1) provide inpatient services, except in fiscal year 1983 in the case of a community health center which used funds provided under section 330 for fiscal year 1982 to provide such services,

"(2) make cash payments to intended recipients of health services,

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment,

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds, or

"(5) provide financial assistance to any entity other than a public or nonprofit private community health center.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part. The prohibition prescribed by this subsection (other than paragraph (4)) shall apply with respect to any amount required to be made available under subsection (a)(4).

"APPLICATION; ASSURANCES; DESCRIPTION OF ACTIVITIES

42 USC 300y-6.

"SEC. 1927. (a) No State may receive an allotment for a fiscal year under section 1924(a) unless an application therefor has been submitted to and approved by the Secretary. Such an application shall be submitted before the beginning of the fiscal year for which the allotment applied for will be made. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

"(b) After the expiration of the first fiscal year in which a State receives an allotment under section 1924, no funds shall be allotted to such State for any fiscal year under such section unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1925 for such fiscal year.

"(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees—

"(1) to use the funds alloted to it under section 1924 in accordance with the requirements of section 1926; and

"(2) to establish, after providing reasonable notice and opportunity for the submission of comments, reasonable criteria to evaluate the fiscal, managerial, and clinical performance of community health centers; and

"(3) to establish procedural and substantive independent State review procedures relating to the failure by the State to provide funds for any such center and to the reduction of the funds paid to a community health center in fiscal year 1984 to an amount which is significantly less than the amount paid to the center by the State under section 1926 in fiscal year 1983.

The application of a State shall also contain assurances, satisfactory to the Secretary, that the State has the administrative capability to administer grants under section 1926, to determine the need for services of community health centers by medically underserved populations, and to evaluate the performance of community health centers.

"(d)(1) The chief executive officer of the State shall, as part of the application required by subsection (a), prepare and furnish to the Secretary (in accordance with such form as the Secretary shall provide) a description of the intended use of the payments the State will receive under section 1925 for that fiscal year and the funds the State is required to obligate under section 1926(a)(4) for that fiscal year.

"(2) The description required by paragraph (1) shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during develop-

ment of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted under this part, and any revision shall be subject to the requirements of the preceding sentence.

"REPORTS AND AUDITS

"SEC. 1928. (a)(1) Each State shall prepare and submit to the Secretary annual reports on its activities under this part. Such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (A) to determine whether funds were expended in accordance with sections 1926 and 1927(c), (B) to secure a description of the activities under this part, and (C) to secure a record of the purposes for which funds were spent, of the recipients of such funds and of the progress made toward achieving the purposes for which the funds were provided. Copies of the report shall be provided, upon request, to any interested person (including any public agency). 42 USC 300y-7.

"(2) In determining the information that States must include in the report required by this subsection, the Secretary may not establish reporting requirements which are burdensome.

"(b)(1) Each State shall establish fiscal control and fund accounting procedures as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under section 1925.

"(2) Each State shall annually audit its expenditures from payments received under section 1925. Such State audits shall be conducted by an entity independent of any agency administering a program funded under this part and, to the extent practicable, in accordance with the Comptroller's General standards for auditing governmental organizations, programs, activities, and functions. Within 30 days following the date each audit is completed, the chief executive officer of the State shall transmit a copy of that audit to the Secretary.

"(3) Each State shall, after being provided by the Secretary with adequate notice and opportunity for a hearing within the affected State, repay to the United States amounts found not to have been expended in accordance with the requirements of section 1926 or the certification and assurances provided under section 1927. If such repayment is not made, the Secretary shall, after providing the State with adequate notice and opportunity for a hearing, offset such amounts against the amount of any allotment to which the State is or may become entitled under section 1924.

"(4) The State shall make copies of the reports and audits required by this section available for public inspection within the State. Public inspection.

"(5) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this part in order to assure that expenditures are consistent with the provisions of this part.

"(6) Not later than January 1, 1984, the Secretary shall report to the Congress on the activities of the States which have received funds under this part and may include in the report any recommendations for appropriate changes in legislation.

"WITHHOLDING

Notice and hearing.
42 USC 300y-8.

"SEC. 1929. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State and subject to paragraphs (2) and (3) of this subsection, withhold funds from any State which does not use its allotment in accordance with the requirements of section 1926 or 1927. The Secretary shall withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur. If the Secretary withholds funds from a State for its failure to provide grants to community health centers in accordance with section 1926, the Secretary shall use the funds withheld to make such grants in accordance with such section.

"(2) The Secretary may not institute proceedings to withhold funds under this section unless the Secretary has conducted an investigation concerning whether the State has used its allotment in accordance with this part. Investigations required by this paragraph shall be conducted within the affected State by qualified investigators.

"(3) The Secretary may not withhold funds under this subsection from a State for a minor failure to comply with the provisions of this part.

"(4) The Secretary shall respond in an expeditious manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the requirements of this part.

"(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this part in order to evaluate compliance with the requirements of this part.

"(2) The Comptroller General of the United States may conduct an investigation of the use of funds received under this part by a State in order to insure compliance with the requirements of this part.

"(c) A State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

"(d)(1) In conducting any investigation, the Secretary or the Comptroller General of the United States may not request any information not readily available to such State or to any community health center which has received a grant under this part and may not make an unreasonable request for information to be compiled, collected, or transmitted in any form not readily available.

"(2) Paragraph (1) does not apply to the collection, compilation, or transmittal of data in the course of a judicial proceeding.

"NONDISCRIMINATION

42 USC 300y-9.

42 USC 6101 note.
29 USC 794.
20 USC 1681.
42 USC 2000d.

"SEC. 1930. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this part are considered to be programs and activities receiving Federal financial assistance.

"(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this part.

"(b) Whenever the Secretary finds that a State or an entity that has received a payment from an allotment to a State under section 1924 has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), the Secretary shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

42 USC 2000d.
42 USC 6101 note.
29 USC 794.

"(3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that a State or an entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"CRIMINAL PENALTY FOR FALSE STATEMENTS

"SEC. 1931. Whoever—

42 USC 300y-10.

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this part, or

"(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than $25,000 or imprisoned for not more than five years, or both.

"ADMINISTRATION

"SEC. 1932. Title XVII of the Omnibus Budget Reconciliation Act of 1981 shall not apply with respect to the grant program authorized by this part.".

42 USC 300y-11.
Post, p. 753.

REPEALS AND CONFORMING AMENDMENTS

SEC. 902. (a) Sections 401 and 402 of the Health Services and Centers Amendments of 1978 are repealed.

42 USC 247b-1, 247b-2.

(b) Sections 314(d) and subpart III of part D of title III of the Public Health Service Act are repealed.

42 USC 246, 255.

(c)(1) The second sentence of section 311(a) of the Public Health Service Act is amended—

42 USC 243.

(A) by inserting "and with respect to other public health matters" after "diseases", and

(B) by striking out "and in carrying out the purposes of section 314".

42 USC 243.
42 USC 246.

(2) The first sentence of section 311(b) of such Act is amended by striking out "the purposes of section 314" and inserting in lieu thereof "public health activities".

Repeals.
42 USC 300d-300d-9, 300d-21.

(d)(1) Sections 1201, 1202, 1203, 1204, 1205(d), 1206, 1207(a), 1208, 1209, and 1210, and part B of title XII of the Public Health Service Act are repealed.

(2) Title XII of such Act is amended by striking out—

"PART A—ASSISTANCE FOR EMERGENCY MEDICAL SERVICES SYSTEMS".

42 USC 300d-4.
42 USC 300d-6.
42 USC 201.

(3) Section 1205 of such Act is redesignated as section 1201.

(4) Section 1207(b) of such Act is redesignated as section 1202.

(5) Section 2(f) of such Act is amended by striking out "1201(2),".

Repeals.
94 Stat. 1564.
42 USC 9411.
42 USC 9421.
42 USC 9431.
42 USC 9451.
42 USC 9502.
42 USC 9512.
42 USC 9521.
42 USC 9523.
42 USC 229d, 2689m.

(e)(1) Section 101, part B of title I, titles II and III, and sections 502, 602, 801, and 806 of the Mental Health Systems Act are repealed.

(2)(A) Section 225 of the Community Mental Health Centers Act is transferred to title V of the Public Health Service Act, inserted after section 514, redesignated as section 515, and amended (A) by striking out "this title" and inserting in lieu thereof "the Community Mental Health Centers Act" and (B) by inserting "of the Community Mental Health Centers Act" after "section 222".

(B) The Community Mental Health Centers Act is repealed.

Repeal.
42 USC 2689 note.
42 USC 9411.
42 USC 9412.

(f)(1) Title I of the Mental Health Systems Act is amended—

(A) by striking out "PART A—DEFINITIONS";

(B) by striking out "OTHER" in the section heading for section 102; and

(C) by striking out paragraphs (3), (4), (6), and (7) of section 102, and by redesignating paragraph (5) of such section as paragraph (3).

(2) The table of contents in the first section of such Act is amended by striking out the items relating to sections 101, 105, 106, 107, 201 through 208, 301 through 303, 305 through 309, 315 through 317, 321, 325 through 328, 502, 602, 801, and 806, parts A and B of title I, title II, title III, and parts A, B, C, D, and E of title III.

(3) The table of section 102 in such table of contents is amended to read as follows:

"Sec. 102. Definitions.".

94 Stat. 1602.
42 USC 9511.

(20) Section 601(a) of such Act is amended—

(A) by striking out "community mental health centers and other" in paragraph (5); and

(B) by striking out paragraph (6).

94 Stat. 1608.
42 USC 289k-1.

(g)(1) The second sentence of section 455(a) of the Public Health Service Act is amended by striking out ", the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (other than part C of title II), and the Mental Health Systems Act".

42 USC 225a.

(2) Section 507 of such Act is amended by striking out ", appropriations available under the Community Mental Health Centers Act for construction and staffing of community mental health centers and alcoholism and narcotic addiction, drug abuse, and drug dependence facilities,".

42 USC 229b.

(3) Section 513 of such Act is amended by striking out "the Mental Retardation Facilities Construction Act, the Community Mental Health Centers Act,".

(4) Section 1513(e)(1)(A)(i) of such Act is amended by striking out ", the Community Mental Health Centers Act, the Mental Health Systems Act, sections 409 and 410 of the Drug Abuse Prevention, Treatment, and Rehabilitation Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970". 94 Stat. 1608. 42 USC 300l-2.

(5) Section 1521(d)(2)(A) of such Act is amended— 42 USC 300m.

(A) by striking out ", the Community Mental Health Centers Act," and inserting in lieu thereof "or"; and

(B) by striking out ", and the Drug Abuse Office and Treatment Act of 1972".

(6) Section 1524(c)(6)(A) of such Act is amended by striking out "the Community Mental Health Centers Act, section 409 or 410 of the Drug Abuse Office and Treatment Act of 1972, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970,". 94 Stat. 3191. 42 USC 300m-3.

(h) The amendments made by this section shall take effect October 1, 1981. Effective date. 42 USC 229d note.

ONE-YEAR EXTENSION OF COMMUNITY HEALTH CENTERS AND PRIMARY CARE RESEARCH AND DEMONSTRATIONS

SEC. 903. (a) The first sentence of section 330(g)(2) (42 U.S.C. 254c(g)(2)) of the Public Health Service Act is amended by striking out "and" after "1980," and by striking out the period and inserting in lieu thereof the following: "and $280,000,000 for the fiscal year ending September 30, 1982. For authorizations for appropriations for fiscal years 1983 and 1984, see section 1922.". *Ante*, p. 552.

(b)(1) Section 340(g)(2) of the Public Health Service Act (42 U.S.C. 256(g)(2)) is amended by striking out "and" after "1980," and by striking out the period and inserting in lieu thereof the following: "and $3,000,000 for the fiscal year ending September 30, 1982. No funds may be appropriated under this paragraph or paragraph (1) for a fiscal year beginning after September 30, 1982.".

(c) Effective October 1, 1982, section 340 of such Act is repealed. Repeal.

SERVICES TO MIGRANTS BY COMMUNITY HEALTH CENTERS

SEC. 904. The Secretary of Health and Human Services shall review the performance of community health centers which have received grants under section 329 of the Public Health Service Act (relating to migrant health centers) to determine if the community health centers have provided services to migrants in a manner which is consistent with the needs of the migrants. In determining if the services have been provided in such a manner, the Secretary shall consider the hours of operation of a center, the bilingual capabilities of a center's staff, and the ability of the center's staff to detect, report, and treat adverse health effects resulting from exposure to pesticides. 42 USC 254b.

The Secretary shall report the results of the review conducted under this section to the Congress not later than six months after the date of the enactment of this section and shall include in the report actions taken by the Secretary to assure that community health centers receiving grants under such section 329 will provide services to migrants in a manner consistent with their needs. Report to Congress.

CRITERIA FOR DETERMINING AREAS AND POPULATION GROUPS IN NEED OF SERVICES OF COMMUNITY HEALTH CENTERS

SEC. 905. (a) Section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254c(b)(3)) is amended by adding at the end the following: "After the date of the enactment of part A of title XIX, the Secretary may not designate a medically underserved population or remove the designation of such a population unless the Secretary provides reasonable notice and opportunity for comment and consults with the chief executive officer of the State in which the population is located and appropriate local officials. The Secretary shall prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall include infant mortality in an area or population group, other factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.".

Ante, p. 535.

(b) Section 330(e)(2) of such Act is amended by inserting before the second sentence the following: "Such an application shall also include a demonstration by the applicant that the area or a population group to be served by the applicant has a shortage of personal health services and that the center will be located so that it will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under subsection (b)(3) or on any other criteria which the Secretary may prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services.".

AUDITS OF GRANTS TO COMMUNITY HEALTH CENTERS

SEC. 906. Section 330 of the Public Health Service Act (42 U.S.C. 254c) is amended by adding at the end the following:

"(h)(1) Each entity which receives a grant under subsection (d) shall provide for an independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under such grant and such other funds received by or allocated to the project for which such grant was made. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the funds received, each such audit shall be conducted in accordance with generally accepted accounting principles. Each audit shall evaluate—

"(A) the entity's implementation of the guidelines established by the Secretary respecting cost accounting,

"(B) the processes used by the entity to meet the financial and program reporting requirements of the Secretary, and

"(C) the billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.

A report of each such audit shall be filed with the Secretary at such time and in such manner as the Secretary may require.

Recordkeeping.

"(2) Each entity which receives a grant under subsection (d) shall establish and maintain such records as the Secretary shall by regulation require to facilitate the audit required by paragraph (1). The Secretary may specify by regulation the form and manner in which such records shall be established and maintained.

"(3) Each entity which is required to establish and maintain records or to provide for an audit under this subsection shall make such books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to conduct such examination, copying, and reproduction.

"(4) The Secretary may, under appropriate circumstances, waive the application of all or part of the requirements of this subsection to a community health center.".

Subtitle B—Developmental Disabilities

EXTENSION OF PROGRAMS

SEC. 911. (a) The first sentence of section 113(b)(2) of the Developmental Disabilities Assistance and Bill of Rights Act (hereinafter in this subtitle referred to as the "Act") (42 U.S.C 6012(b)(2)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$8,000,000 for the fiscal year ending September 30, 1982, $8,000,000 for the fiscal year ending September 30, 1983, and $8,000,000 for the fiscal year ending September 30, 1984".

(b) Section 123(a) of the Act (42 U.S.C. 6033(a)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$7,500,000 for the fiscal year ending September 30, 1982, $7,500,000 for the fiscal year ending September 30, 1983, and $7,500,000 for the fiscal year ending September 30, 1984".

(c) Section 131 of the Act (42 U.S.C. 6061) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$43,180,000 for the fiscal year ending September 30, 1982, $43,180,000 for the fiscal year ending September 30, 1983, and $43,180,000 for the fiscal year ending September 30, 1984".

EVALUATION SYSTEM

SEC. 912. (a) Section 110 of the Act (42 U.S.C. 6009) is repealed. Repeal.

SPECIAL PROJECT GRANTS

SEC. 913. Section 145 of the Act (42 U.S.C. 6081) is amended to read as follows:

"GRANT AUTHORITY

"SEC. 145. (a) The Secretary may make grants to public or nonprofit private entities for—

"(1) demonstration projects—

"(A) which are conducted in more than one State,

"(B) which involve the participation of two or more Federal departments or agencies, or

"(C) which are otherwise of national significance,

and which hold promise of expanding or otherwise improving services to persons with developmental disabilities (especially those who are disadvantaged or multihandicapped); and

"(2) demonstration projects (including research, training, and evaluation in connection with such projects) which hold promise of expanding or otherwise improving protection and advocacy services relating to the State protection and advocacy system described in section 113.

42 USC 6012.

Projects for the evaluation and assessment of the quality of services provided persons with developmental disabilities which meet the requirements of subparagraphs (A), (B), and (C) of paragraph (1) may be included as projects for which grants are authorized under such paragraph.

"(b) No grant may be made under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve such an application unless each State in which the applicant's project will be conducted has a State plan approved under section 133. The Secretary shall provide to the State Planning Council (established under section 137) for each State in which an applicant's project will be conducted an opportunity to review the application for such project and to submit its comments on the application.

42 USC 6063.

42 USC 6067.

"(c) Payments under grants under subsection (a) may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. The amount of any grant under subsection (a) shall be determined by the Secretary.

Appropriation authorization.

"(d) For the purpose of grants under subsection (a), there are authorized to the appropriated $2,500,000 for the fiscal year ending September 30, 1982, $2,500,000 for the fiscal year ending September 30, 1983, and $2,500,000 for the fiscal year ending September 30, 1984.".

Subtitle C—Health Services Research, Statistics, and Technology; Medical Libraries; and National Research Service Awards

REFERENCES IN SUBTITLE

SEC. 916. Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

42 USC 201 note.

AUTHORIZATIONS FOR HEALTH SERVICES RESEARCH, STATISTICS, AND TECHNOLOGY

SEC. 917. (a) The first sentence of section 308(i)(1) (42 U.S.C. 242m(i)(1)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$20,000,000 for the fiscal year ending September 30, 1982, $22,000,000 for the fiscal year ending September 30, 1983, and $24,000,000 for the fiscal year ending September 30, 1984".

(b) Section 308(i)(2) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$39,000,000 for the fiscal year ending September 30, 1982, $39,000,000 for the fiscal year ending September 30, 1983, and $39,000,000 for the fiscal year ending September 30, 1984".

(c)(1) The first sentence of section 309(i) (42 U.S.C. 242n(i)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$3,000,000 for the fiscal year ending September 30, 1982, $4,000,000 for the fiscal year ending September 30, 1983, and $5,000,000 for the fiscal year ending September 30, 1984".

(2) The second sentence of such section is amended by striking out "the fiscal year ending September 30, 1981," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984,".

GENERAL AUTHORITIES

SEC. 918. (a) Section 304(a)(3) (42 U.S.C. 242b(a)(3)) is amended—

(1) by striking out "shall" and inserting in lieu thereof "may", and

(2) by striking out "and" the first three places it occurs and inserting in lieu thereof "or".

(b)(1) The first sentence of section 304(d)(1) is amended by striking out "and the National Academy of Sciences (acting through the Institute of Medicine and other appropriate units) shall, jointly and" and inserting in lieu thereof ", with the advice and assistance of the National Academy of Sciences (acting through the Institute of Medicine and other appropriate units), shall,".

(2) The second sentence of such section is amended by striking out "and the National Academy of Sciences (hereinafter in this subsection referred to as the 'Academy')".

(3) Section 304(d)(3) is amended by striking out "and the Academy" each place it appears.

(c) Section 304(d)(3) is amended by striking out "every two years" and inserting in lieu thereof "every three years".

(d)(1) Subsections (b)(1) and (c)(1) of section 304 are each amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Subsection (d)(3) of such section is amended by striking out "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Energy and Commerce".

NATIONAL CENTER FOR HEALTH SERVICES RESEARCH

SEC. 919. (a)(1) The first sentence of section 305(d)(1) (42 U.S.C. 242c(d)(1)) is amended by striking out "health services, research, evaluations" and inserting in lieu thereof "health services research, evaluations, training, policy analysis,".

(2)(A) The second sentence of such section is amended (i) by striking out "six of such centers" and inserting in lieu thereof "three of such centers", and (ii) by striking out "three national special emphasis centers" and all that follows through "health care delivery;" and inserting in lieu thereof "two national special emphasis centers,".

(B) Section 308(i)(1) (42 U.S.C. 242m(i)(1)) (as amended by section 917(a) of this Act) is further amended by adding at the end thereof the following new sentence: "Of the amounts appropriated under this paragraph for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, not more than $1,500,000 may be used for grants and contracts for all the costs of planning, establishing, and operating centers under section 305(d)."

42 USC 242c.

(3) Section 305(d)(2)(B)(iv) is amended by striking out "demonstrations, and evaluations" and inserting in lieu thereof "evaluations, policy analysis, and demonstrations".

(b)(1) Paragraph (4) of section 305(b) is amended to read as follows:

"(4) the role of market forces in the health care system and the appropriate role they may play in restraining cost increases and improving the availability and quality of care.".

42 USC 242c note.

(2) The amendment made by paragraph (1) shall apply with respect to grants made under section 305(b) of the Public Health Service Act for fiscal years beginning after September 30, 1981, except that if an entity received a grant under paragraph (4) of such section, as in effect before the date of the enactment of this Act, for the fiscal year ending September 30, 1981, the Secretary may, until the fiscal year beginning October 1, 1983, make an additional grant or grants to such entity for the purposes prescribed by such paragraph as so in effect.

(c) Section 305(b) is amended by adding after and below paragraph (4) the following: "No grant or contract shall be made under this subsection for the purpose of funding clinical research that is directly related to determining the cause of any disease or disorder or clinical research that is directly and principally designed to evaluate the efficacy of any therapeutic, diagnostic, or preventive health measure.".

(d) Subsections (a) and (c) of section 305 are each amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

NATIONAL CENTER FOR HEALTH STATISTICS

SEC. 920. (a) Section 306(e)(3) (42 U.S.C. 242k(e)(3)) is amended by inserting "and other activities" after "data collection".

(b) The first sentence of section 306(l)(2)(A) is amended by striking out "the Center" and inserting in lieu thereof "the Center and in cooperation with the Office of Federal Statistical Policy and Standards".

(c) Section 306(l)(2)(D) is amended by striking out all after "subparagraph (A)" and inserting in lieu thereof a period.

(d)(1) Subsections (a), (e)(4), (j), (k)(4)(C), (k)(4)(D), and (l)(2)(B)(v) of section 306 are each amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Subsection (c) of such section is amended by striking out "Committee on Interstate and Foreign Commerce" and inserting in lieu thereof "Committee on Energy and Commerce".

INTERNATIONAL COOPERATION

42 USC 242l.

SEC. 921. (a) Section 307(a) (42 U.S.C. 2421(a)) is amended (1) by striking out "and the" and inserting in lieu thereof ", health care technology, and the", and (2) by striking out "and 306" and inserting in lieu thereof "306, and 309".

(b) Section 307(b) is amended—

(1) in paragraph (5), by striking out "or health statistics" and inserting in lieu thereof ", health statistics, or health care technology", and

(2) in paragraph (6), by striking out "and programs of biomedical research, health services research, and health statistical activities" and inserting in lieu thereof "or programs of biomedi-

cal research, health services research, health statistical activities, or health care technology activities".

GENERAL PROVISIONS

SEC. 922. (a) Section 308(a)(2) (42 U.S.C. 242m(a)(2)) is amended by striking out "September 1" and inserting in lieu thereof "December 1".

(b) Section 308(b)(2) is amended by striking out "$35,000" and inserting in lieu thereof "$50,000".

(c) Section 308(d)(2) is amended by inserting "or in the course of health care technology activities under section 309" after "305".

NATIONAL CENTER FOR HEALTH CARE TECHNOLOGY

SEC. 923. (a) Section 309(b)(1) (42 U.S.C. 242n(b)(1)) is amended by adding at the end thereof the following new sentence: "In carrying out this section, the Center shall not unreasonably inhibit the innovation of new technologies."

(b) Section 309(b)(5) is amended by striking out "may" and inserting in lieu thereof "shall" and by adding at the end thereof the following new sentence: "The making of such recommendations shall be a priority of the Center."

(c) Section 309(e) is amended by adding at the end thereof the following new sentence: "In carrying out this section, the Secretary shall ensure that the Center does not duplicate the activities of other units of the Department of Health and Human Services or, to the extent practicable, the activities of other Federal departments and agencies. To ensure necessary coordination, all assessments, research, evaluations, and demonstrations conducted by the Center shall take into consideration relevant studies and activities undertaken by the National Institutes of Health, the Food and Drug Administration, the Center for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, and other Federal departments and agencies."

(d) Sections 309(d) and 309(f)(1)(B) are each amended by striking out "$35,000" and inserting in lieu thereof "$50,000".

(e) Section 309(f)(1)(B) is amended by striking out "in excess of" and inserting in lieu thereof "the direct costs of which will exceed".

(f)(1) Subparagraph (D) of section 309(f)(1) is amended by striking out "exemplary standards, norms, and criteria" and inserting in lieu thereof "information".

(2) Subparagraph (E) of such section is amended by striking out "standards, norms, and criteria" and inserting in lieu thereof "information".

(g) Section 309(f)(2)(A) is amended by striking out "and the head of the Health Care Financing Administration (or the successor to such entity) who (or their designees) shall be ex officio members" and inserting in lieu thereof "the head of the Health Care Financing Administration (or the successor to such entity), and such other Federal officials as the Secretary may specify, who (or their designees) shall be nonvoting ex officio members".

(h) The third sentence in the matter following section 309(f)(2)(B) is amended by striking out "two" and inserting in lieu thereof "three".

(i)(1) Clauses (1) and (2) of section 309(f)(6) are redesignated as clauses (A) and (B), respectively.

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42 USC 242n.

(2) Subsections (a) and (g) of section 309 are each amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(j) Section 309(f)(7) is amended by striking out "1981" and inserting in lieu thereof "1984".

(k) Subsection (g) of section 309 is repealed and subsections (h) and (i) are redesignated as subsections (g) and (h), respectively.

NATIONAL RESEARCH SERVICE AWARDS

SEC. 924. (a)(1) Section 472(a)(1)(A) (42 U.S.C. 289l-1(a)(1)(A)) is amended—

(A) by inserting "and" after the comma in clause (iii);

(B) by striking out clauses (iv), (v), and (vi);

(C) by redesignating clause (vii) as clause (iv); and

(D) by striking out "and the research described in clause (vi)" in clause (iv) (as redesignated by subparagraph (C) of this paragraph).

(2) Section 472(a)(3) is amended to read as follows:

"(3) In awarding National Research Service Awards under this section, the Secretary shall take account of the Nation's overall need for biomedical research personnel by giving special consideration to physicians who agree to undertake a minimum of two years of biomedical research.".

(b)(1) Section 472(b)(1)(C) is amended by striking out "or (a)(1)(A)(iv)".

(2) Section 472(b)(2) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(3) The first sentence of section 472(b)(5) is amended by inserting a comma and "tuition, fees," after "stipends".

(c)(1) Section 472(c)(1) is amended to read as follows:

"(c)(1) Each individual who is awarded a National Research Service Award (other than an individual who is a prebaccalaureate student who is awarded a National Research Service Award for research training) shall, in accordance with paragraph (3), engage in health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment, for a period computed in accordance with paragraph (2).".

(2) Section 472(c)(2) is amended to read as follows:

"(2) For each month for which an individual receives a National Research Service Award which is made for a period in excess of twelve months, such individual shall engage in one month of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment.".

(3) The second sentence of section 472(c)(3) is amended to read as follows: "The Secretary shall by regulation prescribe the type of research and teaching in which an individual may engage to comply with such requirement and such other requirements respecting research and teaching as the Secretary considers appropriate.".

(d) The first sentence of section 472(d) is amended by striking out "and" after "1980," and by inserting before the period a comma and "$182,000,000 for the fiscal year ending September 30, 1982, and $195,000,000 for the fiscal year ending September 30, 1983".

(e) Section 473(c) (42 U.S.C. 289l-2(c)) is amended (1) by striking out "Interstate and Foreign Commerce" and inserting in lieu thereof "Energy and Commerce", and (2) by striking out "Public Welfare" and inserting in lieu thereof "Human Resources".

EXTENSION OF ASSISTANCE FOR LIBRARIES; MISCELLANEOUS

SEC. 925. (a) Section 390(c) (42 U.S.C. 280b(c)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "and $7,500,000 for the fiscal year ending September 30, 1982".

(b) Section 434(d)(1) (42 U.S.C. 289c-1(d)(1)) is amended by inserting "musculoskeletal and skin diseases," after "arthritis,". 94 Stat. 3184.

Subtitle D—Categorical Programs

PREVENTIVE HEALTH SERVICE PROGRAMS

SEC. 928. (a) Subsection (a) of section 317(a) of the Public Health Service Act (42 U.S.C. 247b) is amended to read as follows:

"(a) The Secretary may make grants to States, and in consultation with State health authorities, to political subdivisions of States and to other public entities to assist them in meeting the costs of establishing and maintaining preventive health service programs.".

(b) Subsection (j) of such section (42 U.S.C. 247b(j)(1)(A)) is amended to read as follows:

"(j)(1) For grants under subsection (a) for preventive health service programs to immunize children against immunizable diseases there are authorized to be appropriated $29,500,000 for the fiscal year ending September 30, 1982, $32,000,000 for the fiscal year ending September 30, 1983, and $34,500,000 for the fiscal year ending September 30, 1984.

"(2) For grants under subsection (a) for preventive health service programs for tuberculosis there are authorized to be appropriated $9,000,000 for the fiscal year ending September 30, 1982, $10,000,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984.".

PREVENTION AND CONTROL OF VENEREAL DISEASES

SEC. 929. The first sentence of section 318(d)(1) of the Public Health Service Act (42 U.S.C. 247c(d)(1)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$40,000,000 for the fiscal year ending September 30, 1982, $46,500,000 for the fiscal year ending September 30, 1983, and $50,000,000 for the fiscal year ending September 30, 1984".

EXTENSION OF PROGRAM FOR MIGRANT HEALTH CENTERS

SEC. 930. (a) Section 329(h) of the Public Health Service Act (42 U.S.C. 247d(h)) is amended by striking out paragraphs (1), (2), and (3) and inserting in lieu thereof the following: 42 USC 254b.

"(h)(1) For the purposes of subsections (c), (d), and (e), there are authorized to be appropriated $43,000,000 for the fiscal year ending September 30, 1982, $47,500,000 for the fiscal year ending September 30, 1983, and $51,000,000 for the fiscal year ending September 30, 1984. The Secretary may not obligate for grants and contracts under subsection (c)(1) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year, the Secretary may not obligate for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of such funds, and the Secretary may not obligate for contracts under

subsection (e) in any fiscal year an amount which exceeds 10 per centum of such funds.".

42 USC 254b.

(b) Paragraph (4) of section 329(h) is redesignated as paragraph (2).

FAMILY PLANNING PROGRAMS

SEC. 931. (a)(1) Section 1001(c) of the Public Health Service Act (42 U.S.C. 300(c)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$126,510,000 for the fiscal year ending September 30, 1982; $139,200,000 for the fiscal year ending September 30, 1983; and $150,830,000 for the fiscal year ending September 30, 1984".

(2) Section 1003(b) of such Act (42 U.S.C. 300a-1(b)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$2,920,000 for the fiscal year ending September 30, 1982; $3,200,000 for the fiscal year ending September 30, 1983; and $3,500,000 for the fiscal year ending September 30, 1984".

(3) Section 1005(b) of such Act (42 U.S.C. 300a-3(b)) is amended by striking out "and" after "1980," and by inserting before the period a comma and the following: "$570,000 for the fiscal year ending September 30, 1982; $600,000 for the fiscal year ending September 30, 1983; and $670,000 for the fiscal year ending September 30, 1984".

(b)(1) Section 1001(a) of such Act is amended by adding at the end the following: "To the extent practical, entities which receive grants or contracts under this subsection shall encourage familiy participation in projects assisted under this subsection.".

42 USC 300a-2.

(2) Section 1004 is amended by striking out "(a)" after "SEC. 1004." and by striking out subsection (b).

Study.
42 USC 300a note.
42 USC 300.

Report to Congress.

(c) The Secretary of Health and Human Services shall conduct a study of the possible ways of State delivery of the services for which assistance is authorized by title X of the Public Health Service Act and the willingness and ability of the States to assume the administration of activities assisted under such title X. The Secretary shall report to the Congress on the results of such study 18 months after the date of the enactment of this Act.

Subtitle E—Health Planning

AUTHORIZATIONS

SEC. 933. (a)(1) Section 1516(d)(1) of the Public Health Service Act (42 U.S.C. 3001-5(d)(1)) is amended by inserting "and" after "1980," and by inserting a period after "1981" and striking out the remainder of such section.

(2) Section 1525(c) of such Act (42 U.S.C. 300m-4(c)) is amended by inserting "and" after "1980," and by inserting a period after "1981" and striking out the remainder of such section.

(3) Section 1534(d) of such Act (42 U.S.C. 300n-3(d)) is amended by inserting "and" after "1980," and by inserting a period after "1981" and striking out the remainder of such section.

(b) Part D of the Public Health Service Act is amended by adding at the end the following:

"AUTHORIZATIONS FOR FISCAL YEAR 1982

42 USC 300n-6

"SEC. 1537. For grants and contracts under sections 1516(a), 1525(a), and 1534(a) there is authorized to be appropriated $102,000,000 for

fiscal year 1982. Of the amount appropriated under this section, not more than $65,000,000 may be used for grants under section 1516(a).".

MINIMUM GRANT; WAIVER OF REQUIREMENTS

SEC. 934. (a) Section 1516(c)(1)(C)(iv) of the Public Health Service Act is amended by striking out "$260,000" and inserting in lieu thereof "$100,000". 42 USC 300*l*-5.

(b) The Secretary of Health and Human Services may— 42 USC 300*l*-2 note.

(1) upon application waive the application of the requirements of subsection (e), (g), or (h) of section 1513 of the Public Health Service Act, or any combination of such subsections, to a health systems agency if the Secretary determines that the Federal funds made available to the agency are not sufficient to enable it to meet such requirements or 42 USC 300*l*-2.

(2) by regulation waive the application of the requirements of subsection (e), (g), or (h) of section 1513 of the Public Health Service Act, or any combination of such subsections, to all health systems agencies if the Secretary determines that the Federal funds made available to all the agencies are not sufficient to enable them to meet such requirements.

STATES WITHOUT HEALTH SYSTEMS AGENCIES

SEC. 935. (a)(1) Section 1536 of the Public Health Service Act (42 U.S.C. 300n-5) is amended—

(1) by striking out subsection (a),

(2) by amending the matter in subsection (b) preceding paragraph (1) to read as follows: "Upon application of the chief executive officer of a State or the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, or American Samoa, it shall, upon approval of the application, be considered to be a State for purposes of this title and",

(3) by striking out "sections 1516 and 1640" and inserting in lieu thereof "section 1640", and

(4) by adding after and below paragraph (4) the following: "An application made under this section for a fiscal year shall be made not later than November 1 in that fiscal year and shall contain the certification of the chief executive officer that the State is willing and able to meet the purposes of this title in such fiscal year without any health systems agency in the State.".

(b) A State which— 42 USC 300*l*-5 note.

(1) because of section 1536(b) of the Public Health Service Act (as in effect on September 30, 1981) received a grant under section 1516 of such Act for fiscal year 1981, and

(2) had an application under section 1536 of such Act (as amended by subsection (a)) approved,

shall be eligible to receive a grant under section 1516 of such Act for fiscal year 1982.

(c) If a State which on the date of the enactment of this Act has a population of less than 600,000 and has only one health service area has an application approved under this section, such State shall be eligible to receive a grant under section 1516 of the Public Health Service Act for fiscal year 1982. 42 USC 300*l*-5 note.

(d) The last sentence of section 1512(b)(5) of the Public Health Service Act (42 U.S.C. 300l-1(b)(5)) is amended by inserting before the period the following: "or health insurance".

CERTIFICATE OF NEED REVIEW

SEC. 936. (a) Section 1531 of the Public Health Service Act (42 U.S.C. 300n) is amended—

(1) by striking out "$75,000" each place it occurs in paragraph (5) and inserting in lieu thereof "$250,000";

(2) by striking out "$150,000" each place it occurs in paragraph (6) and inserting in lieu thereof "$600,000"; and

(3) by striking out "$150,000" each place it occurs in paragraph (7) and inserting in lieu thereof "$400,000".

(b)(1) Section 1521(d)(1)(B) of the Public Health Service Act (42 U.S.C. 300m(d)(1)(B)(ii)) is amended—

(A) by striking out "twelve months" the second time it appears in clause (i) and inserting in lieu thereof "twenty-four months", and

(B) by striking out "twelve months" the second time it appears in clause (ii) and inserting in lieu thereof "twenty-four months".

(2) The first sentence of section 1521(b)(2)(B) of such Act is amended to read as follows: "The period of an agreement described in subparagraph (A) shall not extend beyond the period set forth in subsection (d)(1)(B).".

EFFECTIVE DATE

42 USC 300*l*-1 note.

SEC. 937. The amendments made by this subtitle shall take effect October 1, 1981.

Subtitle F—Health Maintenance Organizations

Health Maintenance Organization Amendments of 1981.

CHAPTER 10—HEALTH MAINTENANCE ORGANIZATIONS

SHORT TITLE; REFERENCE TO ACT

42 USC 201 note.

SEC. 940. (a) This subtitle may be cited as the "Health Maintenance Organization Amendments of 1981".

(b) Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

42 USC 201 note.

EXTENSIONS

SEC. 941. (a) Subsection (a) of section 1309 (42 U.S.C. 300e-8(a)) is amended to read as follows:

42 USC 300e-2, 300e-3.

"(a)(1) For grants and contracts under sections 1303 and 1304 there is authorized to be appropriated $20,000,000 for the fiscal years 1982, 1983, and 1984. No funds appropriated under this paragraph may be expended or obligated for a grant or contract unless the entity received a grant or contract under section 303 or 304 during or before the fiscal year 1981.

42 USC 242a, 242b.

42 USC 300e-16.

"(2) For grants under section 1317 there is authorized to be appropriated $1,000,000 for each of the fiscal years 1982, 1983, and 1984.".

(b) Subsection (b) of section 1309 is amended to read as follows:

42 USC 300e-7.

"(b) To maintain in the loan fund established under section 1308(e) for the purpose of making new loans a balance of at least $5,000,000 at the end of each fiscal year and to meet the obligations of the loan fund resulting from defaults on loans made from the fund and to meet the other obligations of the fund, there is authorized to be appropriated to

the loan fund for fiscal years 1982, 1983, and 1984, such sums as may be necessary to assure such balance and meet such obligations.".

(c) Section 1304(j) (42 U.S.C. 300e-3(j)) is amended by striking out "1981" and inserting in lieu thereof "1984".

REVISION OF REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS

SEC. 942. (a)(1) Section 1301(b)(3) is amended (A) by striking out subparagraph (C), and (B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively. 42 USC 300e.

(2) Section 1301(b)(3)(A)(iv) is amended by striking out "subject to subparagraph (C),".

(3)(A) Section 1310(b)(1) (42 U.S.C. 300e-9(b)(1)) is amended by striking out "provides basic health services" and inserting in lieu thereof "provides more than one-half of its basic health services which are provided by physicians".

(B) Section 1310(b)(2) is amended by striking out "basic health services" and inserting in lieu thereof "its basic health services which are provided by physicians".

(4) Section 1310(b)(2) (42 U.S.C. 300e-9(b)(2)) is amended by striking out "or (B)" and inserting in lieu thereof "(B) individual physicians and other health professionals under contract with the organization, or (C)".

(5) The amendment made by paragraph (3)(A) shall apply with respect to the offering of a health maintenance organization in accordance with section 1310(b)(1) of the Public Health Service Act after four years after the date the organization becomes a qualified health maintenance organization for purposes of section 1310 of such Act if the health maintenance organization provides assurances satisfactory to the Secretary that upon the expiration of such four years it will provide more than one half of its basic health services which are provided by physicians through physicians or other health professionals who are members of the staff of the organization or a medical group (or groups). 42 USC 300e-9 note.

(b)(1) Section 1301(b)(3)(B) is amended by striking out "(i)", by striking out clause (ii), and by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively.

(2) Subparagraph (D) of section 1301(b)(3) is amended to read as follows:

"(D) Contracts between a health maintenance organization and health professionals for the provision of basic and supplemental health services shall include such provisions as the Secretary may require, but only to the extent that such requirements are designed to insure the delivery of quality health care services and sound fiscal management.".

(c)(1) The first sentence of section 1301(b)(4) (42 U.S.C. 300e(b)(4)) is amended by inserting before the period a comma and the following: "except that a health maintenance organization which has a service area located wholly in a nonmetropolitan area may make a basic health service available outside its service area if that basic health service is not a primary care or emergency health care service and if there is an insufficient number of providers of that basic health service within the service area who will provide such service to members of the health maintenance organization".

(2) The first sentence of section 1301(b)(4) is amended by striking out "promptly as appropriate" and inserting in lieu thereof "with reasonable promptness".

42 USC 300e.

(d)(1) Section 1301(c) is amended by striking out paragraphs (4), (9), and (10), by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), by redesignating paragraph (11) as paragraph (9), and by adding after paragraph (7) (as so redesignated) the following new paragraph:

"(8) adopt at least one of the following arrangements to protect its members from incurring liability for payment of any fees which are the legal obligation of such organization—

"(A) a contractual arrangement with any hospital that is regularly used by the members of such organization prohibiting such hospital from holding any such member liable for payment of any fees which are the legal obligation of such organization;

"(B) insolvency insurance, acceptable to the Secretary;

"(C) adequate financial reserve, acceptable to the Secretary; and

"(D) other arrangements, acceptable to the Secretary, to protect members,

except that the requirements of this paragraph shall not apply to a health maintenance organization if applicable State law provides the members of such organization with protection from liability for payment of any fees which are the legal obligation of such organization; and".

(2) Subsection (d) of section 1301 is repealed.

(e) Section 1301(c)(2) (42 U.S.C. 300e(c)(2)) is amended—

(1) by striking out "obtain insurance or make other arrangements",

(2) by inserting "obtain insurance or make other arrangements" after "(A)", "(B)", and "(C)",

(3) by striking out "and (C)" and inserting in lieu thereof "(C)", and

(4) by inserting before the semicolon a comma and the following: "and (D) make arrangements with physicians or other health professionals, health care institutions, or any combination of such individuals or institutions to assume all or part of the financial risk on a prospective basis for the provision of basic health services by the physicians or other health professionals or through the institutions".

(f) The last sentence of section 1302(1) (42 U.S.C. 300e-1(1)) is repealed.

(g)(1) The first sentence of section 1302(2) (42 U.S.C. 300e-1(2)) is amended to read as follows: "The term 'supplemental health services' means any health service which is not included as a basic health service under paragraph (1) of this section.".

(2) The second sentence of such section is amended by striking out "If a service of a physician described in the preceding sentence" and inserting in lieu thereof "If a health service provided by a physician".

(3) The last sentence of such section is repealed.

(h) Section 1302(4)(C) is amended by inserting before the semicolon at the end of clause (i) the following: ", except that this clause does not apply before the end of the forty-eight month period beginning after the month in which the health maintenance oranization becomes a qualified health maintenance organization as defined in section 1310(d), or as authorized by the Secretary in accordance with regulations that take into consideration the unusual circumstances of the group".

42 USC 300e-9.

(i) Section 1302(5)(B) is amended by striking out "feasible (1)" and inserting in lieu thereof "feasible," and by striking out "administra-

tive staff" and all that follows in such section and inserting in lieu thereof "administrative staff.".

(j) Section 1302(8) (42 U.S.C. 300e-1(8)) is amended to read as follows:

"(8)(A) The term 'community rating system' means the systems, described in subparagraphs (B) and (C), of fixing rates of payments for health services. A health maintenance organization may fix its rates of payments under the system described in subparagraph (B) or (C) or under both such systems, but a health maintenance organization may use only one such system for fixing its rates of payments for any one group.

"(B) A system of fixing rates of payment for health services may provide that the rates shall be fixed on a per-person or per-family basis and may authorize the rates to vary with the number of persons in a family, but, except as authorized in subparagraph (D), such rates must be equivalent for all individuals and for all families of similar composition.

"(C) A system of fixing rates of payment for health services may provide that the rates shall be fixed for individuals and families by groups. Except as authorized in subparagraph (D), such rates must be equivalent for all individuals in the same group and for all families of similar composition in the same group. If a health maintenance organization is to fix rates of payment for individuals and families by groups, it shall—

"(i) classify all of the members of the organization into classes based on factors which the health maintenance organization determines predict the differences in the use of health services by the individuals or families in each class and which have not been disapproved by the Secretary,

"(ii) determine its revenue requirements for providing services to the members of each class established under clause (i), and

"(iii) fix the rates of payment for the individuals and families of a group on the basis of a composite of the organization's revenue requirements determined under clause (ii) for providing services to them as members of the classes established under clause (i).

The Secretary shall review the factors used by each health maintenance organization to establish classes under clause (i). If the Secretary determines that any such factor may not reasonably be used to predict the use of the health services by individuals and families, the Secretary shall disapprove such factor for such purpose.

"(D) The following differentials in rates of payments may be established under the systems described in subparagraphs (B) and (C):

"(i) Nominal differentials in such rates may be established to reflect differences in marketing costs and the different administrative costs of collecting payments from the following categories of members:

"(I) Individual members (including their families).

"(II) Small groups of members (as determined under regulations of the Secretary).

"(III) Large groups of members (as determined under regulations of the Secretary).

"(ii) Nominal differentials in such rates may be established to reflect the compositing of the rates of payment in a systematic manner to accommodate group purchasing practices of the various employers.

"(iii) Differentials in such rates may be established for members enrolled in a health maintenance organization pursuant to a contract with a governmental authority under section 1079 or

1086 of title 10, United States Code, or under any other governmental program (other than the health benefits program authorized by chapter 89 of title 5, United States Code) or any health benefits program for employees of States, political subdivision of States, and other public entities.".

5 USC 8901 *et seq.*

INITIAL OPERATION COSTS

SEC. 943. (a) Section 1305(a) (42 U.S.C. 300e-4) is amended—

(1) by striking out "nonprofit" in paragraphs (1) and (2), and

(2) by amending paragraph (3) to read as follows:

"(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private health maintenance organizations for the amounts referred to in paragraphs (1) and (2).".

(b) Section 1305(b)(1) is amended to read as follows:

"(b)(1) Except as provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for a health maintenance organization may not exceed $7,000,000. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary, by an escrow agent under the terms of an escrow agreement, or by a lender under a guaranteed loan) may not exceed $3,000,000.".

(c) Section 1305(d) is amended by striking out "1981" and inserting in lieu thereof "1986".

(d) Subsection (e) of section 1307 (42 U.S.C. 300e-6) is repealed.

AMBULATORY FACILITIES

SEC. 944. (a) Section 1305A(a) (42 U.S.C. 300e-4a(a)) is amended—

(1) by striking out "nonprofit" in paragraph (1), and

(2) by amending paragraph (2) to read as follows:

"(2) guarantee to non-Federal lenders for their loans to private health maintenance organizations for projects described in paragraph (1) the payment of principal and interest on such loans.".

(b) Subsections (b) and (c) of section 1305A are redesignated as subsections (c) and (d), respectively, and the following is inserted after subsection (a):

"(b) No loan may be made to a health maintenance organization and no loan to a health maintenance organization may be guaranteed under subsection (a) unless the application of the health maintenance organization for such loan or loan guarantee contains assurances satisfactory to the Secretary that—

"(1) at the time the application is made the health maintenance organization is fiscally sound;

"(2) if the application is for a loan, the health maintenance organization is unable to secure a loan, at the rate of interest prevailing in the area in which the organization is located, from non-Federal lenders for the project with respect to which the application is submitted, or, if the application is for a loan guarantee, the health maintenance organization would be unable to secure a loan from such lenders for such project without the loan guarantee; and

"(3) during the period of the loan or loan guarantee, the health maintenance organization will remain fiscally sound.".

LOANS

SEC. 945. Section 1308(b)(2) (42 U.S.C. 300e-7(b)(2)) is amended—

(1) by amending clause (D) to read as follows: "(D) on the date the loan is made, bear interest at a rate comparable to the rate of interest prevailing on such date with respect to marketable obligations of the United States of comparable maturities, adjusted to provide for appropriate administrative charges, and"; and

(2) by adding at the end the following: "On the date disbursements are made under a loan after the initial disbursement under the loan, the Secretary may change the rate of interest on the amount of the loan disbursed on that date to a rate which is comparable to the rate of interest prevailing on the date the subsequent disbursement is made with respect to marketable obligations of the United States of comparable maturities, adjusted to provide for appropriate administrative charges.".

DUAL CHOICE

SEC. 946. (a) Section 1310(d) (42 U.S.C. 300e-9(d)) is amended by adding at the end the following: "Every two years (or such longer period as the Secretary may by regulation prescribe) after the date a health maintenance organization becomes a qualified health maintenance organization under this subsection, the health maintenance organization must demonstrate to the Secretary that it is qualified within the meaning of this subsection.".

(b) Section 1310(f)(1) is amended by inserting before the semicolon a comma and the following: "except that such term includes nonappropriated fund instrumentalities of the Government of the United States".

REPEAL OF SPECIAL CONSIDERATIONS

SEC. 947. (a) Section 1303 (42 U.S.C. 300e-2) is amended by striking out subsection (i).

(b) Section 1304 (42 U.S.C. 300e-3) is amended by striking out subsection (k).

(c) Section 1305 (42 U.S.C. 300e-4) is amended by striking out subsection (e).

FINANCIAL DISCLOSURE

SEC. 948. (a) Subsection (a)(2) of section 1318 (42 U.S.C. 300e-17) is amended to read as follows:

"(2) A copy of the report, if any, filed with the Health Care Financing Administration containing the information required to be reported under section 1124 of the Social Security Act by disclosing entities and the information required to be supplied under section 1902(a)(38) of such Act.". 42 USC 1320a-3. 42 USC 1396a.

(b) Subsection (a)(3)(B) of such section is amended to read as follows:

"(B) any furnishing for consideration of goods, services (including management services), or facilities between the health maintenance organization and a party in interest, but not including salaries paid to employees for services provided in the normal course of their employment and health services provided to members by hospitals and other providers and by staff, medical group (or groups), individual practice association (or associations), or any combination thereof; and".

42 USC 300e-17.

(c) Subsection (b)(1) of such section is amended by striking out "employee" and inserting in lieu thereof "employee responsible for management or administration".

(d) Subsection (b)(4) of such section is amended to read as follows:

"(4) any spouse, child, or parent of an individual described in paragraph (1).".

MISCELLANEOUS

SEC. 949. (a) The third sentence of section 1312(b)(1) (42 U.S.C. 300e-11(b)(1)) is amended by inserting after "Secretary prescribes" the following: ", then after the Secretary provides the entity a reasonable opportunity for reconsideration of his determination, including, at the entity's election, a fair hearing".

Repeals.

(b) Sections 1314 and 1316 (42 U.S.C. 300e-13, 300e-15) are repealed.

(c) Section 1527(b)(1) (42 U.S.C. 300m-6(b)(1)) is amended—

(1) by striking out clause (i) in subparagraph (A) and by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively,

(2) by striking out "such enrolled individuals" in subparagraph (A) and inserting in lieu thereof "individuals enrolled in such organization or organizations",

(3) by striking out "which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least 50,000 individuals" in subparagraph (B)(ii),

(4) by striking out "such enrolled individuals" in subparagraph (B)(iii) and inserting in lieu thereof "individuals enrolled in such organization or organizations",

(5) by striking out "which has, in the service area or the organization or service areas of the organizations in the combination, an enrollment of at least 50,000 individuals" in subparagraph (C)(i), and

(6) by striking out "such enrolled individuals" in subparagraph (C)(ii) and inserting in lieu thereof "individuals enrolled in such organization or organizations".

Effective date. 42 USC 300m-6 note.

(d) The amendments made by subsection (c) shall take effect October 1, 1982.

Subtitle G—Adolescent Family Life

SEC. 955. (a) The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XX—ADOLESCENT FAMILY LIFE DEMONSTRATION PROJECTS

"FINDINGS AND PURPOSES

42 USC 300z.

"SEC. 2001. (a) The Congress finds that—

"(1) in 1978, an estimated one million one hundred thousand teenagers became pregnant, more than five hundred thousand teenagers carried their babies to term, and over one-half of the babies born to such teenagers were born out of wedlock;

"(2) adolescents aged seventeen and younger accounted for more than one-half of the out of wedlock births to teenagers;

"(3) in a high proportion of cases, the pregnant adolescent is herself the product of an unmarried parenthood during adolescence and is continuing the pattern in her own lifestyle;

"(4) it is estimated that approximately 80 per centum of unmarried teenagers who carry their pregnancies to term live with their families before and during their pregnancy and remain with their families after the birth of the child;

"(5) pregnancy and childbirth among unmarried adolescents, particularly young adolescents, often results in severe adverse health, social, and economic consequences, including: a higher percentage of pregnancy and childbirth complications; a higher incidence of low birth weight babies; a higher frequency of developmental disabilities; higher infant mortality and morbidity; a decreased likelihood of completing schooling; a greater likelihood that an adolescent marriage will end in divorce; and higher risks of unemployment and welfare dependency;

"(6)(A) adoption is a positive option for unmarried pregnant adolescents who are unwilling or unable to care for their children since adoption is a means of providing permanent families for such children from available approved couples who are unable or have difficulty in conceiving or carrying children of their own to term; and

"(B) at present, only 4 per centum of unmarried pregnant adolescents who carry their babies to term enter into an adoption plan or arrange for their babies to be cared for by relatives or friends;

"(7) an unmarried adolescent who becomes pregnant once is likely to experience recurrent pregnancies and childbearing, with increased risks;

"(8)(A) the problems of adolescent premarital sexual relations, pregnancy, and parenthood are multiple and complex and are frequently associated with or are a cause of other troublesome situations in the family; and

"(B) such problems are best approached through a variety of integrated and essential services provided to adolescents and their families by other family members, religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(9) a wide array of educational, health, and supportive services are not available to adolescents with such problems or to their families, or when available frequently are fragmented and thus are of limited effectiveness in discouraging adolescent premarital sexual relations and the consequences of such relations;

"(10)(A) prevention of adolescent sexual activity and adolescent pregnancy depends primarily upon developing strong family values and close family ties, and since the family is the basic social unit in which the values and attitudes of adolescents concerning sexuality and pregnancy are formed, programs designed to deal with issues of sexuality and pregnancy will be successful to the extent that such programs encourage and sustain the role of the family in dealing with adolescent sexual activity and adolescent pregnancy;

"(B) Federal policy therefore should encourage the development of appropriate health, educational, and social services where such services are now lacking or inadequate, and the better coordination of existing services where they are available; and

"(C) services encouraged by the Federal Government should promote the involvement of parents with their adolescent chil-

dren, and should emphasize the provision of support by other family members, religious and charitable organizations, voluntary associations, and other groups in the private sector in order to help adolescents and their families deal with complex issues of adolescent premarital sexual relations and the consequences of such relations; and

"(11)(A) there has been limited research concerning the societal causes and consequences of adolescent pregnancy;

"(B) there is limited knowledge concerning which means of intervention are effective in mediating or eliminating adolescent premarital sexual relations and adolescent pregnancy; and

"(C) it is necessary to expand and strengthen such knowledge in order to develop an array of approaches to solving the problems of adolescent premarital sexual relations and adolescent pregnancy in both urban and rural settings.

"(b) Therefore, the purposes of this title are—

"(1) to find effective means, within the context of the family, of reaching adolescents before they become sexually active in order to maximize the guidance and support available to adolescents from parents and other family members, and to promote self discipline and other prudent approaches to the problem of adolescent premarital sexual relations, including adolescent pregnancy;

"(2) to promote adoption as an alternative for adolescent parents;

"(3) to establish innovative, comprehensive, and integrated approaches to the delivery of care services for pregnant adolescents, with primary emphasis on unmarried adolescents who are seventeen years of age or under, and for adolescent parents, which shall be based upon an assessment of existing programs and, where appropriate, upon efforts to establish better coordination, integration, and linkages among such existing programs in order to—

"(A) enable pregnant adolescents to obtain proper care and assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life; and

"(B) assist families of adolescents to understand and resolve the societal causes which are associated with adolescent pregnancy;

"(4) to encourage and support research projects and demonstration projects concerning the societal causes and consequences of adolescent premarital sexual relations, contraceptive use, pregnancy, and child rearing;

"(5) to support evaluative research to identify effective services which alleviate, eliminate, or resolve any negative consequences of adolescent premarital sexual relations and adolescent childbearing for the parents, the child, and their families; and

"(6) to encourage and provide for the dissemination of results, findings, and information from programs and research projects relating to adolescent premarital sexual relations, pregnancy, and parenthood.

"DEFINITIONS

42 USC 300z-1.

"SEC. 2002. (a) For the purposes of this title, the term—

"(1) 'Secretary' means the Secretary of Health and Human Services;

"(2) 'eligible person' means—

"(A) with regard to the provision of care services, a pregnant adolescent, an adolescent parent, or the family of a pregnant adolescent or an adolescent parent; or

"(B) with regard to the provision of prevention services and referral to such other services which may be appropriate, a nonpregnant adolescent;

"(3) 'eligible grant recipient' means a public or nonprofit private organization or agency which demonstrates, to the satisfaction of the Secretary—

"(A) in the case of an organization which will provide care services, the capability of providing all core services in a single setting or the capability of creating a network through which all core services would be provided; or

"(B) in the case of an organization which will provide prevention services, the capability of providing such services;

"(4) 'necessary services' means services which may be provided by grantees which are—

"(A) pregnancy testing and maternity counseling;

"(B) adoption counseling and referral services which present adoption as an option for pregnant adolescents, including referral to licensed adoption agencies in the community if the eligible grant recipient is not a licensed adoption agency;

"(C) primary and preventive health services including prenatal and postnatal care;

"(D) nutrition information and counseling;

"(E) referral for screening and treatment of venereal disease;

"(F) referral to appropriate pediatric care;

"(G) educational services relating to family life and problems associated with adolescent premarital sexual relations, including—

"(i) information about adoption;

"(ii) education on the responsibilities of sexuality and parenting;

"(iii) the development of material to support the role of parents as the provider of sex education; and

"(iv) assistance to parents, schools, youth agencies, and health providers to educate adolescents and preadolescents concerning self-discipline and responsibility in human sexuality;

"(H) appropriate educational and vocational services and referral to such services;

"(I) referral to licensed residential care or maternity home services; and

"(J) mental health services and referral to mental health services and to other appropriate physical health services;

"(K) child care sufficient to enable the adolescent parent to continue education or to enter into employment;

"(L) consumer education and homemaking;

"(M) counseling for the immediate and extended family members of the eligible person;

"(N) transportation;

"(O) outreach services to families of adolescents to discourage sexual relations among unemancipated minors;

"(P) family planning services; and

"(Q) such other services consistent with the purposes of this title as the Secretary may approve in accordance with regulations promulgated by the Secretary;

"(5) 'core services' means those services which shall be provided by a grantee, as determined by the Secretary by regulation;

"(6) 'supplemental services' means those services which may be provided by a grantee, as determined by the Secretary by regulation;

"(7) 'care services' means necessary services for the provision of care to pregnant adolescents and adolescent parents and includes all core services with respect to the provision of such care prescribed by the Secretary by regulation;

"(8) 'prevention services' means necessary services to prevent adolescent sexual relations, including the services described in subparagraphs (A), (D), (E), (G), (H), (M), (N), (O), and (Q) of paragraph (4);

"(9) 'adolescent' means an individual under the age of nineteen; and

"(10) 'unemancipated minor' means a minor who is subject to the control, authority, and supervision of his or her parents or guardians, as determined under State law.

"(b) Until such time as the Secretary promulgates regulations pursuant to the second sentence of this subsection, the Secretary shall use the regulations promulgated under title VI of the Health Services and Centers Amendments of 1978 which were in effect on the date of enactment of this title, to determine which necessary services are core services for purposes of this title. The Secretary may promulgate regulations to determine which necessary services are core services for purposes of this title based upon an evaluation of and information concerning which necessary services are essential to carry out the purposes of this title and taking into account (1) factors such as whether services are to be provided in urban or rural areas, the ethnic groups to be served, and the nature of the populations to be served, and (2) the results of the evaluations required under section 2006(b). The Secretary may from time to time revise such regulations.

42 USC 300a-21.

"AUTHORITY TO MAKE GRANTS FOR DEMONSTRATION PROJECTS

42 USC 300z-2.

"SEC. 2003. (a) The Secretary may make grants to further the purposes of this title to eligible grant recipients which have submitted an application which the Secretary finds meets the requirements of section 2006 for demonstration projects which the Secretary determines will help communities provide appropriate care and prevention services in easily accessible locations. Demonstration projects shall, as appropriate, provide, supplement, or improve the quality of such services. Demonstration projects shall use such methods as will strengthen the capacity of families to deal with the sexual behavior, pregnancy, or parenthood of adolescents and to make use of support systems such as other family members, friends, religious and charitable organizations, and voluntary associations.

"(b) Grants under this title for demonstration projects may be for the provision of—

"(1) care services;

"(2) prevention services; or

"(3) a combination of care services and prevention services.

"USES OF GRANTS FOR DEMONSTRATION PROJECTS FOR SERVICES

"SEC. 2004. (a) Except as provided in subsection (b), funds provided for demonstration projects for services under this title may be used by grantees only to— 42 USC 300z-3.

"(1) provide to eligible persons—

"(A) care services;

"(B) prevention services; or

"(C) care and prevention services (in the case of a grantee who is providing a combination of care and prevention services);

"(2) coordinate, integrate, and provide linkages among providers of care, prevention, and other services for eligible persons in furtherance of the purposes of this title;

"(3) provide supplemental services where such services are not adequate or not available to eligible persons in the community and which are essential to the care of pregnant adolescents and to the prevention of adolescent premarital sexual relations and adolescent pregnancy;

"(4) plan for the administration and coordination of pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents which will further the objectives of this title; and

"(5) fulfill assurances required for grant approval by section 2006.

"(b)(1) No funds provided for a demonstration project for services under this title may be used for the provision of family planning services (other than counseling and referral services) to adolescents unless appropriate family planning services are not otherwise available in the community.

"(2) Any grantee who receives funds for a demonstration project for services under this title and who, after determining under paragraph (1) that appropriate family planning services are not otherwise available in the community, provides family planning services (other than counseling and referral services) to adolescents may only use funds provided under this title for such family planning services if all funds received by such grantee from all other sources to support such family planning services are insufficient to support such family planning services.

"(c) Grantees who receive funds for a demonstration project for services under this title shall charge fees for services pursuant to a fee schedule approved by the Secretary as a part of the application described in section 2006 which bases fees charged by the grantee on the income of the eligible person or the parents or legal guardians of the eligible person and takes into account the difficulty adolescents face in obtaining resources to pay for services. A grantee who receives funds for a demonstration project for services under this title may not, in any case, discriminate with regard to the provision of services to any individual because of that individual's inability to provide payment for such services, except that in determining the ability of an unemancipated minor to provide payment for services, the income of the family of an unemancipated minor shall be considered in determining the ability of such minor to make such payments unless the parents or guardians of the unemancipated minor refuse to make such payments.

"PRIORITIES, AMOUNTS, AND DURATION OF GRANTS FOR DEMONSTRATION PROJECTS FOR SERVICES

42 USC 300z-4.

"SEC. 2005. (a) In approving applications for grants for demonstration projects for services under this title, the Secretary shall give priority to applicants who—

"(1) serve an area where there is a high incidence of adolescent pregnancy;

"(2) serve an area with a high proportion of low-income families and where the availability of programs of care for pregnant adolescents and adolescent parents is low;

"(3) show evidence—

"(A) in the case of an applicant who will provide care services, of having the ability to bring together a wide range of needed core services and, as appropriate, supplemental services in comprehensive single-site projects, or to establish a well-integrated network of such services (appropriate for the target population and geographic area to be served including the special needs of rural areas) for pregnant adolescents or adolescent parents; or

"(B) in the case of an applicant who will provide prevention services, of having the ability to provide prevention services for adolescents and their families which are appropriate for the target population and the geographic area to be served, including the special needs of rural areas;

"(4) will utilize to the maximum extent feasible existing available programs and facilities such as neighborhood and primary health care centers, maternity homes which provide or can be equipped to provide services to pregnant adolescents, agencies serving families, youth, and children with established programs of service to pregnant adolescents and vulnerable families, licensed adoption agencies, children and youth centers, maternal and infant health centers, regional rural health facilities, school and other educational programs, mental health programs, nutrition programs, recreation programs, and other ongoing pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents;

"(5) make use, to the maximum extent feasible, of other Federal, State, and local funds, programs, contributions, and other third-party reimbursements;

"(6) can demonstrate a community commitment to the program by making available to the demonstration project non-Federal funds, personnel, and facilities;

"(7) have involved the community to be served, including public and private agencies, adolescents, and families, in the planning and implementation of the demonstration project; and

"(8) will demonstrate innovative and effective approaches in addressing the problems of adolescent premarital sexual relations, pregnancy, or parenthood, including approaches to provide pregnant adolescents with adequate information about adoption.

"(b)(1) The amount of a grant for a demonstration project for services under this title shall be determined by the Secretary, based on factors such as the incidence of adolescent pregnancy in the geographic area to be served, and the adequacy of pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents in such area.

"(2) In making grants for demonstration projects for services under this title, the Secretary shall consider the special needs of rural areas

and, to the maximum extent practicable, shall distribute funds taking into consideration the relative number of adolescents in such areas in need of such services.

"(c)(1) A grantee may not receive funds for a demonstration project for services under this title for a period in excess of 5 years.

"(2)(A) Subject to paragraph (3), a grant for a demonstration project for services under this title may not exceed—

"(i) 70 per centum of the costs of the project for the first and second years of the project;

"(ii) 60 per centum of such costs for the third year of the project;

"(iii) 50 per centum of such costs for the fourth year of the project; and

"(iv) 40 per centum of such costs for the fifth year of the project.

"(B) Non-Federal contributions required by subparagraph (A) may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(3) The Secretary may waive the limitation specified in paragraph (2)(A) for any year in accordance with criteria established by regulation.

"REQUIREMENTS FOR APPLICATIONS

"SEC. 2006. (a) An application for a grant for a demonstration project for services under this title shall be in such form and contain such information as the Secretary may require, and shall include— 42 USC 300z-5.

"(1) an identification of the incidence of adolescent pregnancy and related problems;

"(2) a description of the economic conditions and income levels in the geographic area to be served;

"(3) a description of existing pregnancy prevention services and programs of care for pregnant adolescents and adolescent parents (including adoption services), and including where, how, by whom, and to which population groups such services are provided, and the extent to which they are coordinated in the geographic area to be served;

"(4) a description of the major unmet needs for services for adolescents at risk of initial or recurrent pregnancies and an estimate of the number of adolescents not being served in the area;

"(5)(A) in the case of an applicant who will provide care services, a description of how all core services will be provided in the demonstration project using funds under this title or will otherwise be provided by the grantee in the area to be served, the population to which such services will be provided, how such services will be coordinated, integrated, and linked with other related programs and services and the source or sources of funding of such core services in the public and private sectors; or

"(B) in the case of an applicant who will provide prevention services, a description of the necessary services to be provided and how the applicant will provide such services;

"(6) a description of the manner in which adolescents needing services other than the services provided directly by the applicant will be identified and how access and appropriate referral to such other services (such as medicaid; licensed adoption agencies; maternity home services; public assistance; employment services; child care services for adolescent parents; and other city, county, and State programs related to adolescent pregnancy) will

be provided, including a description of a plan to coordinate such other services with the services supported under this title;

"(7) a description of the applicant's capacity to continue services as Federal funds decrease and in the absence of Federal assistance;

"(8) a description of the results expected from the provision of services, and the procedures to be used for evaluating those results;

"(9) a summary of the views of public agencies, providers of services, and the general public in the geographic area to be served, concerning the proposed use of funds provided for a demonstration project for services under this title and a description of procedures used to obtain those views, and, in the case of applicants who propose to coordinate services administered by a State, the written comments of the appropriate State officials responsible for such services;

"(10) assurances that the applicant will have an ongoing quality assurance program;

"(11) assurances that, where appropriate, the applicant shall have a system for maintaining the confidentiality of patient records in accordance with regulations promulgated by the Secretary;

"(12) assurances that the applicant will demonstrate its financial responsibility by the use of such accounting procedures and other requirements as may be prescribed by the Secretary;

"(13) assurances that the applicant (A) has or will have a contractual or other arrangement with the agency of the State (in which the applicant provides services) that administers or supervises the administration of a State plan approved under title XIX of the Social Security Act for the payment of all or a part of the applicant's costs in providing health services to persons who are eligible for medical assistance under such a State plan, or (B) has made or will make every reasonable effort to enter into such an arrangement;

42 USC 1396.

"(14) assurances that the applicant has made or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing health services to persons who are entitled to benefits under title V of the Social Security Act, to medical assistance under a State plan approved under title XIX of such Act, or to assistance for medical expenses under any other public assistance program or private health insurance program;

42 USC 701.

"(15) assurances that the applicant has or will make and will continue to make every reasonable effort to collect appropriate reimbursement for its costs in providing services to persons entitled to services under parts B and E of title IV and title XX of the Social Security Act;

94 Stat. 516
42 USC 620.
94 Stat. 501.
42 USC 670.
42 USC 1397.

"(16)(A) a description of—

"(i) the schedule of fees to be used in the provision of services, which shall comply with section 2004(c) and which shall be designed to cover all reasonable direct and indirect costs incurred by the applicant in providing services; and

"(ii) a corresponding schedule of discounts to be applied to the payment of such fees, which shall comply with section 2004(c) and which shall be adjusted on the basis of the ability of the eligible person to pay;

"(B) assurances that the applicant has made and will continue to make every reasonable effort—

"(i) to secure from eligible persons payment for services in accordance with such schedules;

"(ii) to collect reimbursement for health or other services provided to persons who are entitled to have payment made on their behalf for such services under any Federal or other government program or private insurance program; and

"(iii) to seek such reimbursement on the basis of the full amount of fees for services without application of any discount; and

"(C) assurances that the applicant has submitted or will submit to the Secretary such reports as the Secretary may require to determine compliance with this paragraph;

"(17) assurances that the applicant will make maximum use of funds available under title X of this Act; 42 USC 300.

"(18) assurances that the acceptance by any individual of family planning services or family planning information (including educational materials) provided through financial assistance under this title shall be voluntary and shall not be a prerequisite to eligibility for or receipt of any other service furnished by the applicant;

"(19) assurances that fees collected by the applicant for services rendered in accordance with this title shall be used by the applicant to further the purposes of this title;

"(20) assurances that the applicant, if providing both prevention and care services will not exclude or discriminate against any adolescent who receives prevention services and subsequently requires care services as a pregnant adolescent;

"(21) a description of how the applicant will, as appropriate in the provision of services—

"(A) involve families of adolescents in a manner which will maximize the role of the family in the solution of problems relating to the parenthood or pregnancy of the adolescent;

"(B) involve religious and charitable organizations, voluntary associations, and other groups in the private sector as well as services provided by publicly sponsored initiatives;

"(22)(A) assurances that—

"(i) except as provided in subparagraph (B) and subject to clause (ii), the applicant will notify the parents or guardians of any unemancipated minor requesting services from the applicant and, except as provided in subparagraph (C), will obtain the permission of such parents or guardians with respect to the provision of such services; and

"(ii) in the case of a pregnant unemancipated minor requesting services from the applicant, the applicant will notify the parents or guardians of such minor under clause (i) within a reasonable period of time;

"(B) assurances that the applicant will not notify or request the permission of the parents or guardian of any unemancipated minor without the consent of the minor—

"(i) who solely is requesting from the applicant pregnancy testing or testing or treatment for venereal disease;

"(ii) who is the victim of incest involving a parent; or

"(iii) if an adult sibling of the minor or an adult aunt, uncle, or grandparent who is related to the minor by blood certifies to the grantee that notification of the parents or guardians of such minor would result in physical injury to such minor; and

"(C) assurances that the applicant will not require, with respect to the provision of services, the permission of the parents or guardians of any pregnant unemancipated minor if such parents or guardians are attempting to compel such minor to have an abortion;

"(23) assurances that primary emphasis for services supported under this title shall be given to adolescents seventeen and under who are not able to obtain needed assistance through other means;

"(24) assurances that funds received under this title shall supplement and not supplant funds received from any other Federal, State, or local program or any private sources of funds; and

"(25) a plan for the conduct of, and assurances that the applicant will conduct, evaluations of the effectiveness of the services supported under this title in accordance with subsection (b).

"(b)(1) Each grantee which receives funds for a demonstration project for services under this title shall expend at least 1 per centum but not in excess of 5 per centum of the amounts received under this title for the conduct of evaluations of the services supported under this title. The Secretary may, for a particular grantee upon good cause shown, waive the provisions of the preceding sentence with respect to the amounts to be expended on evaluations, but may not waive the requirement that such evaluations be conducted.

"(2) Evaluations required by paragraph (1) shall be conducted by an organization or entity which is independent of the grantee providing services supported under this title. To assist in conducting the evaluations required by paragraph (1), each grantee shall develop a working relationship with a college or university located in the grantee's State which will provide or assist in providing monitoring and evaluation of services supported under this title unless no college or university in the grantee's State is willing or has the capacity to provide or assist in providing such monitoring and assistance.

"(3) The Secretary may provide technical assistance with respect to the conduct of evaluations required under this subsection to any grantee which is unable to develop a working relationship with a college or university in the applicant's State for the reasons described in paragraph (2).

"(c) Each grantee which receives funds for a demonstration project for services under this title shall make such reports concerning its use of Federal funds as the Secretary may require. Reports shall include, at such times as are considered appropriate by the Secretary, the results of the evaluations of the services supported under this title.

"(d)(1) A grantee shall periodically notify the Secretary of the exact number of instances in which a grantee does not notify the parents or guardians of a pregnant unemancipated minor under subsection (a)(22)(B)(iii).

"(2) For purposes of subsection (a)(22)(B)(iii), the term "adult" means an adult as defined by State law.

"(e) Each applicant shall provide the Governor of the State in which the applicant is located a copy of each application submitted to the Secretary for a grant for a demonstration project for services under this title. The Governor shall submit to the applicant comments on any such application within the period of sixty days beginning on the day when the Governor receives such copy. The

applicant shall include the comments of the Governor with such application.

"(f) No application submitted for a grant for a demonstration project for care services under this title may be approved unless the Secretary is satisfied that core services shall be available through the applicant within a reasonable time after such grant is received.

"COORDINATION OF FEDERAL AND STATE PROGRAMS

"SEC. 2007. (a) The Secretary shall coordinate Federal policies and programs providing services relating to the prevention of adolescent sexual relations and initial and recurrent adolescent pregnancies and providing care services for pregnant adolescents. In achieving such coordination, the Secretary shall— 42 USC 300z-6.

"(1) require grantees who receive funds for demonstration projects for services under this title to report periodically to the Secretary concerning Federal, State, and local policies and programs that interfere with the delivery of and coordination of pregnancy prevention services and other programs of care for pregnant adolescents and adolescent parents;

"(2) provide technical assistance to facilitate coordination by State and local recipients of Federal assistance;

"(3) review all programs administered by the Department of Health and Human Services which provide prevention services or care services to determine if the policies of such programs are consistent with the policies of this title, consult with other departments and agencies of the Federal Government who administer programs that provide such services, and encourage such other departments and agencies to make recommendations, as appropriate, for legislation to modify such programs in order to facilitate the use of all Government programs which provide such services as a basis for delivery of more comprehensive prevention services and more comprehensive programs of care for pregnant adolescents and adolescent parents;

"(4) give priority in the provision of funds, where appropriate, to applicants using single or coordinated grant applications for multiple programs; and

"(5) give priority, where appropriate, to the provision of funds under Federal programs administered by the Secretary (other than the program established by this title) to projects providing comprehensive prevention services and comprehensive programs of care for pregnant adolescents and adolescent parents.

"(b) Any recipient of a grant for a demonstration project for services under this title shall coordinate its activities with any other recipient of such a grant which is located in the same locality.

"RESEARCH

"SEC. 2008. (a)(1) The Secretary may make grants and enter into contracts with public agencies or private organizations or institutions of higher education to support the research and dissemination activities described in paragraphs (4), (5), and (6) of section 2001(b). 42 USC 300z-7.

"(2) The Secretary may make grants or enter into contracts under this section for a period of one year. A grant or contract under this section for a project may be renewed for four additional one-year periods, which need not be consecutive.

"(3) A grant or contract for any one-year period under this section may not exceed $100,000 for the direct costs of conducting research or

dissemination activities under this section and may include such additional amounts for the indirect costs of conducting such activities as the Secretary determines appropriate. The Secretary may waive the preceding sentence with respect to a specific project if he determines that—

"(A) exceptional circumstances warrant such waiver and that the project will have national impact; or

"(B) additional amounts are necessary for the direct costs of conducting limited demonstration projects for the provision of necessary services in order to provide data for research carried out under this title.

"(4) The amount of any grant or contract made under this section may remain available for obligation or expenditure after the close of the one-year period for which such grant or contract is made in order to assist the recipient in preparing the report required by subsection (f)(1).

"(b)(1) Funds provided for research under this section may be used for descriptive or explanatory surveys, longitudinal studies, or limited demonstration projects for services that are for the purpose of increasing knowledge and understanding of the matters described in paragraphs (4) and (5) of section 2001(b).

"(2) Funds provided under this section may not be used for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or facility.

"(c) The Secretary may not make any grant or enter into any contract to support research or dissemination activities under this section unless—

"(1) the Secretary has received an application for such grant or contract which is in such form and which contains such information as the Secretary may by regulation require;

"(2) the applicant has demonstrated that the applicant is capable of conducting one or more of the types of research or dissemination activities described in paragraph (4), (5), or (6) of section 2001(b); and

"(3) in the case of an application for a research project, the panel established by subsection (e)(2) has determined that the project is of scientific merit.

"(d) The Secretary shall, where appropriate, coordinate research and dissemination activities carried out under this section with research and dissemination activities carried out by the National Institutes of Health.

"(e)(1) The Secretary shall establish a system for the review of applications for grants and contracts under this section. Such system shall be substantially similar to the system for scientific peer review of the National Institutes of Health and shall meet the requirements of paragraphs (2) and (3).

"(2) In establishing the system required by paragraph (1), the Secretary shall establish a panel to review applications under this section. Not more than 25 per centum of the members of the panel shall be physicians. The panel shall meet as often as may be necessary to facilitate the expeditious review of applications under this section, but not less than once each year. The panel shall review each project for which an application is made under this section, evaluate the scientific merit of the project, determine whether the project is of scientific merit, and make recommendations to the Secretary concerning whether the application for the project should be approved.

"(3) The Secretary shall make grants under this section from among the projects which the panel established by paragraph (2) has determined to be of scientific merit and may only approve an application for a project if the panel has made such determination with respect to such a project. The Secretary shall make a determination with respect to an application within one month after receiving the determinations and recommendations of such panel with respect to the application.

"(f)(1)(A) The recipient of a grant or contract for a research project under this section shall prepare and transmit to the Secretary a report describing the results and conclusions of such research. Except as provided in subparagraph (B), such report shall be transmitted to the Secretary not later than eighteen months after the end of the year for which funds are provided under this section. The recipient may utilize reprints of articles published or accepted for publication in professional journals to supplement or replace such report if the research contained in such articles was supported under this section during the year for which the report is required.

"(B) In the case of any research project for which assistance is provided under this section for two or more consecutive one-year periods, the recipient of such assistance shall prepare and transmit the report required by subparagraph (A) to the Secretary not later than twelve months after the end of each one-year period for which such funding is provided.

"(2) Recipients of grants and contracts for dissemination under this section shall submit to the Secretary such reports as the Secretary determines appropriate.

"(g) In carrying out functions relating to the conduct and support of research under this section, the Secretary shall not be subject to the provisions of chapter 35 of title 44, United States Code, except with respect to the collection of survey data which primarily will be used for the generation of national population estimates.

94 Stat. 2812.
44 USC 3501 *et seq.*

"EVALUATION AND ADMINISTRATION

"SEC. 2009. (a) Of the funds appropriated under this title, the Secretary shall reserve not less than 1 per centum and not more than 3 per centum for the evaluation of activities carried out under this title. The Secretary shall submit to the appropriate committees of the Congress a summary of each evaluation conducted under this section.

42 USC 300z-8.

Submittal to congressional committees.

"(b) The officer or employee of the Department of Health and Human Services designated by the Secretary to carry out the provisions of this title shall report directly to the Assistant Secretary for Health with respect to the activities of such officer or employee in carrying out such provisions.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 2010. (a) For the purpose of carrying out this title, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1982, $30,000,000 for the fiscal year ending September 30, 1983, and $30,000,000 for the fiscal year ending September 30, 1984.

42 USC 300z-9.

"(b) At least two-thirds of the amounts appropriated to carry out this title shall be used to make grants for demonstration projects for services.

"(c) Not more than one-third of the amounts specified under subsection (b) for use for grants for demonstration projects for

services shall be used for grants for demonstration projects for prevention services.

"RESTRICTIONS

42 USC 300z-10.

"SEC. 2011. (a) Grants or payments may be made only to programs or projects which do not provide abortions or abortion counseling or referral, or which do not subcontract with or make any payment to any person who provides abortions or abortion counseling or referral, except that any such program or project may provide referral for abortion counseling to a pregnant adolescent if such adolescent and the parents or guardians of such adolescent request such referral; and grants may be made only to projects or programs which do not advocate, promote, or encourage abortion.

"(b) The Secretary shall ascertain whether programs or projects comply with subsection (a) and take appropriate action if programs or projects do not comply with such subsection, including withholding of funds.".

Repeals.
42 USC 300a-21.
42 USC 300a-41.
42 USC 300a-21 note.

(b) Effective October 1, 1981, titles VI, VII, and VIII of the Health Services and Centers Amendments of 1978 are repealed.

Subtitle H—Alcohol and Drug Programs

CHAPTER 1—ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION

REFERENCE

SEC. 960. Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

42 USC 4541 note.

ALCOHOL ABUSE AND ALCOHOLISM AMONG GOVERNMENT AND OTHER EMPLOYEES

42 USC 4561.

SEC. 961. Section 201(b)(2)(B) is amended by striking out "single State agencies designated pursuant to section 303 of this Act" and inserting in lieu thereof "the State agencies responsible for the administration of alcohol abuse prevention, treatment, and rehabilitation activities".

TECHNICAL ASSISTANCE

42 USC 4571.

SEC. 962. (a) Section 301 is amended to read as follows:

"TECHNICAL ASSISTANCE

"SEC. 301. (a) On the request of any State, the Secretary, acting through the Institute, shall, to the extent feasible, make available technical assistance for—

"(1) developing and improving systems for data collection;

"(2) program management, accountability, and evaluation;

"(3) certification, accreditation, or licensure of treatment facilities and personnel;

"(4) monitoring compliance by hospitals and other facilities with the requirements of section 321; and

42 USC 4581.

"(5) eliminating exclusions in health insurance coverage offered in the State which are based on alcoholism or alcohol abuse.

"(b) Insofar as practicable, technical assistance provided under this section shall be provided in a manner which will improve coordination between activities supported under this Act and under the Drug Abuse Prevention, Treatment, and Rehabilitation Act.".

(b) Sections 302, 303, and 310 are repealed.

21 USC 1101 note.
Repeals.
42 USC 4572, 4573, 4576.

GRANTS AND CONTRACTS

SEC. 963. (a) The section heading for section 311 is amended to read as follows:

42 USC 4577.

"GRANTS AND CONTRACTS FOR THE DEMONSTRATION OF NEW AND MORE EFFECTIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION PROGRAMS".

(b) Section 311(a) is amended—

(1) by adding at the end of clause (1) "and with particular emphasis on developing new and more effective alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs,";

(2) by inserting "and" after the comma the last place it appears in clause (2);

(3) by striking out clauses (3) and (5) and by redesignating clause (4) as clause (3); and

(4) by striking out the comma and "and" at the end of clause (3) (as redesignated by clause (2) of this subsection) and inserting in lieu thereof a period.

(c)(1) Section 311(c)(2)(A) is amended—

(A) by striking out "designated under section 303 of this Act, if such designation has been made" in the first sentence and inserting in lieu thereof "responsible for the administration of alcohol abuse and alcoholism prevention, treatment, and rehabilitation activities";

(B) by striking out "the" before "State comprehensive plan" in the third sentence and inserting in lieu thereof "any"; and

(C) by striking out "under section 303" in the third sentence.

(2) Section 311(c)(3) is amended—

(A) by inserting "and" after the semicolon in clause (B);

(B) by striking out the semicolon and "and" at the end of clause (C) and inserting in lieu thereof a period; and

(C) by striking out clause (D).

(3) Section 311(c)(4) is amended to read as follows:

"(4) The Secretary shall encourage the submission of and give special consideration to applications under this section for programs and projects aimed at underserved populations such as racial and ethnic minorities, Native Americans, youth, the elderly, women, handicapped individuals, public inebriates, and families of alcoholics.".

(4) Section 311(c) is further amended—

(A) by redesignating paragraph (5) as paragraph (6);

(B) by inserting after paragraph (4) the following new paragraph:

"(5)(A) No grant may be made under this section to a State or to any entity within the government of a State unless the grant application has been duly authorized by the chief executive officer of such State.

"(B) No grant or contract may be made under this section for a period in excess of five years.

"(C)(i) The amount of any grant or contract under this section may not exceed 100 per centum of the cost of carrying out the grant or contract in the first fiscal year for which the grant or contract is made under this section, 80 per centum of such cost in the second fiscal year for which the grant or contract is made under this section, 70 per centum of such cost in the third fiscal year for which the grant or contract is made under this section, and 60 per centum of such cost in each of the fourth and fifth fiscal years for which the grant or contract is made under this section.

"(ii) For purposes of this subparagraph, no grant or contract shall be considered to have been made under this section for a fiscal year ending before September 30, 1981."; and

(C) by adding at the end thereof the following new paragraph:

"(7) Nothing shall prevent the use of funds provided under this section for programs and projects aimed at the prevention, treatment, or rehabilitation of drug abuse as well as alcohol abuse and alcoholism.".

AUTHORIZATION OF APPROPRIATIONS; PROJECT GRANTS AND CONTRACTS

42 USC 4578.

SEC. 964. (a) The first sentence of section 312 is amended—

(A) by striking out "sections 310 and 311" and inserting in lieu thereof "section 311"; and

(B) by striking out "and" after "1980," and by inserting before the period a comma and "and $15,000,000 for the fiscal year ending September 30, 1982".

(b) The second sentence of such section is amended by striking out "and" after the semicolon the first place it appears and by inserting before the period a semicolon and "and of the funds appropriated under this section for the fiscal year ending September 30, 1982, at least 25 per centum of the funds shall be obligated for such grants".

ALCOHOL ABUSE RESEARCH AND RESEARCH CENTERS

42 USC 4588.

SEC. 965. (a) Section 503 (42 U.S.C. 4587) is amended—

(A) by inserting "(a)" after "503.",

(B) by striking out "the purposes of sections 501 and 502" and inserting in lieu thereof "this title",

(C) by striking out "and" after "1980,", and

(D) by striking out the period and inserting in lieu thereof a comma and the following: "$25,000,000 for the fiscal year ending September 30, 1982. Of the funds appropriated under this section for any fiscal year beginning after September 30, 1981, not more than 35 per centum may be obligated for grants under section 503.".

42 USC 4587.

(b) Section 504(b) (42 U.S.C. 4588(b)) is amended by adding at the end the following: "The Secretary shall include in the grants made under this section for fiscal years beginning after September 30, 1981, a grant to a designated Center for research on the effects of alcohol on the elderly.".

42 USC 4587, 4588.

(c) Section 503 is inserted after section 504 of such Act and is redesignated as section 504 and the section 504 of such Act relating to National Alcohol Research Centers is redesignated as section 503.

TECHNICAL AMENDMENTS

SEC. 966. (a) The first sentence of section 101(a) is amended (1) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services", and (2) by striking out "and part C of the Community Mental Health Centers Act". 42 USC 4551.

(b) Section 102(1) is amended by striking out "and part C of the Community Mental Health Centers Act". 42 USC 4552.

(c) Section 103(b) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services". 42 USC 4553.

(d) Section 201(b)(4) is amended by striking out "Office and Treatment Act of 1972" and inserting in lieu thereof "Prevention, Treatment, and Rehabilitation Act". 42 USC 4561.

(e) Section 201(e) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(f)(1) The heading for title III is amended to read as follows:

"TITLE III—TECHNICAL ASSISTANCE AND FEDERAL GRANTS AND CONTRACTS"

(2) The heading for part A of title III is amended to read as follows:

"PART A—TECHNICAL ASSISTANCE".

CHAPTER 2—DRUG ABUSE PREVENTION, TREATMENT, AND REHABILITATION

REFERENCE

SEC. 967. Except as otherwise specifically provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Drug Abuse Prevention, Treatment, and Rehabilitation Act. 21 USC 1101 note.

ADDITIONAL DRUG ABUSE PREVENTION FUNCTIONS

SEC. 968. (a) Section 406(a) is amended— 21 USC 1173.

(1) by inserting "and" after the semicolon in clause (2);

(2) by striking out the semicolon and "and" at the end of clause (3) and inserting in lieu thereof a period; and

(3) by striking out clause (4).

(b) The section heading for section 406 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(c) The item relating to section 406 in the table of sections for title IV is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

FORMULA GRANTS

SEC. 969. (a) Section 409 is repealed. Repeal.

(b) The table of sections for title IV is amended by striking out the item relating to section 409. 21 USC 1176.

GRANTS AND CONTRACTS

21 USC 1177.

SEC. 970. (a)(1) The section heading for section 410 is amended to read as follows:

"§ 410. Grants and contracts for the demonstration of new and more effective prevention, treatment, and rehabilitation programs.".

(2) The item relating to section 410 in the table of sections for title IV is amended to read as follows:

"410. Grants and contracts for the demonstration of new and more effective prevention, treatment, and rehabilitation programs.".

(b)(1) The first sentence of section 410(a) is amended to read as follows: "The Secretary acting through the National Institute on Drug Abuse, may make grants to and enter into contracts with individuals and public and private nonprofit entities—

"(1) to provide training seminars, educational programs, and technical assistance for the development, demonstration, and evaluation of drug abuse prevention, treatment, and rehabilitation programs; and

"(2) to conduct demonstration and evaluation projects, with a high priority on prevention and early intervention projects and on identifying new and more effective drug abuse prevention, treatment, and rehabilitation programs.".

(2) Section 410(a) is further amended by adding at the end thereof the following new sentence: "Furthermore, nothing shall prevent the use of funds provided under this section for programs and projects aimed at the prevention, treatment, and rehabilitation of alcohol abuse and alcoholism as well as drug abuse.".

Appropriation authorization.

(c) Section 410(b) is amended by adding at the end thereof the following new sentences: "For carrying out the purposes of this section, there are authorized to be appropriated $15,000,000 for the fiscal year ending September 30, 1982. Of the funds appropriated under the preceding sentence, at least 25 per centum of the funds shall be obligated for grants and contracts for primary prevention and intervention programs designed to discourage individuals, particularly individuals in high risk populations, from abusing drugs.".

(d)(1)(A) The first sentence of section 410(c)(2) is amended by striking out "designated or established under section 409" and inserting in lieu thereof "responsible for the administration of drug abuse prevention activities".

(B) The third sentence of such section is amended—

(i) by striking out "the" before "State comprehensive plan" and inserting in lieu thereof "any"; and

(ii) by striking out "under section 409".

(2) Section 410(c)(3) is amended—

(A) by inserting "and" after the semicolon in clause (B);

(B) by striking out the semicolon and "and" at the end of clause (C) and inserting in lieu thereof a period; and

(C) by striking out clause (D).

(e) Section 410(d) is amended to read as follows:

"(d) The Secretary shall encourage the submission of and give special consideration to applications under this section to programs and projects aimed at underserved populations such as racial and ethnic minorities, native Americans, youth, the elderly, women, handicapped individuals, and families of drug abusers.".

(f) Section 410 is further amended by adding at the end thereof the following new subsection: 21 USC 1177.

"(g)(1) No grant may be made under this section to a State or to any entity within the government of a State unless the grant application has been duly authorized by the chief executive officer of such State.

"(2) No grant or contract may be made under this section for a period in excess of five years.

"(3)(A) The amount of any grant or contract under this section may not exceed 100 per centum of the cost of carrying out the grant or contract in the first fiscal year for which the grant or contract is made under this section, 80 per centum of such cost in the second fiscal year for which the grant or contract is made under this section, 70 per centum of such cost in the third fiscal year for which the grant or contract is made under this section, and 60 per centum of such cost in each of the fourth and fifth fiscal years for which the grant or contract is made under this section.

"(B) For purposes of this paragraph, no grant or contract shall be considered to have been made under this section for a fiscal year ending before September 30, 1981.".

RECORDS AND AUDIT

SEC. 971. Section 411(a) is amended by striking out "409 or". 21 USC 1178.

DRUG ABUSE RESEARCH

SEC. 972. (a) Section 503 is amended— 21 USC 1193.

(1) by inserting "(a)" before "The Director shall";

(2) by striking out "and" after the semicolon in clause (3);

(3) by striking out the period at the end of clause (4) and inserting in lieu thereof a semicolon and "and"; and

(4) by inserting after clause (4) the following new clause: "(5) drug abuse prevention, treatment, and rehabilitation.";

(5) by striking out "this section" in the last sentence and inserting in lieu thereof "this subsection"; and

(6) by adding at the end the following:

"(b) The Director may—

"(1) make grants or enter into contracts with individuals and public and nonprofit entities for the purpose of determining the causes of drug abuse in a particular area, and

"(2) make grants to and enter into contracts with individuals and public and private nonprofit entities for research respecting improved drug maintenance and detoxification techniques and programs.

"(c) For the purposes of subsections (a) and (b), there are authorized to be appropriated $45,000,000 for the fiscal year ending September 30, 1982.". Appropriation authorization.

(b) The heading for section 503 of such Act is amended by striking out "certain research and development" and inserting in lieu thereof "research".

(c) The item relating to section 503 in the table of sections for title V of such Act is amended by striking out "certain research and development" and inserting in lieu thereof "research".

TECHNICAL AMENDMENTS

21 USC 1115.

SEC. 973. (a) Section 205 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

21 USC 1162.

(b) Section 302 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

21 USC 1172.

(c)(1) Section 405 is amended by striking out "Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Health and Human Services".

(2) The section heading for section 405 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(3) The item relating to section 405 in the table of sections for title IV is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

21 USC 1175.

(d) Section 408(g) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

21 USC 1180.

(e) Section 413(b)(2)(B) is amended by striking out "single State agencies designated pursuant to section 409(e)(1) of this Act" and inserting in lieu thereof "the State agencies responsible for the administration of drug abuse prevention activities".

21 USC 1191.

(f) Section 501 is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

Consumer-Patient Radiation Health and Safety Act of 1981.

Subtitle I—Consumer-Patient Radiation Health and Safety Act of 1981

SHORT TITLE

42 USC 10001 note.

SEC. 975. This subtitle may be cited as the "Consumer-Patient Radiation Health and Safety Act of 1981".

STATEMENT OF FINDINGS

42 USC 10001.

SEC. 976. The Congress finds that—

(1) it is in the interest of public health and safety to minimize unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures;

(2) it is in the interest of public health and safety to have a continuing supply of adequately educated persons and appropriate accreditation and certification programs administered by State governments;

(3) the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation due to medical and dental radiologic procedures and the assurance of efficacious procedures are the responsibility of State and Federal governments;

(4) persons who administer radiologic procedures, including procedures at Federal facilities, should be required to demonstrate competence by reason of education, training, and experience; and

(5) the administration of radiologic procedures and the effect on individuals of such procedures have a substantial and direct effect upon United States interstate commerce.

STATEMENT OF PURPOSE

SEC. 977. It is the purpose of this subtitle to— 42 USC 10002.

(1) provide for the establishment of minimum standards by the Federal Government for the accreditation of education programs for persons who administer radiologic procedures and for the certification of such persons; and

(2) insure that medical and dental radiologic procedures are consistent with rigorous safety precautions and standards.

DEFINITIONS

SEC. 978. Unless otherwise expressly provided, for purposes of this subtitle, the term— 42 USC 10003.

(1) "radiation" means ionizing and nonionizing radiation in amounts beyond normal background levels from sources such as medical and dental radiologic procedures;

(2) "radiologic procedure" means any procedure or article intended for use in—

(A) the diagnosis of disease or other medical or dental conditions in humans (including diagnostic X-rays or nuclear medicine procedures); or

(B) the cure, mitigation, treatment, or prevention of disease in humans;

that achieves its intended purpose through the emission of radiation;

(3) "radiologic equipment" means any radiation electronic product which emits or detects radiation and which is used or intended for use to—

(A) diagnose disease or other medical or dental conditions (including diagnostic X-ray equipment); or

(B) cure, mitigate, treat, or prevent disease in humans;

that achieves its intended purpose through the emission or detection of radiation;

(4) "practitioner" means any licensed doctor of medicine, osteopathy, dentistry, podiatry, or chiropractic, who prescribes radiologic procedures for other persons;

(5) "persons who administer radiologic procedures" means any person, other than a practitioner, who intentionally administers radiation to other persons for medical purposes, and includes medical radiologic technologists (including dental hygienists and assistants), radiation therapy technologists, and nuclear medicine technologists;

(6) "Secretary" means the Secretary of Health and Human Services; and

(7) "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

PROMULGATION OF STANDARDS

SEC. 979. (a) Within twelve months after the date of enactment of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations, shall by regulation promulgate minimum standards for the accreditation of educa- Regulation. 42 USC 10004.

tional programs to train individuals to perform radiologic procedures. Such standards shall distinguish between programs for the education of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists, (4) nuclear medicine technologists, and (5) such other kinds of health auxiliaries who administer radiologic procedures as the Secretary determines appropriate. Such standards shall not be applicable to educational programs for practitioners.

Regulation.

(b) Within twelve months after the date of enactment of this Act, the Secretary, in consultation with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, interested agencies of the States, and appropriate professional organizations, shall by regulation promulgate minimum standards for the certification of persons who administer radiologic procedures. Such standards shall distinguish between certification of (1) medical radiologic technologists (including radiographers), (2) dental auxiliaries (including dental hygienists and assistants), (3) radiation therapy technologists, (4) nuclear medicine technologists, and (5) such other kinds of health auxiliaries who administer radiologic procedures as the Secretary determines appropriate. Such standards shall include minimum certification criteria for individuals with regard to accredited education, practical experience, successful passage of required examinations, and such other criteria as the Secretary shall deem necessary for the adequate qualification of individuals to administer radiologic procedures. Such standards shall not apply to practitioners.

MODEL STATUTE

42 USC 10005.

SEC. 980. In order to encourage the administration of accreditation and certification programs by the States, the Secretary shall prepare and transmit to the States a model statute for radiologic procedure safety. Such model statute shall provide that—

(1) it shall be unlawful in a State for individuals to perform radiologic procedures unless such individuals are certified by the State to perform such procedures; and

(2) any educational requirements for certification of individuals to perform radiologic procedures shall be limited to educational programs accredited by the State.

COMPLIANCE

42 USC 10006.

SEC. 981. (a) The Secretary shall take all actions consistent with law to effectuate the purposes of this subtitle.

(b) A State may utilize an accreditation or certification program administered by a private entity if—

(1) such State delegates the administration of the State accreditation or certification program to such private entity;

(2) such program is approved by the State; and

(3) such program is consistent with the minimum Federal standards promulgated under this subtitle for such program.

(c) Absent compliance by the States with the provisions of this subtitle within three years after the date of enactment of this Act, the Secretary shall report to the Congress recommendations for legislative changes considered necessary to assure the States' compliance with this subtitle.

(d) The Secretary shall be responsible for continued monitoring of compliance by the States with the applicable provisions of this subtitle and shall report to the Senate and the House of Representatives by January 1, 1982, and January 1 of each succeeding year the status of the States' compliance with the purposes of this subtitle. Report to Congress.

(e) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and guidelines promulgated pursuant to this subtitle, established standards for the accreditation of educational programs and certification of radiologic technologists, such State shall be deemed to be in compliance with the conditions of this section unless the Secretary determines, after notice and hearing, that such State standards do not meet the minimum standards prescribed by the Secretary or are inconsistent with the purposes of this subtitle.

FEDERAL RADIATION GUIDELINES

SEC. 982. The Secretary shall, in conjunction with the Radiation Policy Council, the Administrator of Veterans' Affairs, the Administrator of the Environmental Protection Agency, appropriate agencies of the States, and appropriate professional organizations, promulgate Federal radiation guidelines with respect to radiologic procedures. Such guidelines shall— 42 USC 10007.

(1) determine the level of radiation exposure due to radiologic procedures which is unnecessary and specify the techniques, procedures, and methods to minimize such unnecessary exposure;

(2) provide for the elimination of the need for retakes of diagnostic radiologic procedures;

(3) provide for the elimination of unproductive screening programs;

(4) provide for the optimum diagnostic information with minimum radiologic exposure; and

(5) include the therapeutic application of radiation to individuals in the treatment of disease, including nuclear medicine applications.

APPLICABILITY TO FEDERAL AGENCIES

SEC. 983. (a) Except as provided in subsection (b), each department, agency, and instrumentality of the executive branch of the Federal Government shall comply with standards promulgated pursuant to this subtitle. 42 USC 10008.

(b)(1) The Administrator of Veterans' Affairs, through the Chief Medical Director of the Veterans' Administration, shall, to the maximum extent feasible consistent with the responsibilities of such Administrator and Chief Medical Director under subtitle 38, United States Code, prescribe regulations making the standards promulgated pursuant to this subtitle applicable to the provision of radiologic procedures in facilities over which the Administrator has jurisdiction. In prescribing and implementing regulations pursuant to this subsection, the Administrator shall consult with the Secretary in order to achieve the maximum possible coordination of the regulations, standards, and guidelines, and the implementation thereof, which the Secretary and the Administrator prescribe under this subtitle. Regulations. 38 USC 101 *et seq.*

(2) Not later than 180 days after standards are promulgated by the Secretary pursuant to this subtitle, the Administrator of Veterans' Report to congressional committees.

Affairs shall submit to the appropriate committees of Congress a full report with respect to the regulations (including guidelines, policies, and procedures thereunder) prescribed pursuant to paragraph (1) of this subsection. Such report shall include—

(A) an explanation of any inconsistency between standards made applicable by such regulations and the standards promulgated by the Secretary pursuant to this subtitle;

(B) an account of the extent, substance, and results of consultations with the Secretary respecting the prescription and implementation of regulations by the Administrator; and

(C) such recommendations for legislation and administrative action as the Administrator determines are necessary and desirable.

Publication in Federal Register.

(3) The Administrator of Veterans' Affairs shall publish the report required by paragraph (2) in the Federal Register.

Subtitle J—Orderly Closure, Transfer, and Financial Self-Sufficiency of Public Health Service Hospitals and Clinics

FINDINGS AND PURPOSES

42 USC 248b note.

SEC. 985. (a) Congress finds that—

(1) because of national budgetary considerations, it has become necessary to terminate Federal appropriations for Public Health Service hospitals and clinics,

(2) with proper planning and coordination, some of these hospitals and clinics could be transferred to State, local, or private control or become financially self-sufficient and continue to provide effective and efficient health care to individuals in the areas in which they are located,

(3) a precipitous closure of these hospitals and clinics will preclude the possibility of such orderly transfer to entities which are willing and able to take over operations at such facilities and will cause unnecessary and costly hardships on the patients and staffs at such facilities and on the communities in which the facilities are located, and

(4) it is in the national interest, consistent with sound budgetary considerations, to assist in the orderly and prompt transfer of such operations to State, local, or private operation or in the achievement of financial self-sufficiency where feasible.

(b) The purposes of this subtitle are—

(1) to provide for the prompt and orderly closure by October 31, 1981, of Public Health Service hospitals and clinics which cannot reasonably be transferred to State, local, or private operation or become financially self-sufficient and for the transfer or achievement of financial self-sufficiency by September 30, 1982, of those hospitals and clinics which can be so transferred or which can achieve such financial self-sufficiency, and

(2) to provide for transitional assistance for merchant seamen whose entitlement to receive free care through Public Health Service hospitals and clinics is repealed and who are hospitalized at the end of fiscal year 1981 and require continuing hospitalization.

ELIMINATION OF MERCHANT MARINE ENTITLEMENT TO HEALTH SERVICES

SEC. 986. (a) Subsection (h) of section 2 and subsections (a) and (b) of section 322 of the Public Health Service Act are repealed. 42 USC 201, 249.

(b)(1) Section 322(e) of such Act is amended—

(A) by striking out "entitled to care and treatment under subsection (a) of this section and persons"; and

(B) by striking out "subsection (c)" and inserting in lieu thereof "subsection (a)".

(2) Subsections (c), (d), and (e) of section 322 of such Act are redesignated as subsections (a), (b), and (c), respectively.

(3) The section heading for section 322 of such Act is amended by striking out "SEAMEN" and inserting in lieu thereof "PERSONS UNDER QUARANTINE".

(4) Section 332(a)(2)(C) of such Act is amended by striking out "seamen" and inserting in lieu thereof "persons under quarantine". 42 USC 254e.

(c) The amendments and repeals made by this section shall take effect on October 1, 1981. Effective date. 42 USC 249 note.

PROPOSALS FOR TRANSFER OR FINANCIAL SELF-SUFFICIENCY OF PUBLIC HEALTH SERVICE HOSPITALS AND CLINICS

SEC. 987. (a) The Secretary of Health and Human Services (hereinafter in this subtitle referred to as the "Secretary") shall, in accordance with this section and notwithstanding section 818 of Public Law 93-155, provide for the closure, transfer, or financial self-sufficiency of all hospitals and other stations of the Public Health Service (hereinafter in this subtitle referred to as the "Service") not later than September 30, 1982. 42 USC 248b. 42 USC 248a.

(b) Not later than July 1, 1981, the Secretary shall notify each Service hospital and other station, and the chief executive officer of each State and of each locality in which such a hospital or other station is located, that the Secretary will accept proposals for the transfer of each such hospital and station from the Service to a public (including Federal) or nonprofit private entity or for the achievement of financial self-sufficiency of each such hospital and station not later than September 30, 1982. No such proposal shall be considered by the Secretary if it is submitted later than September 1, 1981.

(c) The Secretary shall evaluate promptly each proposal submitted under subsection (b) with respect to a hospital or other station and determine, not later than September 30, 1981, whether or not under such proposal the hospital or station—

(1) will be maintained as a general health care facility providing a range of services to the population within its service area,

(2) will continue to make services available to existing patient populations, and

(3) has a reasonable expectation of financial viability and, in the case of a hospital or station that is not proposed to be transferred, of financial self-sufficiency.

Paragraph (1) shall not apply in the case of a proposal for the transfer of a discrete, minor, freestanding part of a hospital or station to a local public entity for the purpose of continuing the provision of services to refugees.

(d)(1) If the Secretary determines that a proposal for a hospital or other station does not meet the standards of subsection (c) or if there is no proposal submitted under subsection (b) with respect to a hospital or other station, the Secretary shall provide for the closure of the hospital or station by not later than October 31, 1981.

(2) If the Secretary determines that a proposal for a hospital or other station meets the standards of subsection (c), the Secretary shall take such steps, within the amounts available through appropriations, as may be necessary and proper—

(A) to operate (or participate or assist in the operation of) the hospital or station by the Service until the transfer is accomplished or financial self-sufficiency is achieved,

(B) to bring the hospital or station into compliance with applicable licensure, accreditation, and local medical practice standards, and

(C) to provide for such other legal, administrative, personnel, and financial arrangements (including allowing payments made with respect to services provided by the hospital or station to be made directly to that hospital or station) as may be necessary to effect a timely and orderly transfer of such hospital or station (including the land, building, and equipment thereof) from the Service, or for the financial self-sufficiency of the hospital or station, not later than September 30, 1982.

(e) There is established, within the Office of the Assistant Secretary for Health of the Department of Health and Human Services, an identifiable administrative unit which shall have direct responsibility and authority for overseeing the activities under this section.

(f) For purposes of this section, a hospital or station cannot be found to be financially self-sufficient if the hospital or station is relying, in whole or in part, on direct appropriated funds for its continued operations.

CONTINUED CARE FOR MERCHANT SEAMEN HOSPITALIZED IN PUBLIC HEALTH SERVICE HOSPITALS

42 USC 249 note.

SEC. 988. (a) The Secretary shall provide, by contract or other arrangement with a Federal entity and without charge but subject to subsection (b), for the continuation of inpatient hospital services (and outpatient services related to the condition of hospitalization) to any individual who—

(1) on September 30, 1981, is receiving inpatient hospital services at a Public Health Service hospital on the basis of the entitlement contained in section 322(a) of the Public Health Service Act (42 U.S.C. 249(a)), as such section was in effect on such date, for treatment of a condition,

(2) requires continued hospitalization after such date for treatment of that condition (or requires outpatient services related to such condition), and

(3) the Secretary determines has no other source of inpatient hospital services available for continued treatment of that condition.

(b) Services may not be provided under subsection (a) to an individual after the earlier of—

(1) September 30, 1982,

(2) the end of the first 60-day consecutive period (beginning after September 30, 1981) during the entire period of which the individual is not an inpatient of a hospital.

(c) Notwithstanding any other provision of law, the head of any Federal department or agency which provides, under other authority of law and through federal facilities, inpatient hospital services or outpatient services, or both, is authorized to provide inpatient hospital services (and related outpatient services) to individuals under

contract or other arrangement with the Secretary pursuant to this section.

Subtitle K—Office of the Secretary of Health and Human Services

APPROPRIATIONS FOR IMMEDIATE OFFICE OF SECRETARY OF HEALTH AND HUMAN SERVICES

SEC. 991. The appropriations for the immediate office of the Secretary of Health and Human Services and the Under Secretary of Health and Human Services for the executive direction of the Department of Health and Human Services may not exceed $4,125,000 for fiscal year 1982, may not exceed $4,485,000 for fiscal year 1983, and may not exceed $4,875,000 for fiscal year 1984. Before the Secretary may request additional funds for the office of the Secretary or the Under Secretary or request the reprograming to such offices of appropriated funds, the Secretary shall consult with the Committee on Energy and Commerce of the House of Representatives. 42 USC 3501 note.

TITLE X—ENERGY AND ENERGY-RELATED PROGRAMS

Subtitle A—Department of Energy Authorization

CHAPTER 1—CIVILIAN RESEARCH AND DEVELOPMENT AUTHORIZATION

OPERATING EXPENSES

SEC. 1001. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the civilian research and development programs of the Department of Energy for the following appropriations accounts: 42 USC 7270 note. 42 USC 7270.

(1) General science and research activities,

(A) for the fiscal year ending on September 30, 1982, $439,160,000;

(B) for the fiscal year ending on September 30, 1983, $471,000,000; and

(C) for the fiscal year ending on September 30, 1984, $500,000,000.

(2) Energy supply, research and development activities,

(A) for the fiscal year ending on September 30, 1982, $2,057,460,000;

(B) for the fiscal year ending on September 30, 1983, $2,141,000,000 including programs authorized in section 1007(a)(3)(A); and

(C) for the fiscal year ending on September 30, 1984, $2,258,000,000 including programs authorized in section 1007(a)(3)(A).

(3) Uranium supply and enrichment activities (advanced isotope separation), for the fiscal year ending on September 30, 1982, $80,292,000.

(4) Geothermal resources development fund: geothermal loan guarantee and interest assistance program,

(A) for the fiscal year ending on September 30, 1982, $200,000;

(B) for the fiscal year ending on September 30, 1983, $200,000; and

(C) for the fiscal year ending on September 30, 1984, $200,000.

(5) Fossil energy research and development, including capital equipment not related to construction,

(A) for the fiscal year ending on September 30, 1982, $460,800,000;

(B) for the fiscal year ending on September 30, 1983, $430,800,000; and

(C) for the fiscal year ending on September 30, 1984, $430,800,000.

(6) Energy conservation research and development, including capital equipment not related to construction,

(A) for the fiscal year ending on September 30, 1982, $149,444,000;

(B) for the fiscal year ending on September 30, 1983, $154,000,000; and

(C) for the fiscal year ending on September 30, 1984, $158,600,000.

PLANT AND CAPITAL EQUIPMENT GENERALLY

42 USC 7270 note.

42 USC 7270.

SEC. 1002. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of captial equipment not related to construction of the Department of Energy for the following appropriations accounts:

(1) General science and research activities,

(A) for the fiscal year ending on September 30, 1982, $128,300,000 including the amounts authorized to be appropriated in sections 1003 and 1004(a)(3);

(B) for the fiscal year ending on September 30, 1983, $137,000,000; and

(C) for the fiscal year ending on September 30, 1984, $147,000,000.

(2) Energy supply, research and development activities,

(A) for the fiscal year ending on September 30, 1982, $370,132,000 including the amounts authorized to be appropriated in sections 1003 and 1004(a)(2);

(B) for the fiscal year ending on September 30, 1983, $354,000,000; and

(C) for the fiscal year ending on September 30, 1984, $416,200,000.

(3) Fossil energy construction,

(A) for the fiscal year ending on September 30, 1982, $18,000,000 including the amounts authorized to be appropriated in sections 1003 and 1004(a)(1);

(B) for the fiscal year ending on September 30, 1983, $13,000,000; and

(C) for the fiscal year ending on September 30, 1984, $6,000,000.

PRIOR YEAR CONSTRUCTION

SEC. 1003. (a) Of the amounts authorized to be appropriated for fiscal year 1982 by sections 1001 and 1002, there are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for construction (including planning, construction, acquisition, and modification of facilities, including land acquisition), and for acquisition and fabrication of capital equipment not related to construction, with respect to each prior year project listed in the budget documents submitted to the Congress in support of the fiscal year 1982 budget, amounts not to exceed the appropriations amount requested for such project for fiscal year 1982 as set forth in such budget documents, except as otherwise provided (in the case of specific projects) under subsection (b).

42 USC 7270 note.

42 USC 7270.

(b) The amounts otherwise authorized by subsection (a) to be appropriated for fiscal year 1982 or previously authorized are increased or decreased as follows:

(1) Fossil energy research and development:

(A) in the case of acquisition and fabrication of capital equipment not related to construction, the amount so authorized for fossil energy research and development is decreased by $800,000;

(2) Energy supply research and development:

(A) in the case of acquisition and fabrication of capital equipment not related to construction, the amount so authorized for energy supply, research, and development activities is increased by $1,000,000;

(B) in the case of Project 81-ES-1, OTEC 40MW Pilot Plant, the amount previously authorized is increased by $6,300,000, for a total project authorization of $36,300,000;

(C) in the case of Project 81-T-314, Impurity Studies Experiment Modification (ISX-C), Oak Ridge, Tennessee, the amount previously authorized is increased by $3,500,000, for a total project authorization of $7,000,000;

(D) in the case of Project 80-ES-19, 250KW, Small Community Solar Thermal Power Experiment, the amount previously authorized is increased by $4,000,000, for a total project authorization of $8,180,000;

(E) in the case of Project 80-G-2, Second 50 MWe Demonstration Power Plant, Heber, Imperial Valley, California, the amount previously authorized is increased by $11,000,000, for a total project authorization of $19,000,000;

(F) in the case of Project 78-6-f, Fuels and Materials Examination Facility, Hanford, Washington, the amount previously authorized is increased by $17,800,000, for a total project authorization of $176,800,000; and

(G) in the case of Project 78-3-b, Mike McCormack Fusion Materials Irradiation Test Facility, Hanford, Washington, the amount previously authorized is increased by $14,000,000, for a total project authorization of $47,000,000.

(3) Energy conservation:

(A) in the case of acquisition and fabrication of capital equipment not related to construction, the amount so authorized for energy conservation is increased by $326,000.

(c) For purposes of this section, the terms "budget documents submitted to the Congress in support of the fiscal year 1982 budget" and "budget documents" mean the Department of Energy Congres-

Definitions.

sional Budget Request, Fiscal Year 1982 (February 1981; DOE/CR-0011-3).

NEW CONSTRUCTION

42 USC 7270 note.

SEC. 1004. (a) Of the amounts appropriated for fiscal year 1982 pursuant to the authorization provided in section 1002, funds may be expended for new plant and capital equipment activities, including planning, construction, acquisition, or modification of facilities, including land acquisition. The following new plant and capital equipment activities are hereby authorized in an amount not to exceed the Federal share of the total estimated cost set forth for each project in budget documents submitted to the Congress in support of the fiscal year 1982 budget. Within such amounts the authorizations for the new plant and capital equipment activities for fiscal year 1982 are limited as follows:

(1) Fossil energy construction:

(A) Project 82-F-506, Surface Water Containment and Waste Water Treatment Facility, Pittsburgh Energy Technology Center, Bruceton, Pennsylvania, $1,000,000; and

(B) Project 82-F-505, General plant projects for technology centers, six locations, $6,000,000; and

(2) Energy supply research and development:

(A) Nuclear fission activities:

(i) Project 82-N-315, General plant projects, Richland, Washington, and other sites, $1,100,000;

(ii) Project 82-N-310, Modification to reactors, various locations, $2,000,000; and

(iii) Project 82-N-312, General plant projects, $11,000,000.

(B) Magnetic fusion activities:

(i) Project GPP-82, General plant projects, Princeton, New Jersey, and Oak Ridge, Tennessee, $5,700,000.

(C) Supporting research and technical analysis activities:

(i) Project 82-E-322, High Temperature Materials Laboratory, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $3,500,000;

(ii) Project 82-E-321, Accelerator Improvements and Modifications, various locations, $300,000;

(iii) Project 82-E-320, General plant projects, various locations, $300,000;

(iv) Project 82-E-301, 300 area critical utilities upgrading, Richland, Washington, $1,000,000;

(v) Project 82-E-302, Security Facility, Argonne National Laboratory, Argonne, Illinois, $1,500,000;

(vi) Project 82-E-305, Traffic safety improvements, Richland, Washington, $3,800,000;

(vii) Project 82-E-306, Railroad modifications, Idaho National Engineering Laboratory, Idaho, $2,000,000.

(D) Environmental research and development activities:

(i) Project 82-GPP-1, General plant projects, $3,000,000; and

(ii) Project 82-V-305, Modifications and additions to environmental research facilities, various locations, $1,000,000.

(3) General science and research activities:

(A) High energy physics activities:

(i) Project 82-E-206, Tevatron II, Fermi National Accelerator Laboratory, Batavia, Illinois, $6,000,000;

(ii) Project 82-E-205, Accelerator improvements and modifications, various locations, $7,000,000; and

(iii) Project 82-E-204, General plant projects, various locations, $6,000,000;

(B) Nuclear physics activities:

(i) Project 82-E-223, Argonne Tandem-Linac Accelerator System (ATLAS), Argonne National Laboratory, Argonne, Illinois, $4,000,000;

(ii) Project 82-E-221, Accelerator improvements and modifications, various locations $2,000,000; and

(iii) Project 82-E-222, General plant projects, various locations, $2,800,000.

Definitions.

(b) For purposes of this section, the terms "budget documents submitted to the Congress in support of the fiscal year 1982 budget" and "budget documents" mean the Department of Energy Congressional Budget Request, Fiscal Year 1982 (February 1981; DOE/CR-0011-3).

CHAPTER 2—CONSERVATION, INFORMATION, AND REGULATION

AUTHORIZATIONS FOR FISCAL YEARS 1982, 1983, AND 1984

42 USC 7270 note.

42 USC 7270.

SEC. 1005. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for operating expenses for—

(1) Energy conservation,

(A) for the fiscal year ending on September 30, 1982, $363,056,000;

(B) for the fiscal year ending on September 30, 1983, $387,400,000; and

(C) for the fiscal year ending on September 30, 1984, $399,000,000.

(2) Regulation and information activities—

(A) for the fiscal year ending on September 30, 1982, including—

(i) for economic regulation, $44,600,000;

(ii) for the Federal Energy Regulatory Commission, $80,400,000; and

(iii) for the Energy Information Administration, $84,986,000;

(B) for the fiscal year ending on September 30, 1983, $265,000,000; and

(C) for the fiscal year ending on September 30, 1984, $275,000,000.

(3) Strategic Petroleum Reserve, to carry out part B of title I of the Energy Policy and Conservation Act, except acquisition, transportation, and injection of petroleum products for the Reserve and the carrying out of any drawdown and distribution of the Reserve—

(A) for the fiscal year ending September 30, 1983, $366,319,000; and

(B) for the fiscal year ending on September 30, 1984, $364,429,000.

CHAPTER 3—POWER MARKETING ADMINISTRATIONS

42 USC 7270 note.
42 USC 7270.

SEC. 1006. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for the civilian programs of the Department of Energy for the following appropriations accounts:

(1) Alaska Power Administration operation and maintenance,

(A) for the fiscal year ending on September 30, 1982, $3,538,000 of which $50,000 shall be reserved for an emergency fund to assure continuous operations during unusual or emergency conditions;

(B) for the fiscal year ending on September 30, 1983, $3,374,000; and

(C) for the fiscal year ending on September 30, 1984, $3,374,000.

(2) Southeastern Power Administration operation and maintenance,

(A) for the fiscal year ending on September 30, 1982, $7,237,000;

(B) for the fiscal year ending on September 30, 1983, $11,848,000; and

(C) for the fiscal year ending on September 30, 1984, $24,240,000.

(3) Southwestern Power Administration operation maintenance,

(A) for the fiscal year ending on September 30, 1982, $20,239,000;

(B) for the fiscal year ending on September 30, 1983, $38,119,000; and

(C) for the fiscal year ending on September 30, 1984, $40,254,000.

(4) Western Area Power Administration construction rehabilitation, operation and maintenance,

(A) for the fiscal year ending on September 30, 1982, $210,774,000;

(B) for the fiscal year ending on September 30, 1983, $226,400,000; and

(C) for the fiscal year ending on September 30, 1984, $259,700,000.

(5) Western Area Power Administration emergency fund,

(A) for the fiscal year ending on September 30, 1982, $500,000;

(B) for the fiscal year ending on September 30, 1983, $500,000; and

(C) for the fiscal year ending on September 30, 1984, $500,000.

CHAPTER 4—OTHER ACTIVITIES

OPERATING EXPENSES

42 USC 7270 note.

SEC. 1007. (a) Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for operating expenses—

(1) uranium supply and enrichment activities,

(A) other than advanced isotope separation, for the fiscal year ending on September 30, 1982, for—

(i) gaseous diffusion operations and support, $961,825,000;

(ii) gas centrifuge operations and support, $5,200,000;

(iii) uranium enrichment process development, $93,075,000;

(iv) program administration, $3,100,000; and

(v) uranium resource assessment, $9,700,000;

(B) including advanced isotope separation, for the fiscal year ending on September 30, 1983, $1,621,600,000; and

(C) including advanced isotope separation, for the fiscal year ending on September 30, 1984, $1,973,600,000.

(2) Department administration,

(A) for the fiscal year ending on September 30, 1982, $206,000,000;

(B) for the fiscal year ending on September 30, 1983, $246,963,000, including plant and capital equipment; and

(C) for the fiscal year ending on September 30, 1984, $246,963,000, including plant and capital equipment.

(3) Energy supply research and development,

(A) solar and hydropower for the fiscal year ending on September 30, 1982, $11,700,000; and

(B) commercial waste management,

(i) other than programs authorized in section 1001(2)(A), for the fiscal year ending on September 30, 1982, $67,370,000;

(ii) for the fiscal year ending on September 30, 1983, $284,148,000; and

(iii) for the fiscal year ending on September 30, 1984, $300,000,000.

(4) Energy conservation, including capital equipment not related to construction,

(A) for the fiscal year ending on September 30, 1982, $32,600,000;

(B) for the fiscal year ending on September 30, 1983, $33,600,000; and

(C) for the fiscal year ending on September 30, 1984, $34,600,000.

(5) Energy production, demonstration, and distribution,

(A) for the fiscal year ending on September 30, 1982, $230,963,000;

(B) for the fiscal year ending on September 30, 1983, $377,195,000; and

(C) for the fiscal year ending on September 30, 1984, $292,305,000.

(b) Any State receiving financial assistance for energy extension service activities pursuant to the National Energy Extension Service Act shall be required to provide funds from non-Federal sources for such activities in an amount no less than 20 per centum of the amount allocated to such State under such Act during any fiscal year.

PLANT AND CAPITAL EQUIPMENT GENERALLY

SEC. 1008. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for construction, including planning, construction, acquisition, or modification of facilities, including land acquisition; and acquisition and fabrication of capital equipment not related to

42 USC 7270 note.

42 USC 7270.

construction of the Department of Energy for the following appropriations accounts:

(1) Uranium supply and enrichment activities, including research and development activities,

(A) for the fiscal year ending on September 30, 1982,

(i) $748,250,000 including the amounts authorized in sections 1009 and 1010(a)(1), and

(ii) $200,000 for uranium resource assessment, capital equipment not related to construction;

(B) for the fiscal year ending on September 30, 1983, $1,002,800,000; and

(C) for the fiscal year ending on September 30, 1984, $981,500,000.

(2) Department administration,

(A) for the fiscal year ending on September 30, 1982, $40,963,000 including the amounts authorized in sections 1009(a) and 1010(a)(2).

(3) Energy supply research and development, commercial waste management,

(A) for the fiscal year ending on September 30, 1982, $975,000.

PRIOR YEAR CONSTRUCTION

42 USC 7270 note.

42 USC 7270.

SEC. 1009. (a) Of the amounts authorized to be appropriated for fiscal year 1982 by section 1008, there are authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for construction (including planning, construction, acquisition, and modification of facilities, including land acquisition), and for acquisition and fabrication of capital equipment not related to construction, with respect to each prior year project listed in the budget documents submitted to the Congress in support of the fiscal year 1982 budget amounts not to exceed the appropriations amount requested for such project for fiscal year 1982 as set forth in such budget documents, except as otherwise provided (in the case of specific projects) under subsection (b).

(b) The amounts authorized to be appropriated for fiscal year 1982 with respect to the following projects are as follows:

(1) Uranium supply and enrichment activities,

(A) Project 80-UE-5, Motor and switchgear upgrading, gaseous diffusion plants, the amount previously authorized is increased by $6,600,000 for a total project authorization of $26,500,000; and

(B) Project 76-8-g, Enriched uranium production facilities, Portsmouth, Ohio, the amount previously authorized is increased by $601,000,000 for a total project authorization of $1,552,845,000.

Definitions.

(c) For purposes of this section, the terms "budget documents submitted to the Congress in support of the fiscal year 1982 budget" and "budget documents" mean the Department of Energy Congressional Budget Request, Fiscal Year 1982 (February 1981; DOE/CR-0011-3).

NEW CONSTRUCTION

42 USC 7270 note.

SEC. 1010. (a) Of the amounts appropriated for fiscal year 1982 pursuant to the authorization provided in section 1008, funds may be expended for new plant and capital equipment activities, including planning, construction, acquisition, or modification of facilities, including land acquisition. The following new plant and capital

equipment activities are hereby authorized in an amount not to exceed the Federal share of the total estimated cost set forth for each project in budget documents submitted to the Congress in support of the fiscal year 1982 budget. Within such amounts the authorizations for the new plant and capital equipment activities for fiscal year 1982 are limited as follows:

(1) Uranium supply and enrichment activities,

(A) Project 82-R-410, General plant projects, various locations, including Grand Junction, Colorado, $17,600,000;

(B) Project 82-R-411, UF6 cylinders and storage yards, gaseous diffusion plants, $11,000,000;

(C) Project 82-R-412, Cooling tower modifications, Oak Ridge, Tennessee and Portsmouth, Ohio, gaseous diffusion plants, $8,000,000;

(D) Project 82-R-413, Improved UF6 containment and gaseous diffusion plants, $7,100,000;

(E) Project 82-R-414, Purge and cascade withdrawal modifications, gaseous diffusion plant, Paducah, Kentucky, $9,000,000;

(F) Project 82-R-415, Fire alarm system replacement, gaseous diffusion plants, $4,700,000;

(G) Project 82-R-416, Environmental protection and safety modifications, Phase II, gaseous diffusion plants, $2,000,000;

(H) Project 82-R-417, Air distribution system upgrading, gaseous diffusion plant, Paducah, Kentucky, $2,700,000;

(I) Project 82-R-418, Advanced Centrifuge Test Facilities, Oak Ridge, Tennessee, $6,000,000; and

(J) Project 82-N-402, General plant projects, various locations, $650,000.

(2) Departmental administration,

(A) Project 82-A-601, Modifications for energy management, various locations, $14,100,000;

(B) Project 82-A-602, Advanced Test Reactor (ATR) waste heat recovery, Idaho National Engineering Laboratory, Idaho, $4,900,000;

(C) Project 82-A-603, High temperature water distribution system, Los Alamos Scientific Laboratory, New Mexico, $5,000,000;

(D) Project 82-C-601, Plant engineering and design, various locations, $2,000,000; and

(E) Capital equipment not related to construction for departmental administration activities, $5,563,000.

(b) For purposes of this section, the terms "budget documents submitted to the Congress in support of the fiscal year 1982 budget" and "budget documents" mean the Department of Energy Congressional Budget Request, Fiscal Year 1982 (February 1981; DOE/CR-0011-3). Definitions.

GENERAL REQUIREMENT

SEC. 1011. (a) At the same time that the President submits his budget to the Congress for fiscal years 1983 and 1984 for the Department of Energy as required by the Budget and Accounting Act, 1921, there shall be submitted, in addition to any other existing requirements, a tabular listing for the recommended level of program activity and subactivity funding the fiscal years 1983 and 1984 of civilian energy activities in the same format as is contained in the program tables relating to this title appearing in the statement of 31 USC 1.

managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1981 (H.R. 3982; 97th Congress).

(b) At the same time that the President submits his budget to the Congress those plant and capital amounts requested for that fiscal year, additional authorization requested for prior year projects, and any new construction requests shall also be submitted as a separate request for authorization of appropriations for civilian research and development activities.

CHAPTER 5—UNITED STATES ENERGY TARGETS

ENERGY TARGETS

SEC. 1012. United States energy targets:

ENERGY TARGETS

[Quadrillion Btu's per year]

	1985	1990	1995	2000
Domestic production:				
Oil and NGL	18	17	18	18
Natural gas	18	18	16	15
Coal	21	27	32	41
Nuclear	5	7	8	9
Hydro geothermal	3	4	4	4
Renewables	2	3	5	6
Subtotal	67	76	83	93
Imports:				
Oil	18	14	11	7
Natural gas	2	3	3	2
Coal	−1.8	−2.1	−2.2	−2.4
Subtotal	18	15	11	7
Total supply	85	90	94	100
End-use consumption:				
Petroleum liquids	32	29	28	27
Gas	17	18	18	18
Direct coal	5	6	6	7
Electricity	9	10	11	12
Decentralized solar	2	3	4	5
Subtotal	64	66	67	68
Conversion losses	21	25	28	32
Stock increase				
Total consumption	85	91	94	100

Subtitle B—Powerplant and Industrial Fuel Use Act of 1978 Provisions

APPLICABILITY OF FUEL USE RESTRICTIONS TO CERTAIN EXISTING ELECTRIC POWERPLANTS

SEC. 1021. (a) Title III of the Powerplant and Industrial Fuel Use Act of 1978 is amended by striking out section 301 (42 U.S.C. 8341) and inserting in lieu thereof the following:

"SEC. 301. EXISTING ELECTRIC POWERPLANTS.

"(a) CERTIFICATION BY POWERPLANTS OF COAL CAPABILITY.—At any time, the owner or operator of an existing electric powerplant may certify to the Secretary, for purposes of subsection (b)—

"(1) whether or not such powerplant has or previously had the technical capability to use coal or another alternate fuel as a primary energy source;

"(2) whether or not such powerplant could have the technical capability to use coal or another alternate fuel as a primary energy source without having—

"(A) substantial physical modification of the powerplant, or

"(B) substantial reduction in the rated capacity of the powerplant; and

"(3) whether or not it is financially feasible to use coal or another alternate fuel as a primary energy source in such a powerplant.

"(b) AUTHORITY OF SECRETARY TO PROHIBIT WHERE COAL OR ALTERNATE FUEL CAPABILITY EXISTS.—The Secretary may prohibit, in accordance with section 303(a) or (b), the use of petroleum or natural gas, or both, as a primary energy source in any existing electric powerplant, if an affirmative certification under subsection (a)(1), (2), and (3) is in effect with respect to such powerplant and if, after examining the basis for the certification, the Secretary concurs with the certification. 42 USC 8343.

"(c) AUTHORITY OF SECRETARY TO PROHIBIT EXCESSIVE USE IN MIXTURES.—At any time, the owner or operator of an existing electric powerplant may certify to the Secretary for purposes of this subsection whether or not it is technically and financially feasible to use a mixture of petroleum or natural gas and coal or another alternate fuel as a primary energy source in that powerplant. If an affirmative certification under this subsection is in effect with respect to such powerplant and if, after examining the basis for the certification, the Secretary concurs with the certification, the Secretary may prohibit, in accordance with section 303(a), the use of petroleum or natural gas, or both, in such powerplant in amounts in excess of the minimum amount necessary to maintain reliability of operation of the unit consistent with maintaining reasonable fuel efficiency of such mixture.

"(d) AMENDMENT OF SUBSECTION (a) AND (c) CERTIFICATIONS.—The owner or operator of any such powerplant may at any time amend any certification under subsection (a) or (c) in order to take into account changes in relevant facts and circumstances; except that no such amendment to such a certification may be made after the date of any final prohibition under subsection (b) or (c) based on that certification.".

(b) Section 711 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8421) is amended by adding at the end thereof the following new subsection:

"(c) NATURAL GAS USAGE BY ELECTRIC UTILITIES.—(1) For purposes of section 404(b) and other emergency authorities, the Secretary shall obtain data necessary to determine— 42 USC 8374.

"(A) within 6 months after the date of the enactment of this subsection, the total quantities of natural gas used as a primary energy source by each electric utility during calendar year 1977, and

"(B) on a semiannual basis, the total quantities of natural gas used as a primary energy source during the previous 6-month period by each electric utility.

Report to Congress. 42 USC 8482.

"(2) The Secretary shall include in each annual report to the Congress under section 806 a summary of information received by the Secretary under this subsection.".

VALIDITY OF ORDERS UNDER FORMER SECTION 301 OF THE POWERPLANT AND INDUSTRIAL FUEL USE ACT OF 1978

42 USC 8341 note
Ante, p. 614.

SEC. 1022. (a) The amendments made by section 1021 to section 301 (b) and (c) of the Powerplant and Industrial Fuel Use Act of 1978 shall not apply to any electric powerplant for which a final order was issued pursuant to section 301 (b) or (c) of such Act before the date of the enactment of this Act.

(b) Any electric powerplant issued a proposed order under section 301 (b) or (c) of such Act which is pending on the date of the enactment of this Act may elect not to have the amendments made by section 1021 to such section 301 (b) or (c) apply with respect to that powerplant. Such an election shall be irrevocable and shall be made in such form and manner as the Secretary of Energy shall, within 45 days after the date of the enactment of this Act, prescribe. Such an election shall be made not later than 60 days after the date on which the Secretary of Energy prescribes the form and manner of making such election.

(c)(1) The amendments made by section 1021 shall not affect the validity of any final order issued under section 301 (b) or (c) of the Powerplant and Industrial Fuel Use Act of 1978 before the date of the enactment of this Act.

(2) The validity of any proposed order issued under such section 301 (b) or (c) shall not be affected in the case of powerplants covered by elections made under subsection (b).

(3) The authority of the Secretary of Energy to amend, repeal, rescind, modify, or enforce any order referred to in paragraph (1) or (2), or rules applicable thereto, shall remain in effect notwithstanding any such amendments.

ELECTRIC UTILITY CONSERVATION PLAN

SEC. 1023. (a) The Powerplant and Industrial Fuel Use Act of 1978 is amended by inserting after section 807 the following new section:

42 USC 8484.

"SEC. 808. ELECTRIC UTILITY CONSERVATION PLAN.

"(a) APPLICABILITY.—An electric utility is subject to this subsection if—

"(1) the utility owns or operates any existing electric powerplant in which natural gas was used as a primary energy source at any time during the 1-year period ending on the date of the enactment of this section, and

"(2) the utility plans to use natural gas as a primary energy source in any electric powerplant.

"(b) SUBMISSION AND APPROVAL OF PLAN.—The Secretary shall require each electric utility subject to this section to—

"(1) submit, within 1 year after the date of the enactment of this section, and have approved by the Secretary, a conservation plan which meets the requirements of subsection (c); and

"(2) implement such plan during the 5-year period beginning on the date of the initial approval of such plan.

"(c) CONTENTS OF PLAN.—(1) Any conservation plan under this section shall set forth means determined by the utility to achieve conservation of electric energy not later than the 5th year after its initial approval at a level, measured on an annual basis, at least equal to 10 percent of the electric energy output of that utility during the most recent 4 calendar quarters ending prior to the date of the enactment of this section which is attributable to natural gas.

"(2) The conservation plan shall include—

"(A) all activities required for such utility by part 1 of title II of the National Energy Conservation Policy Act; 42 USC 8211.

"(B) an effective public information program for conservation; and

"(C) such other measures as the utility may consider appropriate.

"(3) Any such plan may set forth a program for the use of renewable energy sources (other than hydroelectric power).

"(4) Any such plan shall contain procedures to permit the amounts expended by such utility in developing and implementing the plan to be recovered in a manner specified by the appropriate State regulatory authority (or by the utility in the case of a nonregulated utility).

"(d) PLAN APPROVAL.—(1) The Secretary shall, by order, approve or disapprove any conservation plan proposed under this subsection by an electric utility within 120 days after its submission. The Secretary shall approve any such proposed plan unless the Secretary finds that such plan does not meet the requirements of subsection (c) and states in writing the reasons therefor.

"(2) In the event the Secretary disapproves under paragraph (1) the plan originally submitted, the Secretary shall provide a reasonable period of time for resubmission.

"(3) An electric utility may amend any approved plan, except that the plan as amended shall be subject to approval in accordance with paragraph (1).".

(b) Section 712 of the Powerplant and Industrial Fuel Use Act of 1978 (42 U.S.C. 8422) is amended by inserting "(a) GENERALLY.—" before "Any person" and by adding at the end thereof the following new subsection:

"(b) REPORT ON IMPLEMENTATION OF SECTION 808 PLAN.—Any electric utility required to submit a conservation plan under section 808 shall annually submit to the Secretary a report identifying the steps taken during the preceding year to implement such plan.". *Ante*, p. 616.

(c) The table of contents for such Act is amended by adding at the end thereof the following item after the item relating to section 807:

"Sec. 808. Electric utility conservation plan.".

APPLICABILITY OF RESTRICTIONS RELATING TO NATURAL GAS OUTDOOR LIGHTING

SEC. 1024. (a) Section 402(b)(1) of the Powerplant and Industrial Fuel Use Act of 1978 is amended— 42 USC 8372.

(1) by inserting "(other than any outdoor lighting fixture which was installed before the date of the enactment of this Act for use in connection with a residence and for which natural gas was being provided on such date of enactment)" after "use in outdoor lighting", and

(2) in subparagraph (C), by striking out the dash and all that follows through "residence," and inserting in lieu thereof "any municipal outdoor lighting fixture".

42 USC 8372.

(b) Section 402 of such Act is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f)(1) For the purpose of discouraging the use of natural gas for outdoor lighting, each local distribution company which is subject to subsection (a) or (b) shall, in accordance with rules promulgated by the Secretary—

"(A) establish a reasonable and simple method, as determined by each such company, by which the company shall periodically inform its customers about the amount of natural gas consumed by outdoor lighting and the annual cost of such gas for such lighting; and

"(B) report to the Secretary the method established under subparagraph (A).

A company may establish a method which provides for reporting such information on the basis of estimates where actual information is not readily available.

"(2) The Secretary shall propose the rules referred to in paragraph (1) as promptly as possible after the date of the enactment of this subsection, and such rules shall take effect not later than the ninetieth day after they are proposed. In promulgating such rules, the Secretary shall, to the greatest extent feasible, consult with the appropriate regulatory authority of the States and the local distribution companies who will be subject to the rules.".

Strategic Petroleum Reserve Amendments Act of 1981.
42 USC 6201 note.

Subtitle C—STRATEGIC PETROLEUM RESERVE

SHORT TITLE

SEC. 1031. This subtitle may be cited as the "Strategic Petroleum Reserve Amendments Act of 1981".

FINDINGS

42 USC 6231 note.

SEC. 1032. The Congress finds that—

(1) the Strategic Petroleum Reserve should be considered a national security asset; and

(2) enlarging the capacity and filling of the Strategic Petroleum Reserve should be accelerated (to the extent technically and economically practicable) to take advantage of any increased availability of crude oil in the world market from time to time.

RATE OF FILLING THE STRATEGIC PETROLEUM RESERVE

SEC. 1033. Section 160(c) of the Energy Policy and Conservation Act (42 U.S.C. 6240(c)) is amended to read as follows:

"(c)(1) The President shall immediately seek to undertake, and thereafter continue (subject to paragraph (2)), crude oil acquisition, transportation, and injection activities at a level sufficient to assure that crude oil in storage in the Strategic Petroleum Reserve will be increased at an average annual rate of at least 300,000 barrels per day.

"(2) The requirements in paragraph (1) shall cease to apply when the quantity of petroleum products stored within the Strategic Petroleum Reserve is at least 750,000,000 barrels.".

FINANCING OF THE STRATEGIC PETROLEUM RESERVE

SEC. 1034. (a)(1) Part B of title I of the Energy Policy and Conservation Act (42 U.S.C. 6231-6246) is amended by adding at the end thereof the following:

"SPR PETROLEUM ACCOUNT

"SEC. 167. (a) The Secretary of the Treasury shall establish in the Treasury of the United States an account to be known as the 'SPR Petroleum Account' (hereinafter in this section referred to as the 'Account'). Establishment. 42 USC 6247.

"(b) Amounts in the Account may be obligated by the Secretary of Energy for the acquisition, transportation, and injection of petroleum products into the Strategic Petroleum Reserve, and the drawdown and delivery of petroleum products from the Reserve—

"(1) in the case of fiscal year 1982, in an aggregate amount, not to exceed $3,900,000,000, as may be provided in advance in appropriation Acts;

"(2) in the case of any fiscal year after fiscal year 1982, subject to section 660 of the Department of Energy Organization Act, in such aggregate amounts as may be appropriated in advance in appropriation Acts; and 42 USC 7270.

"(3) in the case of any fiscal year, notwithstanding section 660 of the Department of Energy Organization Act, in an aggregate amount equal to the aggregate amount of the receipts to the United States from the sale of petroleum products in any drawdown and distribution of the Strategic Petroleum Reserve under section 161. 42 USC 6241.

Funds available to the Secretary of Energy for obligation under this subsection may remain available without fiscal year limitation.

"(c) The Secretary of the Treasury shall provide and deposit into the Account such sums as may be necessary to meet obligations of the Secretary of Energy under subsection (b).

"(d) The Account, the deposits and withdrawals from the Account, and the transactions, receipts, obligations, outlays associated with such deposits and withdrawals (including petroleum product purchases and related transactions), and receipts to the United States from the sale of petroleum products in any drawdown and distribution of the Strategic Petroleum Reserve under section 161—

"(1) shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States; and

"(2) shall not be deemed to be budget authority, spending authority, budget outlays, or Federal revenues for purposes of title III of Public Law 93-344, as amended.". 31 USC 1321.

(2) The table of contents for the Energy Policy and Conservation Act is amended by adding after the item relating to section 166 the following new item:

"Sec. 167. SPR Petroleum Account.".

(b) Section 166 of the Energy Policy and Conservation Act (42 U.S.C. 6246) 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 at the end thereof the following new paragraph:

"(4) for the fiscal year ending September 30, 1982, not to exceed $260,000,000 to carry out the provisions of this part, except—

"(A) acquisition, transportation, and injection of petroleum products for the Reserve, and

"(B) the carrying out of any drawdown and distribution of the Reserve.".

42 USC 6247 note.
Ante, p. 619.

(c) The provisions of section 167(d) of such Act, as added by subsection (a) of this section, shall apply with respect to the outlays associated with unexpended balances of appropriationns made available and obligated as of the end of fiscal year 1981 for the acquisition, transportation, and injection of petrolem products for the Strategic Petroleum Reserve to the same extent and manner as such provisions apply with respect to withdrawals from the SPR Petroleum Account.

QUARTERLY REPORTS

SEC. 1035. (a) Section 166 of the Energy Policy and Conservation Act (42 U.S.C. 6245) is amended by inserting "(a)" before "The Secretary" and by adding at the end thereof the following new subsection:

"(b)(1) On or before the fifteenth day of the second calendar quarter which begins after the date of the enactment of this subsection and every calendar quarter thereafter, the Secretary shall report to the Congress on activities undertaken with respect to the Strategic Petroleum Reserve under the amendments made by the Strategic Petroleum Reserve Amendments Act of 1981, including—

"(A) the amounts of petroleum products stored in the Reserve, under contract and in transit at the end of the previous calendar quarter;

"(B) the projected fill rate for the Strategic Petroleum Reserve for the then current calendar quarter and the previous calendar quarter;

"(C) the average price of the petroleum products acquired during the previous calendar quarter;

"(D) existing and projected Strategic Petroleum Reserve storage capacity and plans to accelerate the acquisition or construction of such capacity;

"(E) an analysis of any existing or anticipated problems associated with acquisition, transportation, and storage of petroleum products in the Reserve and with the expansion of storage capacity for the Reserve; and

"(F) the amount of funds obligated by the Secretary from the SPR Petroleum Account, as well as other funds available for the Reserve, during the previous calendar quarter and in total under the amendments made by such Act.

"(2) The first report submitted under paragraph (1) shall include—

"(A) a detailed statement on the planned use of the SPR Petroleum Account as well as other funds available for the Strategic Petroleum Reserve;

"(B) a description of the current Strategic Petroleum Reserve Plan, including any proposed or anticipated amendments to the Plan; and

"(C) detailed plans of the Secretary for acquisition or new construction of storage and related facilities.".

STUDY ON ULTIMATE SIZE OF RESERVE

SEC. 1037. Not later than 6 months after the date of the enactment of this Act, the Secretary of Energy shall conduct a study, and prepare and transmit a report thereon to the President and the Congress, on whether the final storage level set forth in the Strategic Petroleum Reserve Plan should be amended. Such report shall include an analysis of the costs and benefits to the Government (and the nation) which are associated with achieving—

(1) the final storage level currently set forth in the plan, and

(2) any other larger or smaller final storage level which might be appropriate.

EFFECTIVE DATE

SEC. 1038. The provisions of this title shall take effect on the date of the enactment of this Act. 42 USC 6240 note.

Subtitle D—Voluntary Building Energy Conservation Standards

VOLUNTARY STANDARDS

SEC. 1041. (a) The Energy Conservation Standards for New Buildings Act of 1976 is amended by striking out "performance standards" each place it appears, except in section 306, and inserting in lieu thereof "voluntary performance standards". 42 USC 6801 note. 42 USC 6835.

(b) The Energy Conservation Standards for New Buildings Act of 1976 is amended by striking out sections 305 and 307 (42 U.S.C. 6834 and 6836).

(c) Section 304(a) of the Energy Conservation Standards for New Buildings Act of 1976 (42 U.S.C. 6833(a)) is amended—

(1) by adding at the end thereof the following new paragraph: "(4) Except in the case of Federal buildings as required under section 306, voluntary performance standards under this subsection shall be developed solely as guidelines for the purpose of providing technical assistance for the design and construction of energy efficient buildings.";

(2) by striking out "the effective date of final performance standards promulgated pursuant to this paragraph" where it appears in paragraphs (1) and (2) and inserting in lieu thereof "April 1, 1984,"; and

(3) by striking out ", and shall become effective within a reasonable time not to exceed 1 year after the date of promulgation, as specified by the Secretary" where it appears in paragraphs (1) and (2).

(d) Section 306 of such Act (42 U.S.C. 6835) is amended by striking out "Upon the effective date of the final performance standards promulgated pursuant to such section," and inserting in lieu thereof "Not later than April 1, 1984,".

(e) Section 308 of such Act (42 U.S.C. 6837) is amended by striking out "meeting the requirements of this title" and inserting in lieu thereof "furthering the design and construction of energy efficient buildings".

(f) The table of sections for such Act is amended by striking out the items relating to sections 305 and 307.

Subtitle E—Office of Federal Inspector for the Alaska Natural Gas Transportation System

FUNDING LIMITATION

15 USC 719e note.

SEC. 1051. Notwithstanding any other provision of law, there shall not be appropriated for programs of the Office of Federal Inspector for the Alaska Natural Gas Transportation System in excess of $21,038,000 for the fiscal year ending September 30, 1981; $36,568,000 for the fiscal year ending September 30, 1982; in excess of $45,532,000 for the fiscal year ending September 30, 1983, and $46,908,000 for the fiscal year ending September 30, 1984.

Subtitle F—Biomass Energy and Alcohol Fuels

DEPARTMENT OF AGRICULTURE

94 Stat. 685.

SEC. 1061. Section 204(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8803(a)) is amended by striking out "$600,000,000" in paragraph (1) and inserting in lieu thereof "$460,000,000".

DEPARTMENT OF ENERGY

SEC. 1062. Section 204(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8803(a)) is amended by striking out "$600,000,000" in paragraph (2) and inserting in lieu thereof "$460,000,000".

CONFORMING AMENDMENT

SEC. 1063. Section 204(a) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8803(a)) is amended by striking out "$1,450,000,000" and inserting in lieu thereof "$1,170,000,000".

Subtitle G—Solar Bank

FISCAL YEAR 1982, 1983, AND 1984 AUTHORIZATIONS

12 USC 3620 note.

94 Stat. 737.

SEC. 1071. In lieu of the amounts authorized by subsections (a) and (b) of section 522 of the Solar Energy and Energy Conservation Act of 1980 (12 U.S.C. 3620) to be appropriated for fiscal years 1982, 1983, and 1984, there is authorized to be appropriated for each such fiscal year not to exceed $50,000,000 to provide financial assistance under subtitle A of such Act for the purchase and installation of residential and commercial energy conserving improvements and of solar energy systems. Any funds appropriated pursuant to the preceding authorization may remain available without fiscal year limitation.

TITLE XI—TRANSPORTATION AND RELATED PROGRAMS

Subtitle A—Aviation

PART 1—FISCAL YEAR 1981 AIRPORT DEVELOPMENT

Fiscal Year 1981 Airport Development Authorization Act.
49 USC 1701 note.

SEC. 1101. This part may be cited as the "Fiscal Year 1981 Airport Development Authorization Act".

SEC. 1102. (a) Section 14(a)(3) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(a)(3)) is amended by striking out "and" after "1979," and by striking out the period at the end thereof and inserting in lieu thereof ", and $387,000,000 for fiscal year 1981.".

(b) Section 14(a)(4) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(a)(4)) is amended by striking out "and" after "1979," and by striking out the period at the end thereof and inserting in lieu thereof ", and $63,000,000 for fiscal year 1981.".

(c) In addition to the purposes otherwise authorized, amounts authorized under sections 14(a)(3) and 14(a)(4) of the Airport and Airway Development Act of 1970 for fiscal year 1981 shall also be authorized for airport system planning, airport master planning, and airport noise compatibility planning, all in accordance with section 13 of such Act, and for carrying out noise compatibility programs under section 104(c) of the Aviation Safety and Noise Abatement Act of 1979. The apportionment of such amounts under section 15 of the Airport and Airway Development Act of 1970 shall be made as soon as possible after the date of enactment of this part and for purposes of sections 14(b), 15, and 19 of the Airport and Airway Development Act of 1970 relating to authority to incur obligations and to enter into project grant agreements all the purposes set forth in the preceding sentence shall be deemed to be airport development within the meaning of such Act. The Secretary shall obligate from funds available for fiscal year 1981 under section 14(a)(3) of the Airport and Airway Development Act of 1970 not less than $25,000,000 for carrying out noise compatibility programs under section 104(c) of the Aviation Safety and Noise Abatement Act of 1979.

49 USC 1714 note.
49 USC 1713.
49 USC 2104.
49 USC 1715.
49 USC 1714, 1715, 1719.

(d) Section 14(b)(2) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714(b)(2)) is amended by striking out "1980" and inserting in lieu thereof "1981".

(e) Section 15(a)(3)(A)(I) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(3)(A)(I)) is amended by striking out "1980" and inserting in lieu thereof "1981".

(f) Section 15(a)(3)(A)(II) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(3)(A)(II)) is amended by striking out "1980" and inserting in lieu thereof "1981".

(g) Section 15(a)(3)(B)(i) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(3)(B)(i)) is amended by striking out "1980" and inserting in lieu thereof "1981".

(h) Section 15(a)(4) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(4)) is amended by striking out "fiscal year 1980" each place it appears and inserting in lieu thereof "each of the fiscal years 1980 and 1981".

(i) Section 17(a)(2)(A) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1717(a)(2)(A)) is amended by striking out "fiscal year 1980" and inserting in lieu thereof "fiscal years 1980 and 1981".

(j) Notwithstanding any other provision of the Airport and Airway Development Act of 1970, the Secretary of Transportation may approve an application under such Act before October 1, 1981, for a project which was begun after September 30, 1980, and before the date of the enactment of this part. If such an application is approved, costs incurred under such project after September 30, 1980, and before the date of approval of such project shall be allowable costs to the extent they would be allowable costs under the provisions of such Act of 1970 (other than provisions making costs allowable only if incurred after the execution of the grant agreement) if incurred after the date of such project approval.

49 USC 1716 note.

(k) Notwithstanding any other provision of law, the Secretary of Transportation shall obligate from funds available for fiscal year 1981 under the Airport and Airway Development Act of 1970 $15,000,000 for carrying out noise compatibility programs at Cannon International Airport in Reno, Nevada, in accordance with section 104(c) of the Aviation Safety and Noise Abatement Act of 1979. Such funds shall remain available until expended. Of the amount obligated for projects described in this subsection, only that portion of such amount which exceeds $10,000,000 and is less than or equal to $15,000,000 shall be counted as part of the $25,000,000 required to be obligated by the last sentence of subsection (c) of this section.

49 USC 1701 note.

49 USC 2104.

SEC. 1103. (a) Section 208(f)(1) of the Airport and Airway Revenue Act of 1970 is amended by striking out "1980" and inserting in lieu thereof "1981".

49 USC 1742.

(b) Subparagraph (A) of section 208(f)(1) of the Airport and Airway Revenue Act of 1970 is amended to read as follows:

"(A) incurred under title I of this Act or of the Airport and Airway Development Act Amendments of 1976 or of the Aviation Safety and Noise Abatement Act of 1979 or under the Fiscal Year 1981 Airport Development Authorization Act (as such Acts were in effect on the date of enactment of the Fiscal Year 1981 Airport Development Authorization Act);".

49 USC 1701.
49 USC 1701 note.
49 USC 2101 note.
Ante, p. 622.

PART 2—ADDITIONAL PROVISIONS RELATING TO AIRPORT DEVELOPMENT

SEC. 1104. If the Senate and the House of Representatives approve a conference report on the Airport and Airway Improvement Act of 1981 which includes new budget authority for airport development, airport planning, airport noise compatibility planning, and carrying out noise compatibility programs which exceeds $450,000,000 for fiscal year 1981 or which exceeds an aggregate amount of $1,050,000,000 for fiscal years 1981 and 1982, then before the bill which is the subject of such conference report is enrolled, the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, is directed to include the following provision in the bill: "Notwithstanding any other provision of law, the total amount which may be obligated for airport development, airport planning, airport noise compatibility planning, and carrying out noise compatibility programs from amounts in the Airport and Airway Trust Fund which were not available for obligation during any previous fiscal year shall not exceed $450,000,000 for fiscal year 1981 and shall not exceed an aggregate amount of $1,050,000,000 for fiscal years 1981 and 1982.".

Subtitle B—Highways and Highway Safety

23 USC 104 note.

SEC. 1106. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1982 shall not exceed $8,200,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

23 USC 144 note.

(b) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1983 shall not exceed $8,800,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978. 23 USC 144 note.

(c) For each of the fiscal years 1982 and 1983, the Secretary of Transportation shall distribute the limitation imposed by subsections (a) and (b) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for each such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for each such fiscal year.

(d) During the periods October 1 through December 31, 1981, and October 1 through December 31, 1982, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (c), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(e) Notwithstanding subsections (c) and (d), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1982, and after August 1, 1983, revise a distribution of the funds made available under subsection (c) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year; and

(3) not distribute amounts authorized for administrative expenses and forest highways.

SEC. 1107. (a)(1) There is hereby authorized to be appropriated for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984. 23 USC 402 note.

(2) Out of the funds authorized to be appropriated under paragraph (1) of this subsection for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, not less than $20,000,000 per fiscal year shall be obligated under section 402 of title 23, United States Code, for the purpose of enforcing the fifty-five miles per hour speed limit established by section 154 of such title. 23 USC 154.

(3) Each State shall expend each fiscal year not less than 2 per centum of the amount apportioned to it for such fiscal year of the sums authorized by paragraph (1) of this subsection, for programs to encourage the use of safety belts by drivers of, and passengers in, motor vehicles.

(b) Notwithstanding any other provision of law, the total of all obligations for highway safety programs carried out by the National

Highway Traffic Safety Administration under section 402 of title 23, United States Code, shall not exceed $100,000,000, per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, and the total of all obligations for highway safety programs carried out by the Federal Highway Administration under section 402 of title 23, United States Code, shall not exceed $10,000,000, per fiscal year for each of such fiscal years.

23 USC 402 note.

(c) Effective October 1, 1982, subsection (h) of section 402 of title 23, United States Code, is repealed.

Rulemaking.

(d) Section 402(j) of title 23, United States Code, is amended to read as follows:

"(j) The Secretary of Transportation shall, not later than September 1, 1981, begin a rulemaking process to determine those programs most effective in reducing accidents, injuries, and deaths. Such rule shall be promulgated taking into account consideration of the States having a major role in establishing these programs. Not later than April 1, 1982, the Secretary shall promulgate a final rule establishing those programs determined most effective in reducing accidents, injuries, and deaths. Before such rule shall take effect, it shall be transmitted to Congress. If such rule is not transmitted by April 1, 1982, it shall not take effect before October 1, 1983. If such rule is transmitted by April 1, 1982, it shall take effect October 1, 1982, unless before June 1, 1982, either House of Congress by resolution disapproves such rule. If such rule is disapproved by either House of Congress, the Secretary shall not apportion or obligate any amount authorized to carry out this section for the fiscal year ending September 30, 1983, or any subsequent fiscal year, unless specifically authorized to do so by a statute enacted after the date of enactment of the Omnibus Budget Reconciliation Act of 1981. When a rule promulgated in accordance with this subsection takes effect, only those programs established by such rule as most effective in reducing accidents, injuries, and deaths shall be eligible to receive Federal financial assistance under this chapter.".

Transmittal to Congress.

(e) Section 402(b)(1) of title 23, United States Code, is amended by striking out subparagraph (D) and by redesignating subparagraphs (E), (F), and (G) (and any references thereto) as subparagraphs (D), (E), and (F), respectively.

SEC. 1108. (a) Section 154(f) of title 23, United States Code, is amended to read as follows:

"(f) If the data submitted by a State pursuant to subsection (e) of this section show that the percentage of motor vehicles exceeding 55 miles per hour is greater than 50 percent, the Secretary shall reduce the State's apportionment of Federal-aid highway funds under each of sections 104(b)(1), 104(b)(2), and 104(b)(6) of this title in an aggregate amount of up to 5 percent of the amount to be apportioned for the following fiscal year, in the case of fiscal years 1982 and 1983, and up to 10 percent, in the case of subsequent fiscal years.".

(b) Subsection (i) of section 154 of title 23, United States Code, is hereby repealed.

92 Stat. 2727.

SEC. 1109. (a) Section 202 of the Highway Safety Act of 1978 is amended as follows:

(1) Paragraph (1) is amended by striking out "per fiscal year for each of the fiscal years ending September 30, 1981, and September 30, 1982." and inserting in lieu thereof "for the fiscal year ending September 30, 1981.".

(2) Paragraph (2) is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981, and $31,000,000 per fiscal year for each of

the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984.".

(3) Paragraph (3) is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981, and $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984.". 92 Stat. 2727.

(4) Paragraph (4) is amended in the first sentence by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.". Paragraph (4) is amended in the second sentence by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

(5) Paragraph (5) is amended by striking out the period at the end thereof and inserting in lieu thereof ", and $13,000,000 per fiscal year for each of the fiscal years ending September 30, 1983, and September 30, 1984.".

(6) Paragraph (9) is amended by striking out the period at the end thereof and inserting in lieu thereof "and $1,500,000 for the fiscal year ending September 30, 1983. Section 406 of title 23, United States Code, is repealed effective upon the obligation and expenditure of all funds authorized to carry out such section.".

(7) Paragraph (10) is amended by inserting "and" after "1980," and by striking out ", and $15,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof a period.

(b)(1) Of the funds authorized to be appropriated by section 202(1) of the Highway Safety Act of 1978 for any fiscal year ending before October 1, 1981, which have not been obligated for expenditure before such date, $133,000,000 shall not be available for obligation, and shall no longer be authorized, on and after such date. 92 Stat. 2727.

(2) Of the funds authorized to be appropriated by section 202(3) of the Highway Safety Act of 1978 for any fiscal year ending before October 1, 1981, which have not been obligated for expenditure before such date, $40,000,000 shall not be available for obligation, and shall no longer be authorized, on and after such date.

(c) Section 206 of the Highway Safety Act of 1978 is amended by inserting "and" after "1980," and by striking out "and September 30, 1982,". 92 Stat. 2731.

Subtitle C—Public Mass Transportation

SEC. 1111. (a) The Urban Mass Transportation Act of 1964 is amended as follows:

(1) Section 4(c)(3)(A) is amended by striking out "$1,600,000,000" and inserting in lieu thereof "$1,515,000,000". 49 USC 1603.

(2) Section 4(e) is amended by striking out "$120,000,000" and inserting in lieu thereof "$75,000,000".

(3) Section 4(f) is amended by striking out "$105,000,000" and inserting in lieu thereof "$100,000,000".

(4) Section 4(g) is amended by striking out the period at the end thereof and inserting in lieu thereof ", except that there are authorized to be appropriated not to exceed $600,000,000 for such projects for the fiscal year ending September 30, 1982.".

(5) Section 5(a)(1)(B) is amended by striking out "$900,000,000 in each fiscal year for the fiscal years ending September 30, 1981, and September 30, 1982." and inserting in lieu thereof "$900,000,000 for the fiscal year ending September 30, 1981, and $850,000,000 for the fiscal year ending September 30, 1982.". 49 USC 1604.

49 USC 1604.

(6) Section 5(a)(2)(B) is amended by striking out "$250,000,000" the last place it appears and inserting in lieu thereof "$165,000,000".

(7) Section 5(a)(3)(B) is amended by striking out "$160,000,000" and inserting in lieu thereof "$90,000,000".

(8) Section 5(a)(4)(B) is amended by striking out "$455,000,000" and inserting in lieu thereof "$375,000,000".

49 USC 1608 note.

49 USC 1601 note.

(b) Notwithstanding any other provision of law, the total amount authorized to be appropriated for the fiscal year ending September 30, 1982, under the Urban Mass Transportation Act of 1964 shall not exceed $3,792,000,000.

Subtitle D—Railroad Retirement and Related Matters

45 USC 231.

SEC. 1116. (a) The last sentence of section 1(f)(1) of the Railroad Retirement Act of 1974 is amended to read as follows: "Ultimate fractions shall be taken at their actual value.".

(b) Section 1(o) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "the National Transportation Safety Board," after "the National Mediation Board,"; and

45 USC 231a.

(2) by inserting after the first sentence the following: "For purposes of section 2(b) and section 2(d) only, an individual shall be deemed also to have 'a current connection with the railroad industry' if, after having completed twenty-five years of service, such individual involuntarily and without fault ceased rendering service as an employee under this Act and did not thereafter decline an offer of employment in the same class or craft as the individual's most recent employee service. For purposes of section 2(d) only, an individual shall be deemed to have a 'current connection with the railroad industry' if a pension will have been payable to that individual under the Railroad Retirement Act of 1937 or a retirement annuity based on service of not less than 10 years (as computed in awarding the annuity) will have begun to accrue to that individual prior to 1948 under the Railroad Retirement Act of 1937.".

45 USC prec. 231 note.

SEC. 1117. (a)(1) Section 2(b)(1) of the Railroad Retirement Act of 1974 is amended—

45 USC 231a.

(A) by striking out "(1) An individual" and inserting in lieu thereof "An individual";

(B) by striking out "in subdivision (2) of this subsection and";

(C) by striking out "and" at the end of paragraph (iii);

(D) by inserting "and" at the end of paragraph (iv); and

(E) by inserting after paragraph (iv) the following new paragraph:

"(v) has performed compensated service in at least one month prior to October 1, 1981;"

(2) Section 2(b) of the Railroad Retirement Act of 1974 is amended—

(A) by striking out subdivision (2); and

(B) by striking out subdivision (3);

(b) Section 2(c) of the Railroad Retirement Act of 1974 is amended—

(1) by inserting "or a divorced wife who would be entitled to an annuity under subdivison (4)" after "under subdivision (1)" in subdivision (2);

(2) by striking out "1/180" and inserting in lieu thereof "1/144" in subdivision (2);

(3) by striking out "spouse" the second place it appears in subdivision (2) and adding in lieu thereof "spouse or divorced wife"; and

(4) by adding at the end thereof the following new subdivision (4):

"(4) The 'divorced wife' (as defined in section 216(d) of the Social Security Act) of an individual, if— 42 USC 416.

"(i) such individual (A) is entitled to an annuity under subsection (a)(1) and (B) has attained the age 62;

"(ii) such divorced wife (A) has attained the age of 65 and (B) is not married; and

"(iii) such divorced wife would have been entitled to a benefit under section 202(b) of the Social Security Act as the divorced wife of such individual if all of such individual's service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act; 42 USC 402.

shall, subject to the conditions set forth in subsections (e), (f), and (h), be entitled to a divorced wife's annuity, if she has filed an application therefor, in the amount provided under section 4 of this Act.". 45 USC 231c.

(c) Section 2(d) of the Railroad Retirement Act of 1974 is amended— 45 USC 231a.

(1) by striking out "and" at the end of subdivision (1)(iii);

(2) by striking out the period at the end of subdivision (1)(iv) and inserting in lieu thereof "; and"; and

(3) by adding at the end of subdivision (1) the following new paragraph:

"(v) The widow (as defined in section 216(c) of the Social Security Act), who is married, or has been married after the death of the employee, the surviving divorced wife (as defined in section 216(d) of the Social Security Act), and a surviving divorced mother (as defined in section 216(d) of the Social Security Act) if such widow, surviving divorced wife, or surviving divorced mother would have been entitled to a benefit under section 202(e) or 202(g) of the Social Security Act as the widow, surviving divorced wife, or surviving divorced mother of the employee if all of his service as an employee after December 31, 1936, had been included in the term 'employment' as defined in that Act. For the purpose of this paragraph, the reference in sections 202(e)(3) and 202(g)(3) of the Social Security Act to an individual entitled under section 202(f) of that Act shall include an individual entitled to an annuity under section 2(d)(1)(i) of this Act and an individual entitled to an annuity under section 2(d)(1)(ii) of this Act, and the reference in section 202(e)(3) and section 202(g)(3) of the Social Security Act to an individual entitled under section 202(d) or section 202(h) of that Act shall include an individual entitled to an annuity under section 2(d)(1)(iii) or section 2(d)(1)(iv) of this Act, and the references in section 202(g)(3) of the Social Security Act to an individual entitled under section 202(a) or section 223(a) of that Act shall include an individual entitled to an annuity under section 2(a)(1) of this Act.".

(d) Section 2(e)(5) of the Railroad Retirement Act of 1974 is amended by striking out "spouse" each place it appears and inserting in lieu thereof "spouse or divorced wife".

(e)(1) Section 2(f)(2) of the Railroad Retirement Act of 1974 is amended by inserting "or divorced wife's" after "spouse's" each place (other than the second place) it appears.

(2) Section 2(f) of such Act is amended by adding at the end thereof the following new subdivisions:

"(3) Deductions shall not be made pursuant to subdivision (1) from that portion of an individual's annuity as is computed under section 3(a) of this Act for any month in which the annuity of such individual is reduced pursuant to section 3(m) of this Act. This subdivision shall 45 USC 231b.

be disregarded in determining the applicability and amount of deductions in a spouse's annuity pursuant to subdivision (2) of this subsection.

"(4) Deductions shall not be made pursuant to subdivision (2) from that portion of a spouse's annuity as is computed under section 4(a) of this Act for any month in which the annuity of such spouse is reduced due to entitlement to a benefit under title II of the Social Security Act.

45 USC 231c.

42 USC 401.

"(5) If an annuity begins to accrue on other than the first day of a month, subdivisions (1) and (2) of this subsection shall not apply in the year the annuity begins to accrue if the annuitant has no earnings in excess of the monthly exempt amount in such year after the annuity beginning date.".

45 USC 231a.

(f) Section 2(g)(2) of the Railroad Retirement Act of 1974 is amended by striking out "is under the age of seventy-two and is" and inserting in lieu thereof "would be".

(g) Section 2(h) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "spouse" in subdivision (1) and inserting in lieu thereof "spouse or divorced wife", and

(2) by striking out "spouse" the first place it appears in subdivision (3) and inserting in lieu thereof "spouse or divorced wife".

SEC. 1118. (a) Subsection (b) of section 3 of the Railroad Retirement Act of 1974 is amended to read as follows:

45 USC 231b.

"(b)(1) The amount of the annuity of an individual provided under subsection (a) shall be increased by an amount equal to seven-tenths of 1 per centum of the product which is obtained by multiplying such individual's 'years of service' by such individual's 'average monthly compensation' as determined under this subsection. The annuity amount payable to the individual under this subsection shall be reduced by 25 per centum of the annuity amount computed for such individual under subsection (h)(1) or (h)(2), and subsection (h)(5), of this section without regard to section 7(c)(1) of this Act. An individual's 'average monthly compensation' for purposes of this subsection shall be the quotient obtained by dividing by 60 such individual's total compensation for the 60 months, consecutive or otherwise, during which such individual received that individual's highest monthly compensation, except that no part of any month's compensation in excess of the maximum amount creditable for any individual for such month under subsection (j) of this section shall be recognized. In determining the months of compensation to be used for purposes of this subsection, the total compensation reported for the individual under section 9 of this Act or credited to such individual under subsection (j) of this section for a year divided by the number of months of service credited to such individual under subsection (i) of this section with respect to such year shall be considered the monthly compensation of the individual for each month of service in any year for which records of the Board do not show the amount of compensation paid to the individual on a monthly basis. If the 'average monthly compensation' computed under this subsection is not a multiple of $1, it shall be rounded to the next lower multiple of $1.

45 USC 231f.

"(2) For purposes of subdivision (1) of this subsection, in determining 'average monthly compensation' for an individual who has not engaged in employment for an employer in the 60-month period preceding the month in which such individual's annuity began to accrue, and whose major employment during such 60-month period was for a United States department or agency named in section 1(o) of

this Act, the amount of compensation used with respect to each month used in making such determination shall be the product of—

"(i) the compensation credited to such individual for such month under paragraph (1) of this subsection; and

"(ii) the quotient obtained by dividing—

"(I) the average of total wages (as determined under section 215(b)(3)(A)(ii)(I) of the Social Security Act) for the second calendar year preceding the earliest of the year of the individual's death or the year in which an annuity begins to accrue to such individual (disregarding an annuity based on disability which is terminated because such individual has recovered from such disability if such individual engages in any regular employment after such termination); by 42 USC 415.

"(II) the average of total wages (as determined under section 215(b)(3)(A)(ii)(II) of the Social Security Act) for the calendar year during which such month occurred, unless such month occurred prior to calendar year 1951, in which case, the average of total wages so determined for 1951.

In no event shall 'average monthly compensation' determined for an individual under this subdivision exceed the maximum 'average monthly compensation' which can be determined under subdivision (1) of this subsection for any person retiring January 1 of the year in which such individual's annuity began to accrue.".

(b) Subsections (c) and (d) of section 3 of the Railroad Retirement Act of 1974 are repealed. 45 USC 231b.

(c)(1) Section 3(f)(1) is amended by striking out "subsections (b), (c), and (d)" each place it appears and inserting in lieu thereof "subsection (b)".

(2) Section 3(f) of the Railroad Retirement Act of 1974 is amended by striking out of subdivision (1) all after "effective after the date on which such" and before "(A) 100 per centum of his" and inserting in lieu thereof "individual's annuity under section 2(a)(1) of this Act begins to accrue, exceed an amount equal to the sum of".

(d) Subsection (g) of section 3 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(g) Effective with the month of June for any year after 1981, that portion of the annuity of an individual which is computed under subsection (b) of this section shall, if such individual's annuity under section 2(a)(1) of this Act began to accrue on or before June 1 of such year, be increased by 32.5 per centum of the percentage increase, if any (rounded to the nearest one-tenth of 1 per centum), obtained by comparing (A) the unadjusted Consumer Price Index for the calendar quarter ending March 31 of such year with (B) the higher of (i) such index for the calendar quarter ending March 31 of the year immediately preceding such year or (ii) such index for the calendar quarter ending March 31 of any preceding year after 1980. The unadjusted Consumer Price Index for any calendar quarter shall be the arithmetical mean of such index for the three months in such quarter.". 45 USC 231a.

(e) Section 3(h) of the Railroad Retirement Act of 1974 is amended— 45 USC 231b.

(1) by striking out "subsections (a) through (d)" each place it appears and inserting in lieu thereof "subsections (a) and (b)";

(2) by striking out all after "January 1, 1975," in section 3(h)(5) and inserting in lieu thereof "to the earlier of the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue or January 1, 1982.", and

(3) by adding at the end thereof the following new subdivision:

"(6) No amount shall be payable to an individual under subdivision (3) or (4) of this subsection unless the entitlement of such individual to such amount had been determined prior to the date of the enactment of this subdivision.".

45 USC 231b.

(f) Subsection (j) of section 3 of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "the average compensation paid to an employee with respect to calendar months included in his 'years of service' " the first place it appears in the first sentence thereof and inserting in lieu thereof the following: "computed in the manner specified in section 3(b) of this Act"; and

(2) by striking out "If the 'average monthly compensation' computed under this subsection is not a multiple of $1, it shall be rounded to the next lower multiple $1.".

(g) Subsection (l) of section 3 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(l)(1) Except as provided in subdivision (2) of this subsection, if an annuity awarded under section 2(a)(1)(iii) or under section 2(c)(2) of this Act is increased or decreased either by a change in the law or by a recomputation, the reduction on account of age in the amount of such increase or decrease shall be computed as though such increased or decreased annuity amount had been in effect for and after the month in which the annuitant first became entitled to such annuity under section 2(a)(1)(iii) or section 2(c)(2).

45 USC 231a.

"(2) The reduction required under section 2(a)(1)(iii) or section 2(c)(2) may be applied separately to each of the annuity amounts computed under subsections (a), (b), and (h) of this section and subsections (a), (b), and (e) of section 4. For this purpose, in any case in which an annuity amount was computed for an individual under the provisions of this Act or of Public Law 93-445 prior to October 1, 1981, an annuity amount computed under subsections (a), (b), (c), (d) and (h) of this section, subsection (a), (b), or (e) of section 4, and section 204 or section 206 of Public Law 93-445 shall be reduced by its proportionate share of the reduction on account of age. For purposes of the preceding sentence, annuity amounts computed for an individual under subsections (b), (c), and (d) of section 3 prior to October 1981 shall be considered as one annuity amount.".

45 USC 231 *et seq.*
45 USC 231c.
45 USC 231 note.

45 USC 231b.

(h)(1) Section 3(m) of the Railroad Retirement Act of 1974 is amended by inserting ", after any reduction pursuant to paragraph (iii) of section 2(a)(1)," after "shall".

(2) Section 3(m) of such Act is amended by inserting "(before any deductions on account of work)" after "monthly benefit".

45 USC 231c.

SEC. 1119. (a) Section 4(a)(1) of the Railroad Retirement Act of 1974 is amended by striking out "spouse" each place it appears and inserting in lieu thereof "spouse or divorced wife".

(b) Section 4(b) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "subsections (b), (c) and (d)" and inserting in lieu thereof "subsection (b)";

(2) by striking out "50" and inserting in lieu thereof "45";

(3) by striking out of the first sentence all after "was reduced by reason of the provisions of subsection (i)(2) of this section" and inserting in lieu thereof a period;

(4) by striking out ", subject to the third proviso of this subsection"; and

(5) by striking out the period at the end of the first sentence and by inserting in lieu thereof the following "(disregarding, for this purpose, any increase in such reduction which becomes effective after the later of the date such spouse's annuity under

section 2(c) of this Act began to accrue or the date such spouse's annuity under section 2(a)(1) of this Act began to accrue).". 45 USC 231a.

(c) Section 4(c) of the Railroad Retirement Act of 1974 is amended by striking "wife's or husband's" and inserting in lieu thereof "monthly". 45 USC 231c.

(d) Section 4(e) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out all after "January 1, 1975," in subdivision (4) and inserting in lieu thereof "to the earlier of the date on which the individual's annuity under section 2(a)(1) of this Act began to accrue or January 1, 1982."; and

(2) by adding at the end thereof the following new subdivision: "(5) No amount shall be payable to a person under subdivision (1), (2), or (3) of this subsection unless the entitlement of such person to such amount had been determined prior to the date of the enactment of this subdivision.".

(e) Section 4(f) of such Act is amended—

(1) by adding at the end of subdivision (1) "In the case of a widow or widower who is entitled to an annuity under section 2(d) of this Act solely on the basis of railroad service which was performed prior to January 1, 1937, the amount provided under this section with respect to any month shall not be less than the first amount appearing in column IV of the table appearing in section 215(a) of the Social Security Act as in effect on December 31, 1974, after reduction in accordance with the provisions of section 202(k) and 202(q) of that Act in the same manner as would be applicable to a widow's insurance benefit or widower's insurance benefit payable under section 202(e) or 202(f) of that Act."; and 42 USC 415. 42 USC 402.

(2) by adding at the end thereof the following new subdivision: "(3) The annuity amount provided to a widow or widower under last sentence of subdivision (1) shall be increased by the same percentage or percentages as insurance benefits payable under section 202 of the Social Security Act are increased after the date on which such annuity begins to accrue.".

(f) Section 4(f)(2) of the Railroad Retirement Act of 1974 is amended— 45 USC 231c.

(1) by striking out "and" at the end of paragraph (i);

(2) striking out the period at the end of paragraph (ii) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph: "(iii) The provisions of paragraphs (i) and (ii) of this subdivision shall not apply to the annuity of a widow, surviving divorced wife, or surviving divorced mother who is entitled to such annuity on the basis of the provisions of section 2(d)(1)(v) of this Act.".

(g) Subsection (g) of section 4 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(g)(1) The amount of the annuity provided under subsection (f)(1) (other than the last sentence thereof) for a survivor of a deceased individual shall be increased by an amount equal to the appropriate one of the following percentages of that portion of the annuity computed under section 3(b) of this Act, before any reduction on account of age, to which such deceased individual would have been entitled for the month such survivor's annuity under section 2(d) of this Act began to accrue if such individual were living (deeming for this purpose that if such individual died before becoming entitled to an annuity under section 2(a)(1) of this Act, such individual became *Ante*, p. 630.

45 USC 231a.

entitled to an annuity under subdivision (i) of such section 2(a)(1) in the month in which such individual died):

"(i) In the case of a widow or widower, the increase shall be equal to 50 per centum of such portion of the deceased individual's annuity, but the amount of the annuity so determined shall be subject to reduction on account of age in the same manner as is applicable to the annuity amount determined for the widow or widower under subsection (f) and shall be subject to increase as provided in subdivision (4) of this subsection.

"(ii) In the case of a parent, the increase shall be equal to 35 per centum of such portion of the deceased individual's annuity.

"(iii) In the case of a child, the increase shall be equal to 15 per centum of such portion of the deceased individual's annuity.

"(2) Whenever the total amount of the increases based on the deceased individual's portion of the annuity under section 3(b) of this Act as determined under subdivision (1) of this subsection for all survivors of a deceased employee is—

Ante, p. 630.

"(i) less than an amount equal to 35 per centum of such portion of the deceased individual's annuity, the total increase shall, before any deductions under section 2(g) of this Act, be increased proportionately until the total increase is equal to 35 per centum of such portion of the deceased individual's annuity; or

"(ii) more than an amount equal to 80 per centum of such portion of the deceased individual's annuity, the total increase shall, before any deductions under section 2(g) of this Act and before any reduction on account of age, be reduced proportionately until the total increase is equal to 80 per centum of such portion of the deceased individual's annuity.

"(3) An annuity determined under this subsection for a month prior to the month in which application is filed, shall be reduced to any extent that may be necessary so that it will not render erroneous any annuity which, before the filing of such application, the Board has certified for payment for such prior month.

"(4) If a widow or widower of a deceased employee is entitled to an annuity under section 2(a)(1) of this Act and if either such widow or widower or such deceased employee will have completed 10 years of service prior to January 1, 1975, the amount of the annuity of such widow or widower under subdivisions (1) through (3) of this subsection shall be increased by an amount equal to the amount, if any, by which (A) the widow's or widower's insurance annuity to which such widow or widower would have been entitled, upon attaining age 65, under section 5(a) of the Railroad Retirement Act of 1937 as in effect on December 31, 1974 (without regard to the proviso of that section or the first proviso of section 3(e) of that Act) on the basis of the deceased employee's remuneration and service prior to January 1, 1975, increased by the same percentage, or percentages, as widow's and widower's insurance benefits under section 202 of the Social Security Act are increased during the period from January 1, 1975, to the later of the date on which such widow's or widower's annuity under section 2(a)(1) of this Act began to accrue or the date on which such widow's or widower's annuity under section 2(d)(1) of this Act began to accrue, exceeds (B) the total of the annuity amounts to which such widow or widower was entitled (after any reductions pursuant to subsection (i)(2) of this section but before any deductions on account of work) under the preceding provisions of this subsection, subsection (f) of this section, and the amount determined under subsection (h) of this section before the proviso, as of the later of the date on which such widow's or widower's annuity under section 2(a)(1) of this Act began

45 USC 231d.

45 USC 231b.

42 USC 402.

to accrue or the date on which such widow's or widower's annuity under section 2(d)(1) of this Act began to accrue. If a widow or widower of a deceased employee is not entitled to an annuity under section 2(a)(1) of this Act or to an old-age insurance benefit or a disability insurance benefit under the Social Security Act, the amount of the annuity to which such widow or widower is entitled under this subsection shall not be less than an amount which would cause the total of the annuity amounts to which such widow or widower is entitled (before any deductions on account of work) under this subsection and subsection (f)(1) of this section to equal the total of the annuity amounts to which such widow or widower was entitled (or would have been entitled except for the provisions of sections 2(e) and 2(f) of this Act) as a spouse under subsections (a), (b), and (e)(3) of this section (after any reduction on account of age) in the month preceding the employee's death. If a widow or widower of a deceased employee is entitled to an annuity under section 2(a)(1) of this Act or to an old-age insurance benefit or a disability insurance benefit under the Social Security Act, the amount of the annuity to which such widow or widower is entitled under this subsection shall not be less than an amount which would cause (A) the total of the annuity amounts to which such widow or widower is entitled (after any reductions pursuant to section 202(k) or 202(q) of the Social Security Act or subsection (i)(2) of this section but before any deductions on account of work) under this subsection and subsection (f) of this section to equal (B)(i) the total of the annuity amounts, if any, to which such widow or widower was entitled (or would have been entitled except for the provisions of sections 2(e) and 2(f) of this Act) as a spouse under subsections (a), (b), and (e) of this section (after any reduction on account of age) in the month preceding the employee's death less (ii), if such widow or widower is entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act but was not entitled to such a benefit in the month preceding the employee's death, the amount by which the annuity amount payable under subsection (a) of this section to such widow or widower as a spouse in the month preceding the employee's death would have been reduced by reason of section 202(k) or 202(q) of the Social Security Act if such widow or widower had been entitled to an old-age insurance benefit or a disability insurance benefit under the Social Security Act in the month preceding the employee's death in an amount equal to the amount of such benefit at the time such benefit first began to accrue to such widow or widower.

45 USC 231a.

42 USC 1305.

42 USC 402.

"(5) This subsection shall not apply to the annuity of a widow, surviving divorced wife, or surviving divorced mother who is entitled to such annuity on the basis of the provisions of section 2(d)(1)(v) of this Act.

"(6) That portion of the annuity of a survivor of an individual determined under subdivisions (1) and (2) of this subsection shall be increased whenever, and by the same percentage or percentages as, the annuity of the individual would have been increased pursuant to section 3(g) of this Act if such individual were still living.".

(h) Section 4(h) of the Railroad Retirement Act is amended—

45 USC 231c.

(1) by inserting "(1)" after "(h)";

(2) by inserting after "during the period from January 1, 1975, to" the following "January 1, 1982 or, if earlier, to";

(3) by inserting after "202(k) and 202(q) of the Social Security Act" the first time it appears the following: "and subsection (i)(2) of this section"; and

(4) by adding at the end the following new subdivision:

"(2) Subdivision (1) of this subsection shall not apply to the annuity of a widow, surviving divorced wife, or surviving divorced mother who is entitled to such annuity on the basis of the provisions of section 2(d)(1)(v) of this Act. No amount shall be payable to a person under subdivision (1) of this subsection unless the entitlement of such person to such amount had been determined prior to the date of the enactment of this subdivision.".

Ante, p. 629.

45 USC 231c.

(i) Section 4(i) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "spouse" each place it appears in subdivision (1) and subdivision (2) and inserting in lieu thereof "spouse or divorced wife";

(2) by inserting ", after a reduction pursuant to section 2(c)(2)" after "shall" in subdivision (1);

(3) by striking out "wife's or husband's" in subdivision (1); and

(4) by inserting "(before any deduction on account of work)" after "insurance benefit" in subdivision (1).

45 USC 231d.

SEC. 1120. (a) Section 5(a) of the Railroad Retirement Act of 1974 is amended—

(1) by striking "and" at the end of paragraph (ii),

(2) by striking out the period at the end of paragraph (iii) and inserting "; and" in lieu thereof; and

(3) by adding at the end thereof the following new paragraphs:

"(iv) in the case of an applicant otherwise entitled to an annuity under section 2(c)(4) or 2(d)(1)(v) of this Act, not earlier than the month an annuity would begin to accrue to such individual under such section if section 202(j)(1) and section 202(j)(4) of the Social Security Act were applicable to this Act.

42 USC 402.

"(v) an annuity amount provided by section 3(h)(1) or 3(h)(2) shall not be paid to an individual otherwise eligible therefor for any month before the month such individual would be entitled, upon filing an application therefor, to an old-age insurance benefit or a disability insurance benefit under title II of the Social Security Act and an annuity amount provided by section 3(h)(3) or section 3(h)(4) shall not be paid to an individual otherwise eligible therefor for any month before the month such individual would be entitled, upon filing an application therefore, to an insurance benefit as a wife, husband, widow, or widower under title II of the Social Security Act;

42 USC 401.
45 USC 231b.

"(vi) an annuity amount provided by section 4(e)(1) or 4(e)(2) shall not be paid to a spouse otherwise eligible therefor for any month prior to the month such spouse would be entitled, upon filing an application therefor, to an old-age or disability insurance benefit under title II of the Social Security Act; and

"(vii) an annuity amount provided by section 4(e)(3) shall not be paid to a spouse otherwise eligible therefor for any month prior to the month such spouse would be entitled, upon filing an application therefor, to a wife's or husband's insurance benefit under title II of the Social Security Act.".

45 USC 231d.

(b) Section 5(b) of such Act is amended by inserting "title II of" after "may be entitled under this Act or" in the second sentence thereof.

(c) Section 5(c)(3) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new sentence: "The entitlement of the divorced wife of an individual to an annuity under section 2(c) shall end on the last day of the month preceding the

month in which (A) the divorced wife or the individual dies or (B) the divorced wife remarries.".

(d) Section 5(c) of such Act is amended by adding at the end thereof the following new subdivision: 45 USC 231d.

"(9) No annuity shall accrue with respect to the calendar month in which an annuitant dies. In cases where an individual entitled to an annuity under this Act disappears, no annuity shall accrue to that individual with respect to any month until and unless such individual is shown, by evidence satisfactory to the Board, to have continued in life throughout such month, but—

"(A) where an annuity would accrue for such month under section 2(a)(1) to an individual who had a current connection with the railroad industry at the time of such individual's disappearance, and under section 2(c) to such individual's spouse, had such individual been shown to be alive during such month, such individual shall be deemed, for the purposes of benefits under section 2(d), to have died in the month in which such individual disappeared, and where an annuity would accrue for such month under section 2(a)(1) to an individual who did not have a current connection with the railroad industry at the time of such individual's disappearance, and under section 2(c) to such individual's spouse, had such individual been shown to be alive during such month, such individual shall be deemed, for purposes of benefits payable under section 2(c), to be alive during such month unless the death of such individual has been established or the annuity of the spouse of such individual is otherwise terminated under subsection (c)(3) of this section, and 45 USC 231a.

"(B) if such individual is later determined to have been alive during any of such months, recovery of any benefits paid on the basis of such individual's compensation under section 2(d) for the months in which such individual was not known to be alive, minus the total of the amounts that would have been paid as a spouse's annuity during such months (treating the application for a widow's or widower's annuity as an application for a spouse's annuity), shall be made in accordance with section 10.

For purposes of the payment of benefits under this Act, the death of an individual shall be presumed based on such individual's unexplained absence of not less than seven years, except that whenever the death of an individual is so established, such individual shall be deemed to have died in the month in which such individual disappeared.".

SEC. 1121. (a) Section 6(a)(3) of the Railroad Retirement Act of 1974 is amended— 45 USC 231e.

(1) by striking out "spouse" and inserting "spouse or divorced wife" in lieu thereof; and

(2) by striking out "spouse's" and inserting "spouse's or divorced wife's" in lieu thereof.

(b) Section 6(b)(2) of the Railroad Retirement Act of 1974 is amended by inserting "surviving divorced wife," after "widow," the first place it appears.

(c) Section 6(c) of the Railroad Retirement Act of 1974 is amended—

(1) by adding the following new sentence at the end of subdivision (1): "After a lump sum with respect to the death of an employee is paid pursuant to an election filed with the Board under the provisions of this subsection, no further benefits shall be paid under this Act or the Social Security Act on the basis of such employee's compensation and service under this Act, except that nothing in this Act or the Social Security Act shall operate 42 USC 1305.

42 USC 401.

to deprive a widow, widower, or parent making such election of any insurance benefit under title II of the Social Security Act to which such individual would have been entitled if the employee had not rendered service as an employee under this Act.";

(2) by inserting after "section 21 of the Railroad Retirement Act of 1937," in the first sentence of subdivision (2) thereof the following: "any supplemental annuity payments made to the employee under section 2(b) of this Act or section 3(j) of the Railroad Retirement Act of 1937,"; and

(3) by striking out "spouse" the first place it appears in subdivision (2) and inserting in lieu thereof "spouse or divorced wife".

45 USC 231f.

SEC. 1122. (a) Section 7(b) of the Railroad Retirement Act of 1974 is amended—

(1) by striking out "wife" in subdivision (2)(B) and inserting in lieu thereof "wife or divorced wife"; and

(2) by striking out "this Act and the" where it appears in the first sentence of subdivision (7) and inserting in lieu thereof "this Act, the Railroad Unemployment Insurance Act,".

(b)(1) Section 7(d) of such Act is amended by striking out "; or" at the end of paragraph (i) of subdivision (2) and inserting in lieu thereof: "or (C) bears a relationship to an employee which, by reason of section 3(f)(3) of this Act, has been, or would be, taken into account in calculating the amount of the annuity of such employee; or".

45 USC 231b.

(2) Section 7(d)(2) of the Railroad Retirement Act of 1974 is amended by striking out "spouse" and inserting in lieu thereof "spouse or divorced wife".

(c) Section 7(c) of the Railroad Retirement Act of 1974 is amended by striking out the period at the end of subdivision (1) and by inserting in lieu thereof the following: ", and payments of annuity amounts made under sections 3(h), 4(e), and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445 shall be made from the Dual Benefits Payments Account. In any fiscal year, the total amounts paid under such sections shall not exceed the total sums appropriated to the Dual Benefits Payments Account for that fiscal year. The Board shall prescribe regulations for allocation of annuity amounts which would without regard to such regulations be payable under sections 3(h), 4(e), and 4(h) of this Act and sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445 so that the sums appropriated to the Dual Benefits Payments Account for a fiscal year so far as practicable, are expended in equal monthly installments throughout such fiscal year, and are distributed so that recipients are paid annuity amounts which bear the same ratio to the annuity amounts such recipients would have received but for such regulations as the ratio of the total sums appropriated to pay such annuity amounts bear to the total sums necessary to pay such annuity amounts without regard to such regulations. Nothwithstanding any other provision of law, the entitlement of an individual to an annuity amount under section 3(h), 4(e), or 4(h) of this Act or section 204(a)(3), 204(a)(4), 206(3), or 207(3) of Public Law 93-445 for any month in which the amount payable to such individual is allocated under the regulations prescribed by the Board under this subsection shall not exceed the amount so allocated for that month to such individual.".

45 USC 231b, 231c.
45 USC 231 note.

Regulations.

45 USC 231i.

SEC. 1123. Section 10(a) of the Railroad Retirement Act of 1974 is amended by adding at the end thereof the following new sentence: "The Board shall have the authority to recover from any payment which would be made to an individual by the Board under section

7(b)(2) of this Act the amount of annuity payments made to such individual which are erroneous because of such individual's entitlement to monthly insurance benefits under title II of the Social Security Act.". 45 USC 231f.

SEC. 1124. (a) Section 15(d) of the Railroad Retirement Act of 1974 is amended by striking out the first two sentences and inserting in lieu thereof the following: "There is hereby created an account in the Treasury of the United States to be known as the Dual Benefits Payments Account. There is hereby authorized to be appropriated to such account for each fiscal year beginning with the fiscal year ending September 30, 1982, such sums as are necessary to pay during such fiscal year the amounts of annuities estimated by the Board to be paid under sections 3(h), 4(e), and 4(h) of this Act and under sections 204(a)(3), 204(a)(4), 206(3), and 207(3) of Public Law 93-445. Not more than 30 days prior to each fiscal year beginning with the fiscal year ending September 30, 1982, the Board may request the Secretary of the Treasury to transfer from the Railroad Retirement Account to the credit of the Dual Benefits Payments Account any amount not exceeding one-twelfth of the amount which the Board has determined will be the amount of the appropriation to be made to the Dual Benefits Payments Account under the applicable Public Law making such appropriation for such fiscal year, and the Secretary of the Treasury shall make such transfer. Not more than 10 days after the funds appropriated to the Dual Benefits Payments Account for each such fiscal year are received into such Account, the Board shall request the Secretary of the Treasury to retransfer from the Dual Benefits Payments Account to the credit of the Railroad Retirement Account an amount equal to the amount transferred to the Dual Benefits Payments Account prior to such fiscal year under the preceding sentence, together with such additional amount determined by the Board to be equal to the loss of interest to the Railroad Retirement Account resulting from such transfer, and the Secretary of the Treasury shall make such retransfer.". 45 USC 231n.

(b) Section 15(e) of the Railroad Retirement Act of 1974 is amended by inserting ", the Dual Benefits Payments Account" after "Railroad Retirement Account" in the first sentence thereof.

(c) Section 15(g) of the Railroad Retirement Act of 1974 is amended by striking out the period at the end of the first sentence and inserting in lieu thereof the following: ", and the Dual Benefits Payments Account.".

SEC. 1125. Section 18(2) of the Railroad Retirement Act of 1974 is amended by inserting "and section 216(i)" immediately after "203". 45 USC 231q.

SEC. 1126. (a) Not later than October 1, 1982, the President shall analyze options that will assure the long-term financial integrity of the railroad retirement system and report to the Congress the results of such analysis, together with recommendations with respect to such options and such comments as may have been submitted by representatives of railroad labor and management. Report to Congress. 45 USC 231n note.

(b) The Railroad Retirement Act of 1974 is amended by adding at the end thereof the following:

"BENEFIT PRESERVATION

"SEC. 22. (a) In any fiscal year in which the Board determines that general revenue borrowing authority available under this Act will be used to borrow an amount equal to or greater than fifty percent of the total amount available under such borrowing authority for that fiscal year, the Board shall, on or before April 1 of that year, report to the Report to President, Speaker of the House, and President of the Senate. 45 USC 231u.

President, the Speaker of the House, and the President of the Senate, in writing—

"(1) the aggregate amount it will need to borrow for that fiscal year and the aggregate amount it is authorized to borrow for that fiscal year;

"(2) the first fiscal year during which benefits under this Act must be reduced, in the absence of any adjustments, because insufficient funds (including any general revenue borrowing authority under this Act) would preclude payment of full benefits (other than benefits payable from the Dual Benefits Payments Account) for every month in such fiscal year;

"(3) the first fiscal year during which the Board would recommend suspension of the authority to borrow contained in section 10(d) of the Railroad Unemployment Insurance Act, in order to prevent depletion of the Railroad Retirement Account; and

45 USC 360.

"(4) the amount, if any, of adjustments (stated in terms of percentage of taxable payroll), and any other changes such as cash flow adjustments, necessary to preserve the financial solvency of the Railroad Retirement Account, if such adjustments were effective at the beginning of the next succeeding fiscal year.

Publication in Federal Register.

The Board shall, not less than 20 nor more than 30 days after the submission of a written report under this subsection, publish such report in the Federal Register.

"(b) Not later than 180 days after the publication in the Federal Register of any Board report referred to in subsection (a) of this section which states an amount of adjustments (in terms of percentage of taxable payroll) necessary to preserve the financial solvency of the railroad retirement account—

"(1) representatives of railroad employees and carriers shall, jointly or separately, submit to the President, the Speaker of the House, and the President of the Senate, funding proposals designed to preserve the financial solvency of the Railroad Retirement Account; and

Recommendations.

"(2) the President shall submit to the Speaker of the House and the President of the Senate such recommendations as he may deem appropriate with respect to the preservation of the Railroad Retirement Account, including a specific proposal to assure continuous payments of social security equivalent benefits by separating the social security equivalent benefits from industry pension equivalent benefits payable under this Act.

Publication in Federal Register.

"(c) Not later than 180 days after the submission of a written report under subsection (a) of this section which states the first fiscal year during which benefits under this Act must be reduced because insufficient funds would preclude payment of full benefits for every month of that year, the Board shall issue and publish in the Federal Register such regulations as may be necessary which shall be designed to—

"(1) provide a constant level of benefits at the maximum level possible for every month of that fiscal year; and

"(2) provide that no individual shall receive less during that fiscal year than the amount otherwise payable if the employee's service as an employee after December 31, 1936, had been covered under the Social Security Act, minus the amount of any reduction required under section 3(m) or 4(i) of this Act.

42 USC 1305.
45 USC 231b, 231c.

Unless otherwise provided by law enacted after the date of enactment of this section, or by a later report filed by the Board under subsection (a) of this section, regulations issued by the Board under this subsection shall apply beginning with the fiscal year designated by

the Board in its written report under subsection (a) of this section. Any Board regulation which becomes effective under this subsection may be modified, rescinded, or superseded in the same manner and to the same extent as in the case of any other Board regulation issued under authority of this Act.".

SEC. 1127. (a) Section 15(b) of the Railroad Retirement Act of 1974 is amended by inserting "(1)" after "(b)" and by inserting at the end thereof the following new subdivision: 45 USC 231n.

"(2) In any month when the Board finds that the balance in the Railroad Retirement Account is insufficient to pay annuity amounts due to be paid during the following month, the Board shall report to the Secretary of the Treasury the additional amount of money necessary in order to make such annuity payments, and the Secretary shall transfer to the credit of the Railroad Retirement Account such additional amount upon receiving such report from the Board. The total amount of money outstanding to the Railroad Retirement Account from the general fund at any time during any fiscal year shall not exceed the total amount of money the Board and the Trustees of the Social Security Trust Fund estimate will be transferred to the Railroad Retirement Account pursuant to section 7(c)(2) of this Act with respect to such fiscal year. Whenever the Board determines that the sums in the Railroad Retirement Account are sufficient to pay annuity amounts, the Board shall request the Secretary of the Treasury to retransfer to the general fund from the Railroad Retirement Account all or any part of the amount outstanding, and the Secretary of the Treasury shall make such retransfer of the amount requested. Not later than 10 days after a transfer to the Railroad Retirement Account under section 7(c)(2) of this Act, any amount of money outstanding to the Railroad Retirement Account from the general fund under this subdivision shall be retransferred in accordance with this subdivision. Any amount retransferred shall include an amount of interest computed at a rate determined in accordance with the following two sentences: The rate of interest payable with respect to an amount outstanding for any month shall be equal to the average investment yield for the most recent auction (before such month) of United States Treasury bills with maturities of 52 weeks, deeming any amount outstanding at the beginning of a month to have been borrowed at the beginning of such month. For this purpose the amount of interest computed in accordance with the preceding sentence but not repaid by the end of such month shall be added to the amount outstanding at the beginning of the next month.". 45 USC 231f.

SEC. 1128. (a) Section 5(f) of the Railroad Unemployment Insurance Act is amended by striking out "fifteen" and by inserting in lieu thereof "thirty". 45 USC 355.

(b) Section 8(f) of the Railroad Unemployment Insurance Act is amended by striking out "0.25" and inserting in lieu thereof: "0.5". 45 USC 358.

SEC. 1129. (a) Except as otherwise provided in this section, the amendments made by this subtitle shall take effect October 1, 1981, and shall apply only with respect to annuities awarded on or after that date. Effective dates. 45 USC 231 note.

(b)(1) The amendment made by section 1116(a) of this Act shall take effect October 1, 1981, except that the years of service of an individual shall not be considered less after enactment of this Act for any individual who files an application before April 1, 1982 than such individual had during the month of September 1981.

(2) The amendments made by sections 1116(b)(1), 1118(c)(2), 1119(b)(5), 1119(c), 1119(h)(3), 1119(i)(3), 1120(a), 1120(d), 1121(c)(1), 1121(c)(2), 1123, and 1125 of this Act shall take effect January 1, 1975.

45 USC 231.

(3) The first sentence added to section 1(o) of the Railroad Retirement Act of 1974 by section 1116(b)(2) shall take effect October 1, 1981, and shall apply only with respect to individuals who did not die before that date and who ceased rendering service as an employee under the Railroad Retirement Act of 1974 on or after Ocotber 1, 1975 or were on leave of absence or furlough on October 1, 1975. The second sentence added to section 1(o) of the Railroad Retirement Act of 1974 by section 1116(b)(2) shall take effect October 1, 1981.

45 USC 231t.

(c) The amendment made by section 1117(a) of this Act shall take effect October 1, 1981, and shall apply only with respect to individuals whose supplemental annuity closing date under section 2(b) of the Railroad Retirement Act of 1974 before the effective date of the amendment to such section by this Act did not occur before October 1, 1981.

45 USC 231a.

(d) The amendments made by section 1119(b)(1) shall not apply with respect to annuities awarded on the basis of employee annuities awarded before October 1, 1981.

(e)(1) The amendments made by sections 1118(e)(3), 1119(d)(2), 1119(h)(1), and 1119(h)(4) of this Act shall take effect on the date of the enactment of this Act.

(2) The amendment made by section 1118(d) of this Act shall apply with respect to annuity increases which become effective on or after the date described in the next sentence. The date referred to in the last preceding sentence is the later of October 1, 1981 and the date (after July 1, 1981) on which there is an increase in the rate of any tax imposed under chapter 22 (relating to railroad retirement tax) of the Internal Revenue Code of 1954. For the purposes of the amendment made by section 1118(d), with respect to annuities awarded before October 1, 1981, the annuity portions computed under subsections (b) and (d) of section 3 of the Railroad Retirement Act of 1974 as in effect before October 1, 1981, shall be treated as a portion of an annuity computed under section 3(b) of such Act as amended by this Act.

26 USC 3201 *et seq.*

45 USC 231b.

(3) The amendment made by section 1118(a) of this Act shall take effect on the later of October 1, 1981, and the date (after July 1, 1981) on which there is an increase in the rate of any tax imposed under chapter 22 (relating to railroad retirement tax) of the Internal Revenue Code of 1954, and shall apply only with respect to annuities awarded on or after the date of that taking effect.

Ante, p. 633.

(f) Section 4(g) of the Railroad Retirement Act of 1974 as amended by this Act (except subdivisions (5) and (6) of such section 4(g)) shall take effect October 1, 1981, with respect to awards made on or after that date in cases in which the employee did not begin receiving an annuity under section 2(a)(1) of the Railroad Retirement Act of 1974 before October 1, 1981, and did not die before that date, and to all awards made on or after October 1, 1986. In all other awards made on or after October 1, 1981, and before October 1, 1986, for purposes of determining the initial annuity amounts only, the provisions of section 4(g) of the Railroad Retirement Act of 1974, as in effect before amendment by this Act shall be applicable. Initial annuity amounts determined under the preceding sentence shall be increased only by the same percentage, or percentages, as an employee's annuity amount determined under section 3(b) of the Railroad Retirement Act of 1974 is increased under section 3(g) of the Railroad Retirement Act of 1974 on or after the date on which such initial annuity amount began to accrue. Annuity amounts determined under section 4(g) of

the Railway Retirement Act of 1974 before amendment by this Act or under section 207(2) of Public Law 93-445 shall be increased only by the same percentage, or percentages, as an employee's annuity amount determined under section 3(b) of the Railroad Retirement Act of 1974 is increased under section 3(g) of the Railroad Retirement Act of 1974 on or after October 1, 1981. Section 4(g)(5) and 4(g)(6) of the Railroad Retirement Act of 1974, as amended by this Act, shall take effect on October 1, 1981.

45 USC 231c.
45 USC 231 note.
45 USC 231b.

(g) The amendments made by sections 1118(b), 1118(g), 1120(b), 1122(a)(2), 1122(b)(1), 1122(c), 1124, 1126, and 1127 of this Act shall take effect October 1, 1981.

(h) The amendments made by sections 1117(e)(2), 1117(f), 1118(h)(2), and 1119(i)(4) shall take effect January 1, 1982.

Subtitle E—Conrail

Northeast Rail Service Act of 1981.
45 USC 1101 note.

SEC. 1131. This subtitle may be cited as the "Northeast Rail Service Act of 1981".

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PART 1—GENERAL PROVISIONS

FINDINGS

45 USC 1101.

SEC. 1132. The Congress finds and declares that—

45 USC 701 note.

(1) the processes set in motion by the Regional Rail Reorganization Act of 1973 have failed to create a self-sustaining railroad system in the Northeast region of the United States and have cost United States taxpayers many billions of dollars over original estimates;

(2) current arrangements for the provision of rail freight and commuter service in the Northeast and Midwest regions of the United States are inadequate to meet the transportation needs of the public and the needs of national security;

(3) although the Federal Government has provided billions of dollars in assistance for Conrail and its employees, the Federal interest in ensuring the flow of interstate commerce through rail service in the private sector has not been achieved, and the protection of interstate commerce requires Federal intervention to preserve essential rail service in the private sector;

(4) the provisions for protection of employees of bankrupt railroads contained in the Regional Rail Reorganization Act of 1973 have resulted in the payment of benefits far in excess of levels anticipated at the time of enactment, have imposed an excessive fiscal burden on the Federal taxpayer, and are now an obstacle to the establishment of improved rail service and continued rail employment in the Northeast region of the United States; and

(5) since holding Conrail liable for employee protection payments would destroy its prospects of becoming a profitable carrier and further injure its employees, an alternative employee protection system must be developed and funded.

PURPOSE

45 USC 1102.

SEC. 1133. It is therefore declared to be the purpose of the Congress in this subtitle to provide for—

(1) the removal by a date certain of the Federal Government's obligation to subsidize the freight operations of Conrail;

(2) transfer of Conrail commuter service responsibilities to one or more entities whose principal purpose is the provision of commuter service; and

(3) an orderly return of Conrail freight service to the private sector.

GOALS

SEC. 1134. It is the goal of this subtitle to provide Conrail the opportunity to become profitable through the achievement of the following objectives: 42 USC 1103.

(1) NONAGREEMENT PERSONNEL.—(A) Employees who are not subject to collective bargaining agreements (hereafter in this section referred to as "nonagreement personnel") should forego wage increases and benefits in an amount proportionately equivalent to the amount foregone by agreement employees pursuant to paragraph (4) of this section, adjusted annually to reflect inflation.

(B) After May 1, 1981, the number of nonagreement personnel should be reduced proportionately to any reduction in agreement employees (excluding reductions pursuant to the termination program under section 702 of the Regional Rail Reorganization Act of 1973). *Post*, p. 662.

(2) SUPPLIERS.—To facilitate the orderly movement of goods in interstate commerce, materials and services should continue to be available to Conrail, under normal business practices, including the provision of credit and normal financing arrangements.

(3) SHIPPERS.—Conrail should utilize the revenue opportunities available to it under the Staggers Rail Act of 1980 and subtitle IV of title 49, United States Code. 49 USC 10101 note. 49 USC 10101 *et seq.*

(4) AGREEMENT EMPLOYEES.—(A) Conrail should enter into collective bargaining agreements with its employees which would reduce Conrail's costs in an amount equal to $200,000,000 a year, beginning April 1, 1981, adjusted annually to reflect inflation.

(B) Agreements under this subparagraph may provide for reductions in wage increases and for changes in fringe benefits common to agreement employees, including vacations and holidays.

(C) The cost reductions required under this subparagraph in the first year of the agreement may be deferred, but the aggregate cost reductions should be no less than an average of $200,000,000 per year for each of the first three one-year periods beginning April 1, 1981.

(D) The amount of cost reductions provided under this paragraph shall be calculated by subtracting the cost of an agreement entered into under this paragraph from (i) the cost that would otherwise result from the application of the national agreement reached by railroad industry and its employees, or (ii) until such national agreement is reached, the cost which the United States Railway Association estimates would result from the application of such a national agreement.

DEFINITIONS

SEC. 1135. (a) As used in this subtitle, unless the context otherwise requires, the term: 45 USC 1104.

(1) "Amtrak" means the National Railroad Passenger Corporation created under title III of the Rail Passenger Service Act (45 U.S.C. 541 et seq.).

(2) "Commission" means the Interstate Commerce Commission.

(3) "Commuter authority" means any State, local, or regional authority, corporation, or other entity established for purposes of providing commuter service, and includes the Metropolitan Transportation Authority, the Connecticut Department of Transportation, the Maryland Department of Transportation, the Southeastern Pennsylvania Transportation Authority, the New Jersey Transit Corporation, the Massachusetts Bay Transportation Authority, the Port Authority Trans-Hudson Corporation, any successor agencies, and any entity created by one or more such agencies for the purpose of operating, or contracting for the operation of, commuter service.

(4) "Commuter service" means short-haul rail passenger service operated in metropolitan and suburban areas, whether within or across the geographical boundaries of a State, usually characterized by reduced fare, multiple-ride, and commutation tickets, and by morning and evening peak period operations.

(5) "Conrail" means the Consolidated Rail Corporation created under title III of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741 et seq.).

(6) "Rail carrier" means a common carrier engaged in interstate or foreign commerce by rail subject to subtitle IV of title 49, United States Code.

49 USC 10101 *et seq.*

(7) "Secretary" means the Secretary of Transportation.

(8) "Special court" means the judicial panel established under section 209 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 719).

45 USC 702.

(b) Section 102 of the Regional Rail Reorganization Act of 1973 is amended—

(1) by inserting after paragraph (2) the following new paragraphs:

"(3) 'Commuter authority' means any State, local, or regional authority, corporation, or other entity established for purposes of providing commuter service, and includes the Metropolitan Transportation Authority, the Connecticut Department of Transportation, the Maryland Department of Transportation, the Southeastern Pennsylvania Transportation Authority, the New Jersey Transit Corporation, the Massachusetts Bay Transportation Authority, the Port Authority Trans-Hudson Corporation, any successor agencies, and any entity created by one or more such agencies for the purpose of operating, or contracting for the operation of, commuter service;

"(4) 'Commuter service' means short-haul rail passenger service operated in metropolitan and suburban areas, whether within or across the geographical boundaries of a State, usually characterized by reduced fare, multiple-ride, and commutation tickets, and by morning and evening peak period operations;"; and

(2) by redesignating paragraphs (3) through (19) as paragraphs (5) through (21), respectively.

PART 2—TRANSFER OF RAIL SERVICE RESPONSIBILITIES

Subpart A—Transfer of Conrail Commuter Services

END OF CONRAIL OBLIGATION

SEC. 1136. Notwithstanding any other provision of law or contract, Conrail shall be relieved of any legal obligation to operate commuter service on January 1, 1983. 45 USC 744a.

ESTABLISHMENT OF AMTRAK COMMUTER

SEC. 1137. The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is amended by inserting immediately after title IV thereof the following new title:

"TITLE V—AMTRAK COMMUTER SERVICES

"SEC. 501. ESTABLISHMENT OF AMTRAK COMMUTER. 45 USC 581.

"(a) There shall be established, no later than November 1, 1981, a wholly-owned subsidiary of the Corporation to be known as the Amtrak Commuter Services Corporation (hereafter in this Act referred to as 'Amtrak Commuter').

"(b)(1) Amtrak Commuter shall not be an agency or instrumentality of the Federal Government. Amtrak Commuter shall be subject to the provisions of this Act and, to the extent not inconsistent with this Act, to the District of Columbia Business Corporation Act. D.C. Code 29-901.

"(2) Amtrak Commuter shall be a contract operator of commuter service on behalf of the commuter authorities that contract with Amtrak Commuter for the operation of commuter service under this title. Amtrak Commuter shall have no common carrier obligation to operate either passenger or freight service.

"(c)(1) Amtrak Commuter shall not be subject to the jurisdiction of the Commission under chapter 105 of title 49, United States Code, but it shall (treated as a separate rail carrier) be subject to the same laws and regulations with respect to safety and with respect to the representation of its employees for purposes of collective bargaining, the handling of disputes between carriers and their employees, employee retirement, annuity, and unemployment systems, and other dealings with its employees as any rail carrier providing transportation subject to the jurisdiction of the Commission under such chapter 105. 49 USC 10501 *et seq.*

"(2) Amtrak Commuter shall not be subject to any State or other law relating to the transportation of passengers by railroad insofar as such law relates to rates, routes, or service, including any modification or discontinuance thereof.

"(3) Amtrak Commuter shall be exempt from the payment of taxes to the same extent as the Corporation is exempt under section 306(n) of this Act. *Post*, p. 692.

"(4) The provisions of section 10 of the Clayton Act (15 U.S.C. 20) shall not apply to transactions between Amtrak Commuter and the Corporation.

"(d) The Board of Directors of the Corporation shall be the incorporators of Amtrak Commuter and shall take whatever steps are necessary to establish Amtrak Commuter, including filing articles of incorporation.

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45 USC 582.

"SEC. 502. DIRECTORS AND OFFICERS.

"(a)(1) Amtrak Commuter shall have a Board of Directors as follows:

"(A) The President of Amtrak Commuter, ex officio.

"(B) One member of the Board of Directors of the Corporation who was selected as a representative of commuter authorities contracting with Amtrak Commuter for the operation of commuter service.

"(C) Two members selected by the Board of Directors of the Corporation.

"(D) Two members from commuter authorities as follows:

"(i) During the period prior to the commencement of the operation of commuter service by Amtrak Commuter, such members shall be selected by commuter authorities for which the Consolidated Rail Corporation (hereafter in this title referred to as 'Conrail') operates commuter service under the Regional Rail Reorganization Act of 1973.

45 USC 701 note.

"(ii) Beginning January 1, 1983, such members shall be selected by commuter authorities for which Amtrak Commuter operates commuter service pursuant to this title, except that if Amtrak Commuter operates commuter service for only one commuter authority, only one member shall be selected under this clause.

"(2)(A) Except as otherwise provided in this section, members of the Board of Directors of Amtrak Commuter shall serve terms of two years, and any vacancy in the membership of the Board shall be filled in the same manner as in the case of the original selection.

"(B) The Board shall elect one of its members annually to serve as Chairman.

"(C) Each member of the Board shall receive compensation and reimbursement in accordance with section 303(a)(5) of this Act.

45 USC 543.

"(b) The provisions of section 303 (b) and (d) of this Act shall apply to Amtrak Commuter, except that references to the Corporation shall be read as though they referred to Amtrak Commuter.

45 USC 583.

"SEC. 503. GENERAL POWERS OF AMTRAK COMMUTER.

"(a)(1) Amtrak Commuter is authorized to own, manage, operate, or contract for the operation of commuter service; to conduct research and development related to its mission; and to acquire by construction, purchase, or gift, or to contract for the use of, physical facilities, equipment, and devices necessary to commuter service operations.

"(2) Amtrak Commuter shall, to the extent consistent with this Act and with agreements with commuter authorities, directly operate and control all aspects of its commuter service.

"(b) To carry out its functions and purposes, Amtrak Commuter shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

D.C. Code 29-901.

"(c) Amtrak Commuter is authorized to issue common stock to the Corporation.

45 USC 584.

"SEC. 504. COMMUTER SERVICE.

"(a) Amtrak Commuter is authorized to operate commuter service under an agreement with a commuter authority. Effective January 1, 1983, any commuter service operated by Amtrak Commuter under an agreement with a commuter authority shall be operated solely pursuant to the provisions of this section.

"(b)(1) Amtrak Commuter shall operate commuter service which Conrail was obligated to provide on the effective date of this title

under section 303(b)(2) or 304(e) of the Regional Rail Reorganization Act of 1973, and may operate any other commuter service, if the commuter authority for which such service is to be operated offers to provide a commuter service operating payment which is designed to cover the difference between the revenue attributable to the operation of such service and the avoidable costs of operating such service (including the avoidable cost of any capital improvements necessary to operate such service) together with a reasonable return on the value.

45 USC 743, 744.

"(2) Any commuter authority making an offer under this subsection shall demonstrate that such commuter authority has acquired, leased, or otherwise obtained access to all rail properties necessary to provide such additional commuter service.

"(3) Any additional manpower requirements shall be satisfied through existing seniority arrangements as agreed to in the implementing agreement negotiated pursuant to section 508 of this Act.

"(c) Any offer to provide a commuter service operating payment under subsection (b) of this section shall be made in accordance with regulations issued by the Rail Services Planning Office pursuant to section 205(d)(5)(A) and (6) of the Regional Rail Reorganization Act of 1973. Such Office may revise and update such regulations as may be necessary to carry out the provisions of this section.

45 USC 715.

"(d)(1) Amtrak Commuter may discontinue commuter service provided under this section upon 60 days' notice if—

"(A) a commuter authority does not offer a commuter service operating payment in accordance with subsection (b) of this section; or

"(B) an applicable commuter service operating payment is not paid when it is due.

"(2) The necessary contents of the notice required under this subsection shall be determined pursuant to regulations issued by the Rail Services Planning Office.

"(e) Notwithstanding any other provision of law, compensation to the Corporation or Amtrak Commuter for right-of-way related costs for service over the Northeast Corridor and other properties owned by the Corporation shall be determined in accordance with the methodology determined by the Commission or agreed upon by the parties pursuant to section 1163 of the Northeast Rail Service Act of 1981.

Post, p. 685.

"(f) Amtrak Commuter shall not be subject to any lease or agreement with a commuter authority under which financial support was being provided on January 2, 1974, for the continuation of rail passenger service, except that the Corporation and Conrail shall retain appropriate trackage rights (for passenger and freight operations respectively) over any rail properties owned or leased by such commuter agency. Compensation for such trackage rights shall be just and reasonable.

"(g) Notwithstanding any other provision of this section, Amtrak Commuter is not obligated to provide commuter service if a commuter authority operates the service itself or contracts for the provision of such service by an operator other than Amtrak Commuter. In any such case, Amtrak Commuter shall, where appropriate, provide the commuter authority or such other operator with access to the rail properties needed to operate such service.

"(h) Amtrak Commuter and the Corporation shall, to the maximum extent practicable, enter into agreements for purposes of avoiding duplication of employee functions and voluntarily establishing a consolidated work force.

45 USC 585.

"SEC. 505. NORTHEAST CORRIDOR COORDINATION.

"(a) The Board of Directors of Amtrak Commuter shall develop and recommend to the Corporation—

"(1) policies which ensure equitable access to the Northeast Corridor, taking into account the need for equitable access by commuter and intercity service and the requirements of section 402(e) of this Act; and

45 USC 562.

"(2) equitable policies for the Northeast Corridor with respect to dispatching, public information, maintenance of equipment and facilities, major capital facility investments, and harmonization of equipment acquisitions, fares, tariffs, and schedules.

"(b) The Board of Directors of Amtrak Commuter may recommend to the President and Board of Directors of the Corporation such actions as are necessary to resolve differences of opinions regarding operations (among or between the Corporation, Amtrak Commuter, other railroads, commuter authorities, and other State, local, and regional agencies responsible for the provision of commuter rail, rapid rail, or rail freight service), with respect to all matters except those conferred on the Commission in section 402(a) of this Act.

Notification.
45 USC 586.

"SEC. 506. PROPERTY TRANSFER.

"(a) Not later than April 1, 1982, each commuter authority shall notify Amtrak Commuter and Conrail whether it intends to operate its own commuter service or to contract with Amtrak Commuter for the operation of such service.

"(b)(1) A commuter authority may initiate negotiations with Conrail for the transfer of commuter service operated by Conrail.

"(2) Any transfer agreement between such a commuter authority and Conrail shall specify at least—

"(A) the service responsibilities to be transferred;

"(B) the rail properties to be conveyed; and

"(C) a transfer date not later than January 1, 1983.

"(3) Any transfer agreement under this subsection shall be entered into not later than September 1, 1982.

"(c) Not later than September 1, 1982, Conrail and Amtrak Commuter shall agree on terms and conditions for the transfer to Amtrak Commuter of all of Conrail's commuter service in the Northeast Corridor, except for commuter service to be transferred directly to a commuter authority under an agreement entered into under subsection (b) of this section, and any rail properties used or useful for the operation of such commuter service. Such service and properties shall be transferred to Amtrak Commuter not later than January 1, 1983.

"(d) If, by September 1, 1982, Conrail and Amtrak Commuter have not signed an agreement pursuant to subsection (c) of this section, the Secretary shall, within 30 days, determine which rail properties shall be transferred to Amtrak Commuter and the terms and conditions under which such rail properties and the Northeast Corridor commuter service of Conrail shall be transferred to Amtrak Commuter. Such transfer shall occur not later than January 1, 1983.

"(e) Following the transfer of commuter service and properties to Amtrak Commuter, and upon the request of any commuter authority for which the service is provided by Amtrak Commuter, Amtrak Commuter and such commuter authority shall agree upon terms and conditions for the transfer to the commuter authority of such service and any rail properties used or useful in the operation of such commuter service.

"(f) If, within 90 days after a request for the transfer of commuter services is made by a commuter authority under subsection (e),

Amtrak Commuter and such commuter authority do not sign an agreement pursuant to subsection (e) of this section, Amtrak Commuter or the commuter authority may appeal to the Secretary. Upon such appeal the Secretary shall determine which rail properties shall be transferred and the terms and conditions of such transfer.

"(g) Consideration for inventory, including tools, spare parts, and fuel, transferred under this section shall be based on book value. The transfer of fixed facilities and rolling stock under this section shall be without consideration.

"(h)(1) Notwithstanding any other provision of this Act, if an interest in rail properties is conveyed pursuant to this section, and if such conveyance is in accordance with the requirements of paragraph (2) of this subsection, the conveyance of such properties shall be deemed an assignment. Any such assignment shall relieve Conrail of liability for any breach which occurs after the date of such conveyance, except that Conrail shall remain liable for any breach, event of default, or violation of covenant which occurred (and any charges or obligations which accrued) prior to the date of such conveyance, regardless of whether the assignee thereof assumes such liabilities, charges, or obligations. If any such liabilities, charges, or obligations (accrued prior to the date of such conveyance) are paid by or on behalf of any person or entity other than Conrail, such person or entity shall have a claim to direct reimbursement from Conrail, together with interest on the amount so paid.

"(2)(A) A conveyance referred to in paragraph (1) of this subsection may be effected only if—

"(i) the assignee to whom such conveyance is made assumes all of the obligations under any applicable conditional sale agreement, equipment trust agreement, or lease with respect to such rail properties (including any obligations which accrued prior to the date on which such rail properties are conveyed);

"(ii) such conveyance is made subject to such obligations; and

"(iii) in the event of a conveyance of property to persons other than Class I or II railroads, such conveyance must be approved by any party who is an owner, lessor, equipment trustee, or conditional sale vendor to Conrail on any debt instrument imposing a lien or encumbrance on or otherwise affecting the title or interest in the rail properties to be conveyed, except that such approval may not be unreasonably withheld and may be withheld only for lack of credit worthiness.

As used in this subsection, the term 'rail properties' means assets or rights owned, leased, or otherwise controlled by Conrail, other than real property, which are used or useful in rail transportation service. tion service. "Rail properties."

"(B) Subject to the provisions of this subsection, the provisions of this Act shall not affect the title and interests of any lessor, equipment trust trustee, or conditional sale vendor under any conditional sale agreement, equipment trust agreement, or lease under section 1168 of title 11, United States Code. An assignee to whom such a conveyance is made shall assume all liability under such conditional sale agreement, equipment trust agreement, or lease. Such an assignment or conveyance to, and such an assumption of liability by such an assignee, shall not be deemed a breach, an event of default, or a violation of any covenant of any such conditional sale agreement, equipment trust agreement, or lease so assigned or conveyed, notwithstanding any provision of any such agreement or lease.

"(i) Conrail shall retain rail properties which are used chiefly in freight service and appropriate trackage rights for freight operations

over any rail properties which are transferred under this section. Any dispute regarding such rights may be submitted to the Commission for final and binding determination.

"(j) Nothing contained in this title shall be construed to affect the rights, duties, or obligations of Conrail or its successor in title and any bi-state commuter authority under any agreement, lease, or contract subject to which property was conveyed to Conrail pursuant to the Regional Rail Reorganization Act of 1973.

45 USC 701 note.

45 USC 587.

"SEC. 507. REGULATORY APPROVAL.

"Transfers of properties and assumptions of service responsibilities pursuant to agreements negotiated under section 506, or pursuant to a determination made by the Secretary under section 506 (d) or (f), shall not be subject to judicial review or to the provisions of subtitle IV of title 49, United States Code.".

49 USC 10101 *et seq.*

PROHIBITION OF CROSS-SUBSIDIZATION

SEC. 1138. Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by adding at the end thereof the following new subsection:

"(c) None of the funds appropriated under this section for the payment of operating and capital expenses of intercity rail passenger service shall be used for the operation of commuter service by Amtrak Commuter.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 1139. (a) Section 601 of the Rail Passenger Service Act (45 U.S.C. 601), as amended by section 1138 of this subtitle, is further amended by adding at the end thereof the following new subsection:

"(d) There are authorized to be appropriated to the Secretary not to exceed $20,000,000 for the fiscal year ending September 30, 1982, to be allocated for commuter rail purposes to any commuter authority that was providing commuter service, operated by a railroad that entered reorganization after calendar year 1974, as of January 1, 1979.".

45 USC 744a note.

(b) There are authorized to be appropriated to the Secretary in the fiscal year ending September 30, 1982, not to exceed $50,000,000, to facilitate the transfer of rail commuter services from Conrail to other operators. The Secretary shall by regulation prescribe standards for the obligation of such funds, and shall ensure that distribution of such funds is equitably made between Amtrak Commuter and the commuter authorities that operate commuter service. In providing for the distribution of such funds, the Secretary shall consider any particular adverse financial impact upon any commuter authority contracting with Amtrak Commuter that results from the termination of any lease or agreement between such commuter authority and Conrail. Amounts appropriated under this section are authorized to remain available until October 1, 1986.

Subpart B—Additional Financing of Conrail

ADDITIONAL FINANCING OF CONRAIL

SEC. 1140. (a) Title II of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711 et seq.) is amended by adding at the end thereof the following new section:

"ADDITIONAL PURCHASES OF SERIES A PREFERRED STOCK

"SEC. 217. (a) FEDERAL INVESTMENT.—In addition to the authority provided under section 216 of this Act, the Association shall purchase shares of Series A preferred stock and accounts receivable of the Corporation after the effective date of the Northeast Rail Service Act of 1981, in amounts not to exceed a total of $262,000,000. 45 USC 727. 45 USC 726.

"(b) ACCOUNTS RECEIVABLE.—(1) In any further purchase under this section or section 216 of this title the Association shall purchase accounts receivable of the Corporation attributable to the dispute over the right-of-way related costs described in section 1163 of the Northeast Rail Service Act of 1981 until the Commission resolves such dispute under such section, and accounts receivable of the Corporation attributable to delays in reimbursement from commuter authorities. *Post*, p. 685.

"(2) From funds provided under this section or section 216 of this Act, the Association shall purchase Series A preferred stock of the Corporation, to the extent of losses on commuter service, in an amount not to exceed $15,000,000.

"(c) STATES AND LOCALITIES.—The Corporation shall be exempt from liability for any State tax, except for any tax imposed by any political subdivision of a State, until the property of the Corporation is transferred by the Secretary under title IV of this Act. *Post*, p. 654.

"(d) DEBENTURES.—The Association shall return debentures to the Corporation in an amount equal to the value of the properties conveyed by the Corporation to Amtrak Commuter and any commuter authority.

"(e) RIGHTS RETAINED.—The Corporation shall retain the right to collect and shall collect any accounts receivable attributable to delays in reimbursement from commuter authorities that are purchased by the Association under this section. No agency or instrumentality of the United States shall be required to collect such accounts.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Association for purposes of purchasing securities and accounts receivable of the Corporation under this section not to exceed $262,000,000, such sums to remain available until the Secretary transfers the Corporation under title IV of this Act. All sums received on account of the holding or disposition of any such securities or accounts receivable shall be deposited in the general fund of the Treasury.".

(b) The table of contents of the Regional Rail Reorganization Act of 1973 is amended by inserting immediately after the item relating to section 216 the following new item:

"Sec. 217. Additional purchases of Series A preferred stock.".

ORGANIZATION AND STRUCTURE OF CONRAIL

SEC. 1141. (a) Section 301(d)(2) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(d)(2)) is amended—

(1) by striking out "(other than resignations pursuant to this subsection)" in the second sentence; and

(2) by striking out the third, fourth, and fifth sentences.

(b) Section 301(e)(1) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(e)(1)) is amended by striking out "In order to carry out the final system plan, the" and inserting in lieu thereof "The".

(c) Section 301 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741) is amended by striking out subsection (j) and inserting in lieu thereof the following new subsection:

"(j) SIGNAL SYSTEMS.—If, within two years after the effective date of this subsection, the Corporation applies for the permission of the Secretary to substitute manual block signal systems for automatic block signal systems on lines on which less than 20,000,000 gross tons of freight are carried annually, the Secretary shall approve or disapprove such application within 90 days of its submission.".

Subpart C—Transfer of Freight Service Responsibilities

TRANSFER OF FREIGHT SERVICE

SEC. 1142. The Regional Rail Reorganization Act of 1973 is amended by inserting immediately after title III the following new title:

"TITLE IV—TRANSFER OF FREIGHT SERVICE

"INTEREST OF UNITED STATES

45 USC 761.

Ante, p. 643.

"SEC. 401. (a) PLAN FOR SALE OF COMMON STOCK.—(1) As soon as practicable after the effective date of the Northeast Rail Service Act of 1981, the Secretary shall engage the services of an investment banking firm or similar financial institution, which firm or institution shall arrange for the sale of the interest of the United States in the common stock of the Corporation under this section.

Plan, submittal to Congress.

"(2) At any time after the effective date of the Northeast Rail Service Act of 1981 the Secretary may submit to the Congress a plan for the sale, in block or by public offering, of the interest of the United States in the common stock of the Corporation. Such plan shall—

"(A) ensure continued rail service;

"(B) promote competitive bidding for such common stock; and

"(C) maximize the return to the United States on its investment.

"(3) Any plan submitted under paragraph (2) shall be deemed approved at the end of the 60-calendar-day period of continuous session of the Congress beginning on the date the plan was submitted, unless during such period both Houses of Congress pass a concurrent resolution the substance of which states that the Congress does not favor such plan. The Secretary shall implement any plan deemed approved under this paragraph. For purposes of this subsection—

"(A) continuity of session of the Congress is broken only by an adjournment sine die; and

"(B) the days on which either House is not in session because of adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

"(b) CANCELLATION.—In making any sale under a plan submitted under subsection (a)(2), the Secretary may cancel some shares of the common stock of the Corporation and sell only the remaining shares.

"(c) REPLACEMENT OF BOARD OF DIRECTORS.—When all common stock of the Corporation held by the United States (or any agent or instrumentality thereof) is sold under a plan submitted under subsection (a)(2) or canceled under subsection (b), the Corporation shall elect a new Board of Directors. Only holders of shares of common stock may vote in such election, and each such share shall entitle its holder to one vote.

"(d) RAILROAD PURCHASERS.—Any railroad which purchases common stock of the Corporation shall vote such stock in the same proportion as all other common stock of the Corporation is voted

unless the Commission determines that such railroad has purchased a controlling interest in the Corporation.

"(e) STOCK OFFERING.—In making any sale under a plan submitted under subsection (a)(2), the Secretary shall first offer for sale, to any employees whose wages are reduced pursuant to any agreement entered into in accordance with the goal set forth in section 1134(4) of the Northeast Rail Service Act of 1981, stock in amounts equal to the extent of such wage reduction.

Ante, p. 645.

"DEBT AND PREFERRED STOCK

"SEC. 402. (a) LIMITATION.—Prior to any sale of the common stock of the Corporation under section 401, the interest of the United States in any debt or preferred stock of the Corporation held by the United States (or any agent or instrumentality thereof, including the Association) shall be limited to any interest which attaches to such debt or preferred stock in the event of bankruptcy, or substantial sale, or liquidation of the assets of the Corporation. The Secretary shall substitute for the evidence of such debt or preferred stock held by the United States (or any such agent or instrumentality) contingency notes conforming to the limited terms set forth in this subsection.

45 USC 762.

"(b) SUBSEQUENT ISSUE.—If the interest of the United States is limited under subsection (a) the Corporation may issue new debt or preferred stock subsequent to the issuance of the debt or preferred stock described in subsection (a) which shall have higher priority in the event of bankruptcy, liquidation, or abandonment of the assets of the Corporation than the debt or preferred stock described in subsection (a).

"PROFITABILITY DETERMINATIONS

"SEC. 403. (a) FIRST DETERMINATION.—(1) On June 1, 1983, the Board of Directors of the Association (hereafter in this title referred to as the 'USRA Board') shall make a determination whether the Corporation will be a profitable carrier. For the purpose of making such determination the USRA Board shall assume that the interest of the United States in any debt or preferred stock of the Corporation is limited as required under section 402 of this Act.

45 USC 763.

"(2) As used in this subsection, 'profitable carrier' means a carrier that generates sufficient revenues to meet its expenses, including reasonable maintenance of necessary equipment and facilities, and will be able to borrow capital in the private market sufficient to meet all its capital needs.

"Profitable carrier."

"(3)(A) If the USRA Board determines under paragraph (1) of this subsection that the Corporation will be a profitable carrier, the Secretary shall continue to attempt to sell the interest of the United States in the common stock of the Corporation under section 401 of this Act.

"(B) If the USRA Board determines under paragraph (1) of this subsection that the Corporation will not be a profitable carrier, the Secretary shall initiate discussions and negotiations under section 405 of this Act for the transfer of the Corporation's freight rail properties and service responsibilities.

"(b) SECOND DETERMINATION.—(1) As soon after November 1, 1983, as the necessary information is available, if the USRA Board has determined under subsection (a)(2) of this section that the Corporation will be a profitable carrier such Board shall make a determination as to whether the Corporation has been a profitable carrier

during the period beginning June 1, 1983, and ending October 31, 1983.

"Profitable carrier."

"(2) As used in this subsection, 'profitable carrier' means a carrier that generates sufficient revenues to meet its expenses, including reasonable maintenance of necessary equipment and facilities, and would have been able to borrow capital in the private market sufficient to meet all its capital needs. For the purpose of making such determination the USRA Board shall assume that the interest of the United States in any debt or preferred stock of the Corporation has been limited as required under section 402 of this Act.

"(3)(A) If the USRA Board determines under paragraph (1) of this subsection that the Corporation has been a profitable carrier, the Secretary shall continue to attempt to sell the interest of the United States in the common stock of the Corporation under section 401 of this Act.

"(B) If the USRA Board determines under paragraph (1) of this subsection that the Corporation has not been a profitable carrier, the Secretary shall initiate discussions and negotiations under section 405 of this Act for the transfer of the Corporation's freight rail properties and service responsibilities.

"FAILURE TO SELL AS ENTITY

45 USC 764.

"SEC. 404. (a) NOTIFICATION.—After June 1, 1984, the Secretary may notify the USRA Board that he has determined that he is unable to sell the interest of the United States in the common stock of the Corporation under section 401 of this Act. The USRA Board shall approve or disapprove such determination within 15 days after the date of such notification.

"(b) USRA BOARD APPROVAL.—(1) If the USRA Board approves any determination of the Secretary of which it is notified under subsection (a)(2), the employees of the Corporation may, within 90 days after the date of the Secretary's determination was submitted to the USRA Board, submit to the Secretary a plan for the purchase of the common stock of the Corporation.

"(2) The Secretary shall approve any plan submitted under paragraph (1) of this subsection if, taking into account any consideration to be received by the Corporation from any sale of debt instruments or newly issued common stock as part of the purchase transaction, the Corporation's earnings and earnings prospects are sufficient to meet its operating and capital requirements and permit it adequate access to the private capital markets for any additional capital it may require, so that the Corporation will not require further Federal financial assistance. The Secretary shall consider whether the plan ensures continued rail service and maximizes the return to the United States on its investment.

"(3) If the Secretary does not approve the plan submitted under paragraph (1) of this subsection the Secretary shall initiate discussions and negotiations under section 405 of this Act for the transfer of the Corporation's freight rail properties and service responsibilities.

"(c) USRA BOARD DISAPPROVAL.—(1) If the USRA Board disapproves any determination of the Secretary it is notified of under subsection (a), the Secretary shall continue to attempt to sell the interest of the United States in the common stock of the Corporation.

"(2) The Secretary may notify the USRA Board that he has determined that he is unable to sell the interest of the United States in the common stock of the Corporation each 90 days thereafter, and

such determination shall be subject to the approval or disapproval under the provisions of this section.

"TRANSFER PLAN

"SEC. 405. (a) INITIAL DISCUSSIONS.—If the Corporation is determined not to be a profitable carrier by the USRA Board under subsection (a) or (b) of section 403, or if any plan for the purchase of the common stock of the Corporation under section 404(b) is not approved by the Secretary, or if at any time the Corporation requires funding from the Federal Government in excess of amounts authorized on or before the effective date of the Northeast Rail Service Act of 1981, the Secretary, in consultation with the Corporation, shall initiate discussions and negotiations under section 5 of the Department of Transportation Act (49 U.S.C. 1654) with potential purchasers for the transfer of the Corporation's freight rail properties and service responsibilities, specifically including freight terminal operations in the Northeast Corridor.

45 USC 765.

Ante, p. 643.

"(b) CONFERENCES.—As a part of the process set forth in subsection (a), the Secretary shall consult with railroads, representatives of employees of the Corporation and other railroads that may be affected, appropriate State and local government officials, shippers, consumer representatives, potential purchasers or operators other than railroads, and holders of purchase money equipment obligations. The Secretary shall hold conferences in developing plans for the sale of the Corporation and persons attending or represented at such conferences shall not be liable under the antitrust laws of the United States with respect to any discussion at such conference, or with respect to any agreements reached at such conferences, which are entered into with the approval of the Secretary.

"(c) FREIGHT TRANSFER AGREEMENTS.—Any agreement for the transfer of the Corporation's rail properties and service responsibilities (hereafter in this title referred to as 'freight transfer agreements') shall specify the rail properties and the service responsibilities to be transferred to the acquiring railroad and the price to be paid for rail properties transferred, and shall include such other terms as the Secretary, consulting with the Corporation, and the acquiring railroad consider appropriate.

"(d) TERMINAL COMPANIES.—Not later than 1 year after the freight transfer agreements are implemented pursuant to section 408 of this title, the Secretary shall arrange for the formation by railroads of one or more terminal companies, to be operated as private corporations without Federal operating subsidy, to provide switching and terminal services in the Northeast Corridor without preference to the traffic of any railroad. Notwithstanding the provisions of the preceding sentence, the Secretary shall not be required to arrange for the formation of such terminal companies if he certifies in writing to the Congress that individual acquiring railroads are capable of assuring adequate freight terminal operations in the Northeast Corridor.

"(e) COMPETITION.—Discussion and negotiations for freight transfer agreements shall be conducted, to the maximum extent practicable, to assure the preservation and enhancement of rail competition in the Northeast. In the development of freight transfer agreements, rail lines which have heavy rail freight activity shall receive priority designation for competitive service. In determining such priority the Secretary shall consider shipper input and other relevant data.

"(f) REPORT.—The Secretary shall submit to the Congress every six months a report regarding his activities under this section. If the Secretary finds that he is unable to sell the interest of the United States in the common stock of the Corporation under section 401 of

this Act, he shall concurrently notify the Congress and the USRA Board of such finding.

"CONSOLIDATION OF AGREEMENTS

45 USC 766.

"SEC. 406. (a) GOALS.—The Secretary shall ensure that freight transfer agreements entered into under the authority of this title provide for the continuation of the optimum level of self-sustaining rail service consistent with the needs of the service area, the long-term viability of acquiring railroads operating in the private sector, the preservation and enhancement of transportation competition, and the orderly disposition of equipment subject to railroad equipment obligations and of rail properties subject to contractual obligations based on improvements directly financed by States, localities, and shippers.

"(b) TRANSFER DATE.—All freight transfer agreements entered into under this title shall include as a term a common transfer date.

"(c) CONSOLIDATION.—The Secretary shall consolidate, for purposes of approval and review, all freight transfer agreements and shall ensure that no less than 75 percent of the total rail service operated by the Corporation on the date of transfer shall be maintained under the aggregate of such agreements. If the Secretary acts to grant preliminary or final approval to the freight transfer agreements, the Secretary shall include in his determination a listing of those rail properties not specified in such agreements for transfer, and the likely disposition of such properties.

"PUBLIC COMMENT AND CONGRESSIONAL NOTIFICATION

Publication in Federal Register.
45 USC 767.

"SEC. 407. (a) ATTORNEY GENERAL.—If the Secretary grants preliminary approval to the freight transfer agreements, the Secretary shall publish a summary of the agreements in the Federal Register, requesting public comment. The period for comment shall be not less than 30 days. The Secretary shall, upon the expiration of such 30-day period, transmit the freight transfer agreements with any proposed modifications to the Attorney General. The Attorney General shall, within 10 days of receipt of such transmittal, advise the Secretary as to whether any freight transfer agreement or combination of agreements would create or maintain a situation inconsistent with the antitrust laws of the United States, and the Secretary shall give due consideration to any such advice that may be rendered. The transmittal to the Attorney General shall contain such information as the Attorney General may require in order to advise the Secretary as to whether the freight transfer agreements under consideration would create or maintain a situation inconsistent with such antitrust laws.

"(b) COMMISSION.—The Secretary shall also transmit the freight transfer agreements with any proposed modifications to the Commission on the same date that the Secretary transmits them to the Attorney General. The Commission shall, within 10 days of receipt of such transmittal, advise the Secretary as to the effect of any freight transfer agreement or combination of agreements on the adequacy of public transportation and whether any freight transfer agreement or combination of agreements would have an adverse effect on other railroads or on competition among railroads.

"(c) FINAL APPROVAL.—After consideration of comments received and any advice rendered by the Attorney General and the Commission, but no later than 90 days after the close of public comment under subsection (a), the Secretary may grant final approval to the

freight transfer agreements. With the consent of the acquiring railroad, the Secretary may modify a freight transfer agreement prior to granting such final approval.

"(d) CONGRESSIONAL REVIEW.—If the Secretary grants final approval to the freight transfer agreements, the Secretary shall, within 10 days of such approval, transmit a copy of such agreements to each House of Congress, together with the Secretary's determination of final approval. The freight transfer agreements shall be deemed approved at the end of 60 calendar days of continuous session of the Congress, unless either the House of Representatives or the Senate or both passes a resolution during such period stating that they do not favor the freight transfer agreements. For purposes of this subsection—

"(1) continuity of session of the Congress is broken only by an adjournment sine die; and

"(2) the days on which either House is not in session because of adjournment of more than 3 days to a day certain are excluded in the computation of the period described in this subsection.

"PERFORMANCE UNDER AGREEMENTS; EFFECT

"SEC. 408. (a) TRANSFER.—If neither House of Congress has acted to disapprove the freight transfer agreements within 60 days, rail properties shall be conveyed and service responsibilities of the Corporation shall be transferred in accordance with the freight transfer agreements. Such conveyances and transfers shall not be subject to the provisions of subtitle IV of title 49, United States Code, or, with respect to the issuance and sale of securities to the United States or the Corporation for the purpose of financing such transfers, to the registration and prospectus delivery requirements of the Securities Act of 1933, or to the laws of any State with respect to the issuance and sale of securities. 45 USC 768. 49 USC 10101 *et seq.* 15 USC 77a.

"(b) RESPONSIBILITIES.—On the date the common stock or the rail properties and service responsibilities of the Corporation are transferred under this title—

"(1) the acquiring railroad shall be deemed a railroad subject to subtitle IV of title 49, United States Code, and shall be deemed qualified thereunder to provide the service responsibilities assumed; and

"(2) the Corporation shall discontinue and shall be relieved of any responsibility to operate rail service over any line of railroad conveyed under the freight transfer agreements and all other rail properties of the Corporation.

"(c) REVIEW.—No transfer of the Corporation's stock or rail properties and freight service responsibilities under this title shall be subject to judicial review or to review by the Commission.

"(d) SALE DATE.—Unless the Corporation is found not profitable under section 403(a) or (b) of this title, the Secretary may not sell the rail properties and service responsibilities of the Corporation until June 1, 1984, except that if the Corporation requires further Federal financing before such date, such sale may be made before such date.

"ASSIGNMENT

"SEC. 409. LIABILITY.—(a) Notwithstanding any other provision of this title, if an interest in rail properties is conveyed pursuant to section 408 of this Act, and if such conveyance is in accordance with the requirements of subsection (b) of this section, the conveyance of 45 USC 769.

such properties shall be deemed an assignment. Any such assignment shall relieve the Corporation of liability for any breach which occurs after the date of such conveyance, except that the Corporation shall remain liable for any breach, event of default, or violation of covenant which occurred (and any charges or obligations which accrued) prior to the date of such conveyance, regardless of whether the assignee thereof assumes such liabilities, charges, or obligations. If any such liabilities, charges, or obligations (accrued prior to the date of such conveyance) are paid by or on behalf of any person or entity other than the Corporation, such person or entity shall have a claim to direct reimbursement from the Corporation, together with interest on the amount so paid.

"(b) CONVEYANCE.—(1) A conveyance referred to in subsection (a) of this section may be effected only if—

"(A) the assignee to whom such conveyance is made assumes all of the obligations under any applicable conditional sale agreement, equipment trust agreement, or lease with respect to such rail properties (including any obligations which accrued prior to the date on which such rail properties are conveyed),

"(B) such conveyance is made subject to such obligations, and

"(C) in the event of a conveyance of property to persons other than Class I or II railroads, such conveyance must be approved by any party who is a owner, lessor, equipment trustee, or conditional sale vendor to the Corporation on any debt instrument imposing a lien or encumbrance on or otherwise affecting the title or interest in the rail properties to be conveyed, provided that such approval may not be unreasonably withheld and may be withheld only for lack of credit worthiness.

"Rail properties."

As used in this paragraph, the term 'rail properties' means assets or rights owned, leased, or otherwise controlled by the Corporation, other than real property, which are used or useful in rail transportation service.

"(2) Subject to the provisions of this subsection, the provisions of this title shall not affect the title and interests of any lessor, equipment trust trustee, or conditional sale vendor under any conditional sale agreement, equipment trust agreement, or lease under section 1168 of title 11, United States Code. An assignee to whom such a conveyance is made shall assume all liability under such conditional sale agreement, equipment trust agreement, or lease. Such an assignment or conveyance to, and such an assumption of liability by such an assignee, shall not be deemed a breach, an event of default, or a violation of any covenant of any such conditional sale agreement, equipment trust agreement, or lease so assigned or conveyed, notwithstanding any provision of any such agreement or lease.

"SUBSIDIARIES

45 USC 769a.

"SEC. 410. The Corporation, by January 1, 1982, shall identify those of its subsidiaries (other than the Conrail Equity Corporation) which did not operate at a profit during the preceding 12-month period, and shall, not later than 12 months after the date of enactment of this subtitle, seek to sell any subsidiary identified as not profitable unless the Association determines that the benefits of maintaining ownership of such subsidiary outweigh the financial loss resulting from such ownership.".

PART 3—PROTECTION FOR CONRAIL EMPLOYEES

PROTECTION OF CONRAIL EMPLOYEES

SEC. 1143. (a) The Regional Rail Reorganization Act of 1973 (45 U.S.C. 701 et seq.) is amended by adding at the end thereof the following new title:

"TITLE VII—PROTECTION OF EMPLOYEES

"EMPLOYEE PROTECTION AGREEMENT

"SEC. 701. (a) GENERAL.—(1) The Secretary of Labor and the representatives of the various classes and crafts of employees of the Corporation shall, not later than 90 days after the effective date of this title, enter into an agreement providing protection for employees of the Corporation who were protected by the compensatory provisions of title V of this Act immediately prior to the effective date of the Northeast Rail Service Act of 1981 and who are, or may be, deprived of employment by actions taken under this Act and the Northeast Rail Service Act of 1981. An employee shall be considered deprived of employment if unable to obtain a position with an acquiring railroad, or to obtain a position with the Corporation, the National Railroad Passenger Corporation, or a commuter authority through the normal exercise of seniority or, in the case of a non-agreement employee, by written application.

45 USC 797.

45 USC 771.

Ante, p. 643.

"(2) If the parties are unable to reach agreement under paragraph (1) within 90 days, the Secretary of Labor shall, within 30 days after the expiration of such 90-day period, prescribe the benefit schedule.

"(b) USE OF FUNDS.—The agreement entered into under this section may provide for the use of funds made available under section 713 of this Act for the following purposes:

"(1) Allowances to employees deprived of employment.

"(2) Moving expenses for employees who must make a change in residence.

"(3) Retraining expenses for employees who are seeking employment in new areas.

"(4) Termination allowances for employees.

"(5) Health and welfare insurance premiums.

"(6) Such other purposes as may be agreed upon by the parties.

"(c) APPLICABILITY.—Any employee of the Corporation who is eligible for benefits under an agreement entered into under this section and who is transferred to the National Railroad Passenger Corporation, to the Amtrak Commuter Services Corporation, or to a commuter authority pursuant to title V of the Rail Passenger Service Act shall remain eligible for such benefits.

Ante, p. 647.

"(d) LIMITATION.—(1) The agreement of the parties and the benefit schedule prescribed by the Secretary under this section may not require the expenditure of funds in excess of the amount authorized to be appropriated under section 713 of this Act, or provide benefits for any individual employee in excess of $20,000.

"(2) No individual shall become eligible for benefits under this section after the last day of the eighteen-month period beginning on the date of transfer under section 401 or 404 of this Act.

Ante, pp. 654, 656.

"TERMINATION ALLOWANCE

45 USC 797a.

"SEC. 702. (a) GENERAL.—The Corporation may terminate the employment of certain employees, in accordance with this section, upon the payment of an allowance of $350 for each month of active service with the Corporation or with a railroad in reorganization, but in no event may any such termination allowance exceed $25,000.

"(b) EMPLOYMENT NEEDS.—Within 90 days after the effective date of this title, the Corporation shall determine, for each location, the number of employees that the Corporation intends to separate under subsection (a) of this section.

"(c) NOTIFICATION AND SEPARATION PROCEDURE.—(1) Within 90 days after the effective date of this title, the Corporation shall notify its employees of their rights and responsibilities under this section.

"(2) Within 90 days after the effective date of this title, the Corporation shall notify each train and engine service employee eligible to be separated under paragraph (3) that such employee may be entitled to receive a separation payment under this section if such employee files a written request to be separated. Such notice may be revised from time to time.

"(3) If the number of employees who request to be separated pursuant to paragraph (2) of this subsection is greater, in engine service at any location, than the number of excess firemen at the location, and in train service at the location than the number of excess second and third brakemen, as determined by the Corporation, the Corporation shall separate the employees described in paragraph (2) of this subsection in order of seniority beginning with the most senior employee, until the excess firemen and second and third brakemen positions at that location, as determined by the Corporation, have been eliminated.

"(d) DESIGNATED SEPARATIONS.—If the number of employees who are separated pursuant to subsection (c)(3) is less at any location than the number of excess firemen in freight and commuter service and second and third brakemen in freight service at such location, as determined by the Corporation, the Corporation may, after 210 days after the effective date of this title, designate for separation employees in engine service or train service respectively in inverse order of seniority, beginning with the most junior employee in active service at such location until the excess firemen in freight and commuter service and second and third brakemen in freight service, at that location have been eliminated. An employee designated under this subsection may choose (1) to furlough himself voluntarily, in which case the next most junior employee protected under the fireman manning or crew consist agreements or any other agreement or law, in the same craft or class at such location may be separated instead and receive the separation allowance, or (2) to exercise his seniority to another location, in which case the Corporation may separate, under the provisions of this subsection, the next most junior protected employee in active service at the location to which seniority ultimately is exercised.

"(e) EFFECT ON POSITIONS.—(1) The Corporation shall refrain from filling one fireman position in freight service, or in commuter service where applicable, for each employee in engine service separated in accordance with this section.

"(2) The Corporation may refrain from filling one brakeman position in excess of one conductor and one brakeman on one crew in freight service for each employee in train service who is separated in accordance with this section.

"(3) Positions permitted to be not filled under this subsection shall be not filled in different types of freight service actually operated at or from the location in a sequence to be agreed upon between the Corporation and the general chairman representative of classes or crafts of employees having jurisdiction over the positions to be not filled. If no such agreement is reached, the Corporation may designate the position to be not filled.

"(4) Notwithstanding paragraphs (1) and (2) of this subsection, the Corporation shall retain all rights it has under any provision of law or agreement to refrain from filling any position of employment.

"(f) PROCEDURES.—The Corporation and representatives of the various classes and crafts of employees to be separated may agree on procedures to implement this section, but the absence of such agreement shall not interfere with implementation of the separations authorized by this section.

"(g) COMMUTER EMPLOYEES.—The provisions of this section shall apply to the separation of firemen in commuter service, except that with respect to such employees the Corporation is required to make the separations authorized by this section.

"PREFERENTIAL HIRING

"SEC. 703. (a) GENERAL.—Any employee who is deprived of employment shall have the first right of hire by any other railroad for a vacancy for which he is qualified in a class or craft (or in the case of a non-agreement employee, for a non-agreement vacancy) in which such employee was employed by the Corporation or a predecessor carrier for not less than one year, except where such a vacancy is covered by (1) an affirmative action plan, or a hiring plan designed to eliminate discrimination, that is required by Federal or State statute, regulation, or Executive order, or by the order of a Federal court or agency, or (2) a permissible voluntary affirmative action plan. For purposes of this section, a railroad shall not be considered to be hiring new employees when it recalls any of its own furloughed employees. 45 USC 797b.

"(b) STATUS.—The first right of hire afforded to employees under this section shall be coequal to the first right of hire afforded under section 8 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 907) and section 105 of the Rock Island Transition and Employee Assistance Act (45 U.S.C. 1004). 94 Stat. 400.

"CENTRAL REGISTER OF RAILROAD EMPLOYMENT

"SEC. 704. (a) REGISTER.—(1) The Railroad Retirement Board (hereafter in this section referred to as the 'Board') shall prepare and maintain a register of persons separated from railroad employment after at least one year of completed service with a railroad who have declared their current availability for employment in the railroad industry. The register shall be subdivided by class and craft of prior employment and shall be updated periodically to reflect current availability. 45 USC 797c.

"(2) Each entry in the register shall include, or provide access to, basic information concerning the individual's experience and qualifications.

"(3) The Board shall place at the top of the register those former railroad employees entitled to priority under applicable provisions of law, including this Act.

"(b) CORPORATION EMPLOYEES.—As soon as is practicable after the effective date of this title, the Corporation shall provide to the Board

the names of its former employees who elect to appear on the register and who have not been offered employment with acquiring railroads.

"(c) VACANCY NOTICES.—Each railroad shall timely file with the Board a notice of vacancy with respect to any position for which the railroad intends to accept applications from persons other than current employees of that carrier.

"(d) PLACEMENT.—The Board shall, through distribution of copies of the central register (or portions thereof) to railroads and representatives of classes or crafts of employees and through publication of employment information derived from vacancy notices filed with the Board, promote the placement of former railroad employees possessing requisite skills and experience in appropriate positions with other railroads.

"(e) EMPLOYMENT APPLICATIONS.—In addition to its responsibilities under subsections (a) through (d) of this section, the Board shall facilitate the filing of employment applications with respect to current vacancies in the industry by former railroad employees entitled to priority under applicable provisions of law, including this Act.

"(f) EXPIRATION.—The provisions of this section shall cease to be effective on the expiration of the 3-year period beginning on the effective date of this title.

"(g) RESOLUTION OF DISPUTES.—Any dispute, grievance, or claim arising under this section or section 703 of this Act shall be subject to resolution in accordance with the following procedures:

"(1) Any employee with such a dispute, grievance, or claim may petition the Board to review and investigate the dispute, grievance, or claim.

"(2) The Board shall investigate the dispute, grievance, or claim, and if it concludes that the employee's rights under this section or section 703 of this Act may have been violated, the dispute, grievance, or claim shall be subject to resolution in accordance with the procedures set forth in section 3 of the Railway Labor Act (45 U.S.C. 153).

"(3) In the case of any violation of this section or section 703 of this Act, the Adjustment Board (or any division or delegate thereof) or any other board of adjustment created under section 3 of the Railway Labor Act shall, where appropriate, award such relief, including back pay, as may be necessary to enforce the employee's rights.

"ELECTION AND TREATMENT OF BENEFITS

45 USC 797d.

"SEC. 705. (a) ELECTION.—(1) Any employee who accepts any benefits under an agreement entered into under section 701 of this Act or a termination allowance under section 702 of this Act, shall, except as provided in paragraph (2) of this subsection, be deemed to waive any employee protection benefits otherwise available under any other provision of law or any contract or agreement in effect on the effective date of this title, except benefits under sections 703 and 704 of this Act, and shall be deemed to waive any cause of action for any alleged loss of benefits resulting from the provisions of or the amendments made by the Northeast Rail Service Act of 1981.

Ante, p. 643.

"(2) Nothing in paragraph (1) of this subsection shall affect the right of any employee described in such paragraph to benefits under the Railroad Retirement Act of 1974 or the Railroad Unemployment Insurance Act.

45 USC 231t.
45 USC 367.

"(b) TREATMENT OF BENEFITS.—Any benefits received by an employee under an agreement entered into pursuant to section 701 of this Act and any termination allowance received under section 702 of this Act shall be considered compensation solely for purposes of—

"(1) the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); and

"(2) determining the compensation received by such employee in any base year under the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.).

"ASSIGNMENT OF WORK

"SEC. 706. (a) GENERAL.—With respect to any craft or class of employees not covered by a collective bargaining agreement that provides for a process substantially equivalent to that provided for in this section, the Corporation shall have the right to assign, allocate, reassign, reallocate, and consolidate work formerly performed on the rail properties acquired pursuant to the provisions of this Act from a railroad in reorganization to any location, facility, or position on its system if it does not remove such work from coverage of a collective bargaining agreement and does not infringe upon the existing classification of work rights of any craft or class of employees at the location or facility to which such work is assigned, allocated, reassigned, reallocated, or consolidated. Prior to the exercise of authority under this subsection, the Corporation shall negotiate an agreement with the representatives of the employees involved permitting such employees the right to follow their work. 45 USC 797e.

"(b) EXPIRATION.—The authority granted by this section shall apply only for as long as benefits are provided under this title with funds made available under section 713 of this Act.

"CONTRACTING OUT

"SEC. 707. All work in connection with the operation or services provided by the Corporation on the rail lines, properties, equipment, or facilities acquired pursuant to the provisions of this Act and the maintenance, repair, rehabilitation, or modernization of such lines, properties, equipment, or facilities which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by the Corporation's employees, including employees on furlough. Should the Corporation lack a sufficient number of employees, including employees on furlough, and be unable to hire additional employees, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees, including those on furlough, except where agreement by the representatives of the employees of the classes or crafts involved is required by applicable collective-bargaining agreements. The term 'unable to hire additional employees' as used in this section contemplates establishment and maintenance by the Corporation of an apprenticeship, training, or recruitment program to provide an adequate number of skilled employees to perform the work. 45 USC 797f.

"NEW COLLECTIVE-BARGAINING AGREEMENTS

"SEC. 708. (a) AGREEMENT.—Not later than 60 days after the effective date of any conveyance pursuant to the provisions of this 45 USC 797g.

Act, the representatives of the various classes or crafts of employees of a railroad in reorganization involved in a conveyance and representatives of the Corporation shall commence negotiation of a new single collective bargaining agreement for each class and craft of employees covering the rate of pay, rules, and working conditions of employees who are the employees of the Corporation. Such collective bargaining agreement shall include appropriate provisions concerning rates of pay, rules, and working conditions, but shall not, before April 1, 1984, include any provisions for job stabilization which may exceed or conflict with those established herein. Negotiations with respect to such single collective bargaining agreement, and any successor thereto, shall be conducted systemwide.

"(b) PROCEDURE.—(1) Any procedure for finally determining the components of the first single collective bargaining agreement for any class or craft, agreed upon before the effective date of this title, shall be completed no later than 45 days after such effective date. Such agreed upon procedure shall be deemed to satisfy the requirements of sections 7 and 8 of the Railway Labor Act. The National Mediation Board shall appoint any person as provided for by such agreements.

45 USC 157, 158.

"(2) Nothing in this section shall be construed to require the parties to enter into a new single collective bargaining agreement if the agreement between the parties in effect immediately prior to the effective date of this title complied with section 504(d) of this Act as in effect immediately prior to such date.

94 Stat. 1956.
45 USC 774.

"(c) RAILWAY LABOR ACT NOTICES.—Employees of the Corporation may not serve notices under section 6 of the Railway Labor Act for the purpose of negotiating job stabilization or other protective agreements with the Corporation until after April 1, 1984.

45 USC 156.

"EMPLOYEE AND PERSONAL INJURY CLAIMS

45 USC 797h.

"SEC. 709. (a) LIABILITY FOR EMPLOYEE CLAIMS.—In all cases of claims, prior to April 1, 1976, by employees, arising under the collective bargaining agreements of the railroads in reorganization in the Region, and subject to section 3 of the Railway Labor Act (45 U.S.C. 153), the Corporation, the National Railroad Passenger Corporation, or an acquiring carrier, as the case may be, shall assume responsibility for the processing of any such claims, and payment of those which are sustained or settled on or subsequent to the date of conveyance, under section 303(b)(1) of this Act, and shall be entitled to direct reimbursement from the Association pursuant to section 211(h) of this Act, to the extent that such claims are determined by the Association to be the obligation of a railroad in reorganization in the Region. Any liability of an estate of a railroad in reorganization to its employees which is assumed, processed, and paid pursuant to this subsection by the Corporation, the National Railroad Passenger Corporation, or an acquiring carrier shall remain the preconveyance obligation of the estate of such railroad for purposes of section 211(h)(1) of this Act. The Corporation, the National Railroad Passenger Corporation, an acquiring carrier, or the Association, as the case may be, shall be entitled to a direct claim as a current expense of administration, in accordance with the provisions of section 211(h) of this Act (other than paragraph (4)(A) thereof), for reimbursement (including costs and expenses of processing such claims) from the estate of the railroad in reorganization on whose behalf such obligations are discharged or paid. In those cases in which claims for employees were sustained or settled prior to such date of conveyance,

45 USC 743.
45 USC 721.

it shall be the obligation of the employees to seek satisfaction against the estate of the railroads in reorganization which were their former employers.

"(b) ASSUMPTION OF PERSONAL INJURY CLAIMS.—All cases or claims by employees or their personal representatives for personal injuries or death against a railroad in reorganization in the Region arising prior to the date of conveyance of rail properties, pursuant to section 303 of this Act, shall be assumed by the Corporation or an acquiring railroad, as the case may be. The Corporation or the acquiring railroad shall process and pay any such claims that are sustained or settled, and shall be entitled to direct reimbursement from the Association pursuant to section 211(h) of this Act, to the extent that such claims are determined by the Association or its successor authority to be the obligation of such railroad. Any liability of an estate of a railroad in reorganization which is assumed, processed, and paid, pursuant to this subsection, by the Corporation or an acquiring railroad shall remain the preconveyance obligation of the estate of such railroad for purposes of section 211(h)(1) of this Act. The Corporation, an acquiring railroad, or the Association, as the case may be, shall be entitled to a direct claim as a current expense of administration, in accordance with the provisions of section 211(h) of this Act (other than paragraph (4)(A) thereof), for reimbursement (including costs and expenses of processing such claims) from the estate of the railroad in reorganization on whose behalf such obligations were discharged or paid.

45 USC 743.

45 USC 721.

"LIMITATIONS ON LIABILITY

"SEC. 710. (a) FEDERAL GOVERNMENT.—The liability of the United States under an agreement entered into or benefit schedule prescribed under section 701 of this Act or for payment of a termination allowance under section 702 of this Act shall be limited to amounts appropriated under section 713 of this Act.

45 USC 797i.

"(b) THE CORPORATION.—(1) The Corporation, Amtrak Commuter, and commuter authorities shall incur no liability under an agreement entered into or benefit schedule prescribed under section 701 of this Act or for the payment of a termination allowance under section 702 of this Act.

"(2) Notwithstanding any other provision of law, until April 1, 1984, the Corporation shall have no liability for employee protection in the event of a sale of any asset to a purchaser, and such purchaser shall assume the liability for the application of employee protection conditions imposed by the Commission for all employees adversely affected by such sale.

"PREEMPTION

"SEC. 711. No State may adopt or continue in force any law, rule, regulation, order, or standard requiring the Corporation, the National Railroad Passenger Corporation, or the Amtrak Commuter Services Corporation to employ any specified number of persons to perform any particular task, function, or operation, or requiring the Corporation to pay protective benefits to employees, and no State in the Region may adopt or continue in force any such law, rule, regulation, order, or standard with respect to any railroad in the Region.

45 USC 797j.

"FACTFINDING PANEL

45 USC 797k.

"SEC. 712. (a) PURPOSE.—The Corporation shall enter into collective bargaining agreements with its employees which provide for the establishment of one or more advisory factfinding panels, chaired by a neutral expert in industrial relations, for purposes of recommending changes in operating practices and procedures which result in greater productivity to the maximum extent practicable.

"(b) NATIONAL MEDIATION BOARD.—The National Mediation Board shall appoint public members to any panel established by an agreement entered into under this subparagraph, and shall perform such functions contained in the agreement as are consistent with the duties of such Board under the Railway Labor Act.

45 USC 151.

"(c) OTHER FUNCTIONS.—The factfinding panel may, before making its report to the parties, provide mediation, conciliation, and other assistance to the parties.

"AUTHORIZATION OF APPROPRIATIONS

45 USC 797l.

"SEC. 713. There are authorized to be appropriated to carry out the provisions of this title not to exceed $385,000,000. Of the amounts authorized to be appropriated under this section, not more than $115,000,000 shall be available solely for termination allowances under section 702 of this Act. Any amounts not expended for termination allowances under section 702 shall be available for purposes of section 701 of this Act. In addition to funds authorized under this section, any funds appropriated under section 509(b)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 829(b)(1)) for use under section 216(b)(3) of the Regional Rail Reorganization Act of 1973 shall be available to the Association, and the Association shall make available to the Corporation as a grant such funds to accomplish the purposes of this title. Amounts appropriated under this section are authorized to remain available until expended.

94 Stat. 1945.
94 Stat. 1946.
45 USC 726.

"ARBITRATION

45 USC 797m.

"SEC. 714. Any dispute or controversy with respect to the interpretation, application, or enforcement of the provisions of this title, except sections 703, 704, 708, and 713, or section 1144 of the Northeast Rail Service Act of 1981, and except those matters subject to judicial review under section 1152 of the Northeast Rail Service Act of 1981, which have not been resolved within 90 days, may be submitted by either party to an Adjustment Board for a final and binding decision thereon as provided in section 3 of the Railway Labor Act, in which event the burden of proof on all issues so presented shall be on the Corporation, or the Association, where appropriate.".

Post, p. 669.
Post, p. 676.

45 USC 153.

(b) The table of contents of the Regional Rail Reorganization Act of 1973 is amended by adding at the end thereof the following new items:

"TITLE VII—PROTECTION OF EMPLOYEES

"Sec. 701. Employee protection agreement.
"Sec. 702. Termination allowance.
"Sec. 703. Preferential hiring.
"Sec. 704. Central register of railroad employment.
"Sec. 705. Election and treatment of benefits.
"Sec. 706. Assignment of work.
"Sec. 707. Contracting out.
"Sec. 708. New collective bargaining agreements.
"Sec. 709. Employee and personal injury claims.
"Sec. 710. Limitations on liability.

"Sec. 711. Preemption.
"Sec. 712. Factfinding panel.
"Sec. 713. Authorization of appropriations.
"Sec. 714. Arbitration.".

REPEALS

SEC. 1144. (a)(1) Title V of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 771 et seq.), and the items in the table of contents of such Act relating to such title V, are repealed.

(2) Notwithstanding the repeal made by paragraph (1) of this subsection— 45 USC 771 note.

(A) benefits accrued as of the effective date of this subsection as a result of events that occurred wholly prior to October 1, 1981, shall be disbursed except as provided in paragraph (3); and

(B) any dispute or controversy regarding such benefits shall be determined under the terms of the law in effect on the date the claim arose.

(3) Benefits shall not be disbursed under paragraph (2)(A) unless the employee has filed a claim for such benefits within 90 days after the date of repeal; except that, with respect to a claim which is the subject of or is based upon any arbitration decision issued after the date of repeal, such 90-day period shall not commence until such arbitration decision is issued to the employee and the employee's representative; and no benefits shall be disbursed unless appropriations for such purposes are or become available.

(4) The provisions of this subsection shall take effect on the first day of the first month beginning after the date of enactment of this subtitle. Effective date.

(b) Section 11 of the Milwaukee Railroad Restructuring Act (45 U.S.C. 910) and section 107 of the Rock Island Transition and Employee Assistance Act (45 U.S.C. 1006) (relating to maintenance of certain employee lists) are repealed. 94 Stat. 402.

PART 4—TERMS OF LABOR ASSUMPTION

Subpart A—Passenger Employees

TRANSFER OF PASSENGER SERVICE EMPLOYEES

SEC. 1145. Title V of the Rail Passenger Service Act, as added by this subtitle, is amended by adding at the end thereof the following new sections: *Ante*, p. 647.

"SEC. 508. TRANSFER OF EMPLOYEES. 45 USC 588.

"(a) Not later than May 1, 1982, Conrail, commuter authorities that intend to operate commuter service, and representatives of the various crafts or classes of employees of Conrail to be transferred to the commuter authorities shall enter into negotiations for an implementing agreement in accordance with subsection (c) of this section.

"(b) Not later than May 1, 1982, Conrail, Amtrak Commuter, and representatives of the various crafts or classes of employees of Conrail to be transferred to Amtrak Commuter shall enter into negotiations for an implementing agreement in accordance with subsection (c) of this section.

"(c) Such negotiations shall—

"(1) determine the number of employees to be transferred to Amtrak Commuter or a commuter authority;

"(2) identify the specific employees of Conrail to whom Amtrak Commuter or a commuter authority offers employment;

"(3) determine the procedure by which such employees may elect to accept employment with Amtrak Commuter or a commuter authority;

"(4) determine the procedure for acceptance of such employees into employment with Amtrak Commuter or a commuter authority;

"(5) determine the procedure for determining the seniority of such employees in their respective crafts or classes in Amtrak Commuter or with a commuter authority which shall, to the extent possible, preserve their prior seniority rights;

"(6) ensure that all such employees are transferred to Amtrak Commuter or a commuter authority no later than January 1, 1983; and

"(7) ensure the retention of prior seniority on Conrail of employees transferring to Amtrak Commuter or a commuter authority and determine the extent and manner in which such employees shall be permitted to exercise such seniority in order to (A) provide employees transferred to Amtrak Commuter or a commuter authority at least one opportunity every six-month period to exercise previous freight seniority rights, (B) maximize employment opportunities for employees on furlough, (C) maintain the ability to recall experienced employees, (D) ensure that under no circumstances are seniority rights exercised in any manner which results in any disruption of service or a position being filled which would otherwise not be filled under the terms of any crew consist, fireman manning, or other similar agreement, and (E) ensure that Conrail has the right to furlough one employee in the same craft or class for each employee who returns from Amtrak Commuter or a commuter authority by exercising seniority.

"(d)(1) If agreements with respect to the matters being negotiated pursuant to this section are not reached by August 1, 1982, the parties to the negotiations shall, within an additional 5 days, select a neutral referee. If the parties are unable to agree upon the selection of such a referee, the National Mediation Board shall immediately appoint a referee.

"(2) The referee shall commence hearings on the matters being negotiated pursuant to this section not later than 5 days after the date he is selected or appointed, and shall render a decision within 20 days after the date of commencement of such hearings. All parties may participate in the hearings, but the referee shall have the only vote.

"(3) The referee shall resolve and decide all matters in dispute with respect to the negotiation of the implementing agreement or agreements. The referee's decision shall be final and binding to the same extent as an award of an adjustment board under section 3 of the Railway Labor Act, and shall constitute the implementing agreement or agreements between the parties. The National Mediation Board shall fix and pay the compensation of such referees.

45 USC 153.

"(e) If Amtrak Commuter transfers commuter service and properties to a commuter authority under section 506 of this title, Amtrak Commuter, the commuter authority, and representatives of the various crafts or classes of employees to be transferred to the commuter authority shall enter into an implementing agreement in accordance with subsection (c) of this section. If no agreement is reached by the date service and properties are transferred, the dispute shall be resolved by a neutral referee in accordance with subsection (d) of this section.

Ante, p. 650.

"(f) Any employee of Conrail who is not offered employment with Amtrak Commuter or a commuter authority under agreements entered into under this section shall be provided employee protection under section 701 of the Regional Rail Reorganization Act of 1973 to the same extent as if such employee had remained in the employ of Conrail.

Ante, p. 661.

"SEC. 509. FACTFINDING PANEL.

45 USC 589.

"(a) Amtrak Commuter or a commuter authority and the representatives of the various classes and crafts of employees to be transferred to Amtrak Commuter or such commuter authority shall, by May 1, 1982, establish a factfinding panel, chaired by a neutral expert in industrial relations, for purposes of recommending changes in operating practices and procedures which would result in greater productivity to the maximum extent practicable.

"(b) The National Mediation Board shall appoint public members to the panel established under subsection (a) of this section.

"(c) The factfinding panel shall, by July 1, 1982, submit a report to the parties setting forth its recommendations for changes in operating practices and procedures.

"(d) The factfinding panel may provide mediation, conciliation, and other assistance to the parties.

"SEC. 510. COLLECTIVE BARGAINING AGREEMENT FOR AMTRAK COMMUTER OR COMMUTER AUTHORITIES.

45 USC 590.

"(a)(1) Not later than September 1, 1982, the commuter authorities that intend to operate commuter service and the representatives of the various classes or crafts of employees to be transferred to such commuter authorities under agreements entered into under section 508 of this Act shall enter into new collective bargaining agreements with respect to rates of pay, rules, and working conditions.

"(2) Not later than September 1, 1982, Amtrak Commuter and the representatives of the various classes or crafts of employees to be transferred to Amtrak Commuter under agreements entered into under section 508 of this Act shall enter into new collective bargaining agreements with respect to rates of pay, rules, and working conditions.

"(b) If the parties have not reached an agreement by the date specified in subsection (a) of this section, any party to the dispute or the Governor of any State through which the service that is the subject of the dispute is operated may, within 15 days after such date, request the President to establish an emergency board pursuant to subsection (c) of this section.

"(c) Within 15 days after the request under subsection (b) of this section, of a party or a Governor, the President shall create an emergency board. Such board shall conduct a public hearing on the dispute at which each party shall appear and provide testimony, and shall, within 30 days after the date of its creation, report on the dispute.

"(d) If no settlement in the dispute is reached within 10 days after the report of the emergency board, such board shall require the parties to the dispute to submit, within 5 days, final offers to the board for settlement of the dispute.

"(e) Within 15 days after the submission of final offers, the emergency board shall submit a report to the President setting forth its selection of the most reasonable offer.

"(f) If the emergency board selects a final offer submitted by a carrier and the employees of such carrier engage in any work

stoppage arising out of the dispute, such employees shall not be eligible during the period of such work stoppage for benefits under the Railroad Unemployment Insurance Act.

45 USC 367.

"(g) If the emergency board selects a final offer submitted by the employees and the carrier refuses to accept such offer, the carrier shall not participate in any benefits of any agreement between carriers which is designed to provide benefits to such carriers during a work stoppage.

"(h) The provisions set forth in this section shall be the exclusive means for resolving any dispute relating to entering into an initial collective bargaining agreement between Amtrak Commuter or a commuter authority, as the case may be, and representatives of the various classes or crafts of employees to be transferred to Amtrak Commuter or such commuter authority.".

Subpart B—Freight Employees

LABOR TRANSFER

SEC. 1146. (a) Title IV of the Regional Rail Reorganization Act of 1973, as added by this subtitle, is amended by adding at the end thereof the following new sections:

Ante, p. 654.

"LABOR TRANSFER AGREEMENTS

45 USC 769b.

"SEC. 411. (a) IMPLEMENTING AGREEMENT.—Within 30 days after the date any freight transfer agreement is entered into under this title, any Class I or Class II railroad purchasing rail properties under such agreement, including any entity that attains such status on the transfer date, and the representatives of the various crafts or classes of employees of the Corporation to be transferred to such railroad or other entity shall commence implementing agreement negotiations. Such negotiations shall—

"(1) determine the number of employees to be transferred to such railroad;

"(2) identify the specific employees of the Corporation to whom such railroad or other entity offers employment;

"(3) determine the procedure by which such employees may elect to accept employment with such railroad or other entity;

"(4) determine the procedure for acceptance of such employees into employment with such railroad or other entity;

"(5) determine the procedure for determining the seniority of such employees in their respective crafts or classes in the system of such railroad or other entity, which shall, to the extent possible, preserve their prior freight service seniority rights; and

"(6) ensure that all such employees are transferred to such railroad or other entity no later than 120 days after the date the transfer agreement is entered into under this title.

"(b) DECISION OF REFEREE.—(1) If no agreement with respect to the matters being negotiated pursuant to subsection (a) is reached within 30 days after the date such negotiations are commenced, the parties to the negotiations shall, within an additional 10 days, select a neutral referee. If the parties are unable to agree upon the selection of such a referee, the National Mediation Board shall promptly appoint a referee.

"(2) The referee shall commence hearings on the matters being negotiated pursuant to subsection (a) within 10 days after the date he is selected or appointed, and shall render a decision within 30 days

after the date of commencement of such hearings. All parties may participate in the hearings, but the referee shall have the only vote.

"(3) The referee shall resolve and decide all matters in dispute with respect to the negotiation of the implementing agreement or agreements. The referee's decision shall be final and binding to the same extent as an award of an adjustment board under section 3 of the Railway Labor Act, and shall constitute the implementing agreement or agreements between the parties. The National Mediation Board shall fix and pay the compensation of such referees.

45 USC 153.

"LABOR CONDITIONS

"SEC. 412. (a) NEW YORK DOCK.—Employees of the Corporation who are transferred under this title shall be entitled to the labor protection benefits set forth in New York Dock Railway-Control-Brooklyn Eastern Terminal, 360 ICC 60 (1979), except as provided in subsection (b) of this section.

45 USC 769c.

"(b) ALTERNATIVES.—(1) If the entity to which such employees are transferred was a railroad under the provisions of subtitle IV of title 49, United States Code, prior to the date of transfer, and the parties are unable to reach a collective bargaining agreement under procedures referred to in subsection (a), the collective bargaining agreement in effect between such railroad and its employees shall govern.

49 USC 10101 *et seq.*

"(2) If the entity to which such employees are transferred was not a railroad under the provisions of subtitle IV of title 49, United States Code, prior to the date of transfer, and the parties are unable to reach a collective bargaining agreement under procedures referred to in subsection (a), the collective bargaining agreement in effect between the Corporation and its employees prior to the date of transfer shall govern.

"(c) CLASS III EXEMPTION.—The provisions of this section shall not apply to any Class III carrier.".

(b) The table of contents of the Regional Rail Reorganization Act of 1973 is amended by striking out the items relating to title IV and inserting in lieu thereof the following new items:

"TITLE IV—TRANSFER OF FREIGHT SERVICE

"Sec. 401. Interest of United States.
"Sec. 402. Debt and preferred stock.
"Sec. 403. Profitability determinations.
"Sec. 404. Failure to sell as entity.
"Sec. 405. Transfer plan.
"Sec. 406. Consolidation of agreements.
"Sec. 407. Public comment and congressional notification.
"Sec. 408. Performance under agreements; effect.
"Sec. 409. Assignment.
"Sec. 410. Subsidiaries.
"Sec. 411. Labor transfer agreements.
"Sec. 412. Labor conditions.".

PART 5—UNITED STATES RAILWAY ASSOCIATION

ORGANIZATION OF USRA

SEC. 1147. Section 201 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 711) is amended by striking out subsections (d) through (i), by redesignating subsections (j) and (k) as subsections (g) and (h), respectively, and by inserting after subsection (c) the following new subsections:

"(d) BOARD OF DIRECTORS.—(1) The Board of Directors of the Association shall consist of five individuals, as follows:

"(A) The Chairman, who shall be the individual serving as Chairman on the effective date of this subsection, until the expiration of his term of office or his resignation, or his replacement, who shall be selected by the outgoing Chairman and the other members of the Board.

"(B) The Secretary of Transportation.

"(C) The Comptroller General of the United States.

"(D) The Chairman of the Commission.

"(E) The Chairman of the Board of Directors of the Corporation.

"(2) The Chairman may not have any employment or other direct financial relationship with any railroad. The Chairman shall receive $300 per diem when engaged in the actual performance of his duties plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

"(e) TERM OF OFFICE.—The term of office of the Chairman of the Board of Directors of the Association shall expire on December 31, 1983. The Chairman may be reappointed and the term of the Chairman shall be 3 years.

"(f) QUORUM.—Three members of the Board of Directors, or their representatives, shall constitute a quorum for the transaction of any function of the Association.

"(g) The Board of Directors shall, on the effective date of this subsection, assume the functions previously performed by the Finance Committee.

"(h) The members of the Board of Directors may send representatives to meetings of such Board, and such representatives may exercise full powers of the members.".

FUNCTIONS OF USRA

SEC. 1148. (a) Section 202 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712) is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsection:

"(a) GENERAL.—The Association is authorized to—

"(1) monitor the financial performance of the Corporation;

"(2) review whether the goals and requirements of this Act are met;

"(3) purchase or otherwise acquire or receive, and hold and dispose of securities (whether debt or equity) of the Corporation under sections 216 and 217 of this Act and exercise all of the rights, privileges, and powers of a holder of any such securities;

45 USC 726.
Ante, p. 653.

"(4) purchase accounts receivable of the Corporation in accordance with section 217 of this Act; and

"(5) appoint and fix the compensation of such personnel as the Association considers necessary and appropriate."; and

(2) by redesignating subsections (c) through (j) as subsections (b) through (i), respectively.

(b) The section heading of section 202 of the Regional Rail Reorganization Act of 1973 is amended by striking out "GENERAL POWERS AND DUTIES" and inserting in lieu thereof "FUNCTIONS".

(c) The item relating to section 202 in the table of contents of the Regional Rail Reorganization Act of 1973 is amended to read as follows:

"Sec. 202. Functions of the Association.".

ACCESS TO INFORMATION

SEC. 1149. Section 203 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 713) is amended to read as follows:

"ACCESS TO INFORMATION

"SEC. 203. The Corporation shall make available to the Association such information as the Association determines necessary for the Association to carry out its functions under this Act. The Association shall request from other parties which are affected by this Act information which will enable the Association to fulfill its functions under this Act.".

UNITED STATES RAILWAY ASSOCIATION REPORTS

SEC. 1150. (a) Title II of the Regional Rail Reorganization Act of 1973, as amended by this subtitle, is amended further by adding at the end thereof the following new sections: *Ante*, p. 652.

"UNITED STATES RAILWAY ASSOCIATION REPORTS

"SEC. 218. (a) PROGRESS AND EVALUATION.—(1) The Association shall prepare and submit to Congress periodic reports on the progress of the Secretary in carrying out the provisions of titles II, III, and IV of this Act. 45 USC 728.

"(2) Reports submitted under paragraph (1) of this subsection shall also include an evaluation of the performance of the Corporation in order to keep the Congress informed as to matters which may affect the quality of rail service in the Northeast and which may affect the security of Federal funds invested in the Corporation. 45 USC 711, 741. *Ante*, p. 654.

"(b) TRANSFER AGREEMENTS.—(1) The Association shall prepare and submit to Congress a final report on the transfer agreements which the Secretary is required to transmit to Congress under section 407 of the Regional Rail Reorganization Act of 1973. Such report shall be submitted on the same date as the Secretary's transmittal of such agreements to Congress. *Ante*, p. 658.

"(2) The report submitted under paragraph (1) of this subsection shall include an evaluation of the effect of the transfer agreements on rail service in the Northeast, railroad employees, the economy of the Region, other railroads in the Northeast and elsewhere, and any other matter which the Association considers appropriate. Such report shall also include recommendations with respect to approval, disapproval, or modification of the transfer agreements.

"ADVISORY BOARD

"SEC. 219. Members of the Board of Directors of the Association serving on the day before the effective date of the Northeast Rail Service Act of 1981, shall serve as an Advisory Board to the Association. A member of the Advisory Board who is not otherwise an employee of the Federal Government shall receive reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties. The Chairman of the Association shall serve as Chairman of the Advisory Board. Any vacancy on the Advisory Board shall be filled by the Association with a representative from the group which had a representative in the vacant position.". 45 USC 729. *Ante*, p. 643.

(b) The table of contents of the Regional Rail Reorganization Act of 1973, as amended by section 1140(b) of this subtitle, is amended further by inserting immediately after the item relating to section 217 the following new items:

"Sec. 218. United States Railway Association reports.
"Sec. 219. Advisory Board.".

USRA AUTHORIZATION

94 Stat. 1965.

SEC. 1151. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—There are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act not to exceed $13,000,000 for the fiscal year ending September 30, 1982, and not to exceed $4,000,000 for the fiscal year ending September 30, 1983. Sums appropriated under this subsection are authorized to remain available until expended.".

PART 6—MISCELLANEOUS PROVISIONS

JUDICIAL REVIEW

45 USC 1105.

SEC. 1152. (a) Notwithstanding any other provision of law, the special court shall have original and exclusive jurisdiction over any civil action—

(1) for injunctive, declaratory, or other relief relating to the enforcement, operation, execution, or interpretation of any provision of or amendment made by this subtitle, or administrative action taken thereunder to the extent such action is subject to judicial review;

(2) challenging the constitutionality of any provision of or amendment made by this subtitle;

(3) to obtain, inspect, copy, or review any document in the possession or control of the Secretary, Conrail, the United States Railway Association, or Amtrak that would be discoverable in litigation under any provision of or amendment made by this subtitle; or

(4) seeking judgment upon any claim against the United States founded upon the Constitution and resulting from the operation of any provision of or amendment made by this subtitle.

(b) A judgment of the special court in any action referred to in this section shall be reviewable only upon petition for a writ of certiorari to the Supreme Court of the United States, except that any order or judgment enjoining the enforcement, or declaring or determining the unconstitutionality or invalidity, of any provision of this subtitle shall be reviewable by direct appeal to the Supreme Court of the United States. Such review is exclusive and any petition or appeal shall be filed not more than 20 days after entry of such order or judgment.

(c) Administrative action under the provisions of or amendments made by this subtitle which is subject to review shall be upheld unless such action is found to be unlawful under standards established for review of informal agency action under paragraphs (2) (A), (B), (C), and (D) of section 706, title 5, United States Code. The requirements of this subtitle shall constitute the exclusive procedures required by law for such administrative action.

(d) If the volume of civil actions under subsection (a) of this section so requires, the United States Railway Association shall apply to the

judicial panel on multi-district litigation authorized by section 1407 of title 28, United States Code, for the assignment of additional judges to the special court. Within 30 days after the date of such application, the panel shall assign to the special court such additional judges as may be necessary to exercise the jurisdiction described in subsection (a) of this section.

TRANSFER TAXES AND FEES; RECORDATION

SEC. 1153. (a)(1) All transfers or conveyances of any interest in rail property (whether real, personal, or mixed) which are made under any provision of or amendment made by this subtitle shall be exempt from any taxes, imposts, or levies now or hereby imposed, by the United States or by any State or any political subdivision of a State, on or in connection with such transfers or conveyances or on the recording of deeds, bills of sale, liens, encumbrances, easements, or other instruments evidencing, effectuating, or incident to any such transfers or conveyances, whether imposed on the transferor or on the transferee. Such transferors and transferees shall be entitled to record any such deeds, bills of sale, liens, encumberances, easements, or other instruments, and to record the release or removal of any pre-existing liens or encumbrances of record with respect to properties so transferred or conveyed, upon payment of any appropriate and generally applicable charges to compensate for the cost of the service performed. 45 USC 1106.

(2) This section shall not apply to Federal income tax laws.

(b) Transfer of designated real property (including any interest in real property) authorized by the amendments made by part 2 of this subtitle shall have the same effect for purposes of rights and priorities with respect to such property as recordation on the transfer date of appropriate deeds, or other appropriate instruments, in offices appointed under State law for such recordation, except that acquiring rail carriers and other entities shall proffer such deeds or other instruments for recordation within 36 months after the transfer date as a condition of preserving such rights and priorities beyond the expiration of that period. Conrail shall cooperate in effecting the timely preparation, execution, and proffering for recordation of such deeds and other instruments.

SATISFACTION OF CLAIMS

SEC. 1154. No distribution of the assets of Conrail shall be made with respect to any claims of the United States, including the securities issued pursuant to section 216 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 726), until all other valid claims, including loss, damage, overcharge claims, and lease claims, against Conrail have been satisfied, or provision has been made for satisfying such claims. 45 USC 1107.

EXPEDITED SUPPLEMENTAL TRANSACTIONS

SEC. 1155. (a) Section 305(f) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(f)) is amended—

(1) by striking out paragraph (2) and inserting in lieu thereof the following:

"(2)(A) Within 10 days after the effective date of the Northeast Rail Service Act of 1981, the Secretary shall initiate discussions and negotiations for the transfer of some or all of the Corporation's rail *Ante*, p. 643.

properties and freight service obligations in the States of Connecticut and Rhode Island to one or more parties under a plan which provides for continued rail freight service on all lines operated by the Corporation on the effective date of the Northeast Rail Service Act of 1981 for at least four years.

Ante, p. 643.

"(B) Within 120 days after the effective date of the Northeast Rail Service Act of 1981, the Secretary shall petition the special court for an order to transfer all of the Corporation's rail properties and freight service obligations in the States of Connecticut and Rhode Island to one or more railroads in the Region—

"(i) which have under subparagraph (A) of this paragraph completed negotiations and submitted to the Secretary a proposal to assume all of the freight operations and freight service obligations of the Corporation in such States on a financially self-sustaining basis for a period of at least four years; or

"(ii) which have developed a proposal to assume all of the freight operations and freight service obligations of the Corporation in such States under an agreement by and between the Corporation and such railroad or railroads; or

"(iii) which have, prior to May 1, 1981, submitted a proposal to the Secretary for such a transfer.

For the purpose of this section, an order to transfer may include the Corporation if the Corporation agrees to maintain service over lines retained by the Corporation for four years.

"(C) To permit efficient and effective rail operations consistent with the public interest, as a part of any transfer under paragraph (2)(B) of this subsection, the Secretary shall promote the transfer of additional non-mainline Corporation properties in adjoining States that connect with properties that are the subject of such transfer.

"(D) The special court shall determine a fair and equitable price for the rail properties to be transferred under this subsection, and shall, unless the parties otherwise agree, establish divisions of joint rates for through routes over such properties which are fair and equitable to the parties. The special court shall establish a method to ensure that such divisions are promptly paid.

"(E) Notwithstanding any other provision of law or agreement in effect on May 1, 1981, the special court shall require that the railroad or railroads to which properties are to be transferred under this subsection assume all charges payable by the Corporation to Amtrak for the carriage of property by rail over those portions of the Northeast Corridor in Connecticut and Rhode Island. If the Corporation operates any rail freight service over those portions of the Northeast Corridor in Connecticut and Rhode Island after the date of such transfer, the Corporation shall pay Amtrak any compensation that may be separately agreed upon by the Corporation and Amtrak, and the railroad or railroads to which properties are transferred under this subsection shall not be obligated to pay any compensation owed by the Corporation to Amtrak for such post-transfer operations by the Corporation."; and

45 USC 745.

(2) by striking out paragraph (4) and inserting in lieu thereof the following new paragraph:

"(4)(A) Any employee who was protected by the compensatory provisions of title V of this Act immediately prior to the effective date of the Northeast Rail Service Act of 1981, and who is deprived of employment as a result of the transfer of rail properties under this subsection shall be eligible for benefits under section 701 of this Act.

45 USC 771.

Ante, p. 661.

"(B) As used in this paragraph, 'employee deprived of employment' means any employee who is unable to secure employment through

"Employee deprived of employment."

the normal exercise of seniority rights, but does not include any employee who refuses an offer of employment with a railroad acquiring properties under this subsection.".

(b) Section 305(d) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745(d)) is amended by striking out paragraph (7).

(c) Section 305 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 745), as amended by this section, is further amended by adding after subsection (f) the following new subsection:

"(g)(1) Within 20 days after the effective date of the Northeast Rail Service Act of 1981, the Secretary shall initiate discussions and negotiations for the expedited transfer of all properties and freight service obligations of the Corporation with respect to the following lines: Canaan, Connecticut, to Pittsfield, Massachusetts; North Adams Junction, Massachusetts, to North Adams, Massachusetts; Hazardville, Connecticut, to Springfield, Massachusetts; Westfield, Massachusetts, to Easthampton, Massachusetts; Westfield, Massachusetts, to Holyoke, Massachusetts.

Ante, p. 643.

"(2) Within 120 days after the effective date of the Northeast Rail Service Act of 1981, the Secretary shall transfer, provided a qualified purchaser offers to purchase, the Corporation's properties and freight service obligations described in paragraph (1) of this subsection to another railroad or railroads in the Region which are determined by the Secretary to be qualified. A qualified purchaser is defined as a railroad financially self-sustaining which guarantees continuous service for at least four years.

"(3) The Secretary shall determine a fair and equitable price for the rail properties to be transferred under this subsection, and shall, unless the parties otherwise agree, establish divisions of joint rates for through routes over such properties which are fair and equitable to the parties.

"(4) The Secretary shall determine fair and equitable terms for the provision of such trackage rights, on segments of the Corporation's lines not to exceed 5 miles per line transferred, to acquiring carriers as may be necessary to operate such transferred lines in an efficient manner.".

ABANDONMENTS

SEC. 1156. (a) Title III of the Regional Rail Reorganization Act of 1973 is amended by adding at the end thereof the following new section:

"ABANDONMENTS

"SEC. 308. (a) GENERAL.—The Corporation may, in accordance with this section, file with the Commission an application for a certificate of abandonment for any line which is part of the system of the Corporation. Any such application shall be governed by this section and shall not, except as specifically provided in this section, be subject to the provisions of chapter 109 of title 49, United States Code.

45 USC 748.

"(b) APPLICATIONS FOR ABANDONMENT.—Any application for abandonment that is filed by the Corporation under this section before December 1, 1981, shall be granted by the Commission within 90 days after the date such application is filed unless, within such 90-day period, an offer of financial assistance is made in accordance with subsection (d) of this section with respect to the line to be abandoned.

"(c) NOTICE OF INSUFFICIENT REVENUES.—(1) The Corporation may, prior to November 1, 1983, file with the Commission a notice of insufficient revenues for any line which is part of the system of the Corporation.

"(2) At any time after the 90-day period beginning with the filing of a notice of insufficient revenues for a line, the Corporation may file an application for abandonment for such line. An application for abandonment that is filed by the Corporation under this subsection for a line for which a notice of insufficient revenues was filed under paragraph (1) shall be granted by the Commission within 90 days after the date such application is filed unless, within such 90-day period, an offer of financial assistance is made in accordance with subsection (d) of this section with respect to such line.

"(d) OFFERS OF FINANCIAL ASSISTANCE.—(1) The provisions of section 10905 (d)-(f) of title 49, United States Code (including the timing requirements of subsection (d) thereof), shall apply to any offer of financial assistance under subsection (b) or (c) of this section.

"(2) The Corporation shall provide any person that intends to make an offer of financial assistance under subsection (b) or (c) of this section with such information as the Commission may require.

Publication in Federal Register.

"(e) LIQUIDATION.—(1) If any application for abandonment is granted under subsection (b) of this section, the Commission shall, as soon as practicable, appraise the net liquidation value of the line to be abandoned, and shall publish notice of such appraisal in the Federal Register.

"(2) Appraisals made under paragraph (1) shall not be appealable.

"(3)(A) If, within 120 days after the date on which an appraisal is published in the Federal Register under paragraph (1), the Corporation receives a bona fide offer for the sale, for 75 percent of the amount at which the liquidation value of such line was appraised by the Commission, of the line to be abandoned, the Corporation shall sell such line and the Commission shall, unless the parties otherwise agree, establish an equitable division of joint rates for through routes over such lines.

"(B) If the Corporation receives no bona fide offer under subparagraph (A), within such 120-day period, the Corporation may abandon or dispose of the line as it chooses, except that the Corporation may not dismantle bridges, or other structures (not including rail, signals, and other rail facilities) for 120 days thereafter. The Secretary may require that bridges or other structures (not including rail, signals, and other rail facilities), not be dismantled for an additional 8 months if he assumes all liability of any sort related to such property.

"(4) If the purchaser under paragraph (3)(A) of this subsection of any line of the Corporation abandons such line within five years after such purchase, the proceeds of any track liquidations shall be paid into the general fund of the Treasury of the United States.

"(f) EMPLOYEE PROTECTION.—The provisions of section 10903(b)(2) of title 49, United States Code, shall not apply to any abandonment granted under this section. Any employee who was protected by the compensatory provisions of title V of this Act immediately prior to the effective date of the Northeast Rail Service Act of 1981, who is deprived of employment by such an abandonment shall be eligible for employee protection under section 701 of this Act.".

45 USC 771.
Ante, p. 643.

(b) The table of contents of the Regional Rail Reorganization Act of 1973, as amended by this subtitle, is further amended by inserting immediately after the item relating to section 307 the following new item:

"Sec. 308. Abandonments."

AMENDMENT TO THE RAILWAY LABOR ACT

SEC. 1157. The Railway Labor Act is amended by inserting immediately after section 9 the following new section:

"SPECIAL PROCEDURE FOR COMMUTER SERVICE

"SEC. 9A. (a) Except as provided in section 510(h) of the Rail Passenger Service Act, the provisions of this section shall apply to any dispute subject to this Act between a publicly funded and publicly operated carrier providing rail commuter service (including the Amtrak Commuter Services Corporation) and its employees. 45 USC 159a. *Ante*, p. 671.

"(b) If a dispute between the parties described in subsection (a) is not adjusted under the foregoing provisions of this Act and the President does not, under section 10 of this Act, create an emergency board to investigate and report on such dispute, then any party to the dispute or the Governor of any State through which the service that is the subject of the dispute is operated may request the President to establish such an emergency board. 45 USC 160.

"(c)(1) Upon the request of a party or a Governor under subsection (b), the President shall create an emergency board to investigate and report on the dispute in accordance with section 10 of this Act. For purposes of this subsection, the period during which no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose shall be 120 days from the date of the creation of such emergency board.

"(2) If the President, in his discretion, creates a board to investigate and report on a dispute between the parties described in subsection (a), the provisions of this section shall apply to the same extent as if such board had been created pursuant to paragraph (1) of this subsection.

"(d) Within 60 days after the creation of an emergency board under this section, if there has been no settlement between the parties, the National Mediation Board shall conduct a public hearing on the dispute at which each party shall appear and provide testimony setting forth the reasons it has not accepted the recommendations of the emergency board for settlement of the dispute.

"(e) If no settlement in the dispute is reached at the end of the 120-day period beginning on the date of the creation of the emergency board, any party to the dispute or the Governor of any State through which the service that is the subject of the dispute is operated may request the President to establish another emergency board, in which case the President shall establish such emergency board.

"(f) Within 30 days after creation of a board under subsection (e), the parties to the dispute shall submit to the board final offers for settlement of the dispute.

"(g) Within 30 days after the submission of final offers under subsection (f), the emergency board shall submit a report to the President setting forth its selection of the most reasonable offer.

"(h) From the time a request to establish a board is made under subsection (e) until 60 days after such board makes its report under subsection (g), no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose.

"(i) If the emergency board selects the final offer submitted by the carrier and, after the expiration of the 60-day period described in subsection (h), the employees of such carrier engage in any work stoppage arising out of the dispute, such employees shall not be

eligible during the period of such work stoppage for benefits under the Railroad Unemployment Insurance Act.

"(j) If the emergency board selects the final offer submitted by the employees and, after the expiration of the 60-day period described in subsection (h), the carrier refuses to accept the final offer submitted by the employees and the employees of such carrier engage in any work stoppage arising out of the dispute, the carrier shall not participate in any benefits of any agreement between carriers which is designed to provide benefits to such carriers during a work stoppage.".

CONCERTED ECONOMIC ACTION

45 USC 1108.

SEC. 1158. (a) Any person engaging in concerted economic action over disputes with Amtrak Commuter or any commuter authority shall not be entitled to engage in any strike against, or otherwise to induce any employee of, Conrail, where an effect thereof is to interfere with rail freight service provided by Conrail.

(b) Any person engaging in concerted economic action over disputes arising out of freight operations provided by Conrail shall not be entitled to engage in any strike against, or otherwise to induce any employee of, Amtrak Commuter or any commuter authority, where an effect thereof is to interfere with rail passenger service.

45 USC 151.

(c) Any concerted action in violation of this section shall be deemed to be a violation of the Railway Labor Act.

CONSTRUCTION AND EFFECT OF CERTAIN PROVISIONS

45 USC 1109.

SEC. 1159. Any cost reductions resulting from the provisions of or the amendments made by this subtitle shall not be used to limit the maximum level of any rate charged by Conrail for the provision of rail service, to limit the amount of any increase in any such rate (including rates maintained jointly by Conrail and other rail carriers), or to limit a surcharge or cancellation otherwise lawful under chapter 107 of title 49, United States Code.

49 USC 10701 *et seq.*

LABOR AUTHORIZATION

45 USC 771 note.

SEC. 1160. There are authorized to be appropriated to the Secretary of Transportation for the fiscal year ending September 30, 1982, not to exceed $25,000,000 for the payment of allowances, expenses, and costs that protected employees are entitled to receive under any provision of title V of the Regional Rail Reorganization Act of 1973 as in effect on the day before the effective date of this subtitle.

45 USC 771.

LIGHT DENSITY RAIL SERVICE

45 USC 1110.

SEC. 1161. (a) At any time after the effective date of this subsection, the Secretary may enter negotiations for the transfer of—

(1) any rail lines of Conrail which are the subject of an abandonment proceeding pending before the Commission other than an abandonment proceeding subject to section 308 of the Regional Rail Reorganization Act of 1973; and

Ante, p. 679.

(2) any rail lines of Conrail which are designated in Category I under Commission regulation. The Secretary may transfer any such lines in accordance with the terms of an agreement entered into by the Secretary under this subsection.

(b)(1) All reasonable expenses which are incurred in negotiations for the purchase of rail properties by a railroad which subsequently

purchases such properties in accordance with the provisions of this section shall be credited against the total purchase price for such properties if such purchaser entered into such negotiations in good faith within six months after the effective date of this section.

(2) Expenses for labor protection, for a maximum of a twelve-month period, incurred by a purchaser of rail properties in accordance with the provisions of this section as a result of protective conditions imposed pursuant to section 412 of the Regional Rail Reorganization Act of 1973 shall be credited against the total purchase price for such properties if such purchaser entered into such negotiations in good faith within six months after the effective date of this section.

Ante, p. 673.

(c) As a part of each transfer negotiation authorized and directed by section 405 of the Regional Rail Reorganization Act of 1973, the Secretary shall promote the inclusion of those additional Conrail lines that connect with, and only with, the line or lines that are the subject of particular transfer negotiations (hereinafter in this section referred to as "associated branch lines"), and which are financially viable.

Ante, p. 657.

(d) In the event that a transfer agreement granted final approval by the Secretary under section 1142 of this subtitle does not provide for the continuation of rail service on an associated branch line, or other Conrail line not designated for transfer, that an affected State, shipper, or connecting railroad (other than a Class I or II railroad) concludes is essential, that State, shipper, or connecting railroad, or any combination of such States, shippers, or railroads, may immediately enter negotiations with the Secretary for the transfer of identified associated branch lines or other Conrail line not designated for transfer without rail-common carrier status under the requirements of subtitle IV of title 49, United States Code, to an entity designated by the State, shipper, railroad, or combination thereof, for continued operation free of the common carrier obligations and other requirements, except those provided for in subsection (f), of subtitle IV of title 49, United States Code. Conrail shall convey an associated branch line or other Conrail line not designated for transfer in accordance with the terms of an agreement entered into by the Secretary under this subsection.

49 USC 10101 *et seq.*

(e) The Secretary may transfer lines in accordance with the provisions of this section for nominal consideration, if justified by the public benefit associated with continued rail service.

(f) The Commission shall establish fair and equitable divisions of revenues on joint rates until a final order is issued.

REHABILITATION AND IMPROVEMENT FINANCING

SEC. 1162. (a) Section 505(b)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(b)(2)) is amended—

(1) in the third sentence, by striking "When making" and all that follows through "available for railroad financing, and" and inserting in lieu thereof the following: "When making such a determination, the Secretary shall evaluate and consider in the following order of priority (A) the availability of funds from other sources at a cost which is reasonable under principles of prudent railroad financial management in light of the railroad's projected rate of return for the project to be financed and the railroad's rate of return on total capital (represented by the ratio which such carrier's net income, including interest on a long-term debt, bore to the sum of average shareholder's equity, long-term debt, and accumulated deferred income tax for fiscal year

1975) as determined in accordance with the uniform system of accounts promulgated by the Commission, (B) the interest of the public in supplementing such other funds as may be available in order to increase the total amount of funds available for railroad financing, and"; and

(2) by adding at the end thereof the following: "The Secretary shall assign the highest priorities to those meritorious applications of carriers operating under section 77 of the Bankruptcy Act unable to generate such funds in the private sector and to those meritorious applications for funds to provide for the restructuring of rail freight facilities and systems which handle more than two million rail cars annually, which are located in more than one State, and which are separated by the Mississippi River.".

(b) Section 501(8) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821(8)) is amended to read as follows:

"(8) 'restructuring' means (A) any activity (including a consolidation, coordination, merger or abandonment) which (i) involves rehabilitation, or improvement of a facility or the transfer of a facility, and (ii) improves the long-term profitability of any railroad freight system through the achievement of higher average traffic densities or improved asset utilization; or (B) the transfer from the Corporation to any railroad or financially responsible person (as defined in section 10910(a)(1) of title 49, United States Code) for common carrier rail service of ownership or operating rights on any rail line owned or operated by the Corporation where the Secretary determines that such acquisition will provide needed transportation benefits, and that such line will not require further Federal subsidy;".

(c) Section 505(a)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(a)(1)) is amended by inserting immediately after "railroad" the following: "(or any financially responsible person, as defined in section 10910(a)(1) of title 49, United States Code, who acquires from the Corporation for common carrier rail service any rail line owned by the Corporation on the effective date of the Northeast Rail Service Act of 1981)".

Ante, p. 643.

(d) Section 505(b)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(b)(2)) is amended by amending clause (C) to read as follows: "(C) the public benefits, including any significant railroad restructuring, to be realized from the project to be financed in relation to the public costs of such financing and whether the proposed project will return public benefits sufficient to justify such public costs or, where the application relates to a rail line owned or operated by the Corporation immediately prior to its acquisition by a railroad or financially responsible person (as defined in section 10910(a)(1) of title 49, United States Code) for common carrier rail service, whether the financial assistance applied for under this section will further the public interest in transferring rail lines from the Corporation to the private sector, and avoid the need for any further Federal subsidy.".

(e) Section 509(b) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 829(b)) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following:

"(3) Not more than 50 percent of the funds received by the Secretary from amounts appropriated under subsection (a) of this section shall be reserved to provide rehabilitation and improvement

assistance for facilities transferred from the Corporation after the effective date of the Northeast Rail Service Act of 1981.". *Ante*, p. 643.

(f) Section 509(b)(4) of the Railroad Revitalization and Regulatory Reform Act of 1976, as redesignated by subsection (e) of this section, is amended by striking "and (2)" and inserting in lieu thereof ", (2) and (3)". 45 USC 829.

NORTHEAST CORRIDOR COST DISPUTE

SEC. 1163. (a)(1) Within 120 days after the effective date of this subtitle, the Commission shall determine an appropriate costing methodology for compensation to Amtrak for the right-of-way related costs for the operation of commuter rail passenger service over the Northeast Corridor and other properties owned by Amtrak, unless Conrail, Amtrak, and affected commuter authorities have otherwise agreed on such a methodology by that date. In making its determination, the Commission shall consider all relevant factors, including the standards of sections 205(d) and 304(c) of the Regional Rail Reorganization Act of 1973, section 701(a)(6) of the Railroad Revitalization and Regulatory Reform Act of 1976, and section 402(a) of the Rail Passenger Service Act. 45 USC 1111. 45 USC 715, 744. 45 USC 851. 45 USC 562.

(2) Within 120 days after the effective date of this subtitle, the Commission shall determine a fair and equitable costing methodology for compensation to Amtrak by Conrail for the right-of-way related costs for the operation of rail freight service over the Northeast Corridor, unless Conrail and Amtrak have otherwise agreed on such a methodology by that date. In making its determination, the Commission shall take into consideration the industry-wide average compensation for freight trackage rights and any additional costs associated with high-speed service provided over the Northeast Corridor.

(b) Any determination by the Commission under this section shall be effective on the date of such determination, and any agreement of the parties under this section shall be effective on the date specified in such agreement. Any such determination or agreement shall not apply to any compensation paid to Amtrak prior to the date of such determination or the date so specified, as the case may be, for the right-of-way related costs described in subsection (a) of this section.

(c) Nothing in this section shall preclude parties from entering into an agreement, after the determination of the Commission or their initial agreement under this section, with respect to the right-of-way related costs described in subsection (a) of this section.

(d) Any determination by the Commission under this section shall be final and shall not be reviewable in any court.

COMMISSION PROCEEDINGS

SEC. 1164. (a) Notwithstanding any other provision of subtitle IV of title 49, United States Code, in any proceeding before the Commission under section 11344 or 11345 of such subtitle involving a railroad in the Region, as defined in section 102 of the Regional Rail Reorganization Act of 1973, which was in a bankruptcy proceeding under section 77 of the Bankruptcy Act on November 4, 1979, the Commission shall, with or without a hearing, issue a final decision within a period not to exceed 180 days after receipt of an application under either such section. 45 USC 1112. 45 USC 702.

(b) Notwithstanding any other provision of subtitle IV of title 49, United States Code, in any proceeding before the Commission under 49 USC 10101 *et seq.*

section 11344 or 11345 of such subtitle involving a profitable railroad in the Region, as defined in section 102 of the Regional Rail Reorganization Act of 1973, which received a loan under section 211(a) of such Act, the Commission shall, with or without a hearing, issue a final decision within a period not to exceed 180 days after receipt of an application under either such section.

45 USC 702, 721.

(c)(1) If the Secretary determines under subsection (b) that there is an agreement between a profitable railroad in the Region (as defined in section 102 of the Regional Rail Reorganization Act of 1973) which received a loan under section 211(a) of such Act and a prospective purchaser for the sale of such railroad, the Secretary shall limit the interest of the United States in any debt of such a railroad to an interest which attaches to such debt in the event of bankruptcy, substantial sale, or liquidation of the assets of the railroad. The Secretary shall substitute for the evidence of such debt contingency notes conforming to the limited terms set forth in this subsection.

(2) If the interest of the United States is limited under paragraph (1), any new debt issued by such a railroad subsequent to the issuance of the debt described in paragraph (1) shall have higher priority in the event of bankruptcy, liquidation, or abandonment of the assets of Conrail than the debt described in such paragraph.

INTERCITY PASSENGER SERVICE EMPLOYEES

45 USC 1113.

SEC. 1165. After January 1, 1983, Conrail shall be relieved of the responsibility to provide crews for intercity passenger service on the Northeast Corridor. Amtrak, Amtrak Commuter, and Conrail, and the employees with seniority in both freight and passenger service shall commence negotiations not later than 120 days after the date of the enactment for the right of such employees to move from one service to the other once each six-month period. Such agreement shall ensure that Conrail, Amtrak, and Amtrak Commuter have the right to furlough one employee in the same class or craft for each employee who returns through the exercise of seniority rights. If agreement is not reached within 360 days, such matter shall be submitted to binding arbitration.

TRACKAGE RIGHTS

45 USC 1114.

SEC. 1166. At any time after the effective date of this subtitle, the Commission may approve, under the provisions of existing law, the grant of trackage rights to any terminal railroad operating primarily in the city of Philadelphia over the individual lines of Conrail located in the city and port of Philadelphia.

TECHNICAL AMENDMENTS

SEC. 1167. (a) Section 303(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(c)) is amended by striking the following wherever they appear: "securities,"; "securities and"; "at least one share of series B preferred stock and"; "other securities of the Corporation or"; and "securities or".

45 USC 1115.

(b) For the purpose of computing the amount for which certificates of value shall be redeemable under section 306 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 746), the series B preferred stock and the common stock conveyed to the Secretary under section 1154 of this subtitle shall be deemed to be without fair market value unless in a proceeding brought under section 1152(a)(4) of this subtitle

the special court shall have determined that such securities had a value and shall have entered a judgment against the United States for that value. In such an event, the securities shall for purposes of section 306 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 746) be deemed to have that value found by the special court.

(c)(1) The clerk of the special court shall convey to the Secretary within 10 days after the effective date of this subtitle the series B preferred stock and the common stock of Conrail which are then on deposit with the special court pursuant to section 303 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743).

(2) The Secretary is authorized to hold and to exercise all rights that pertain to the Conrail securities conveyed under paragraph (1) of this subsection, and any other securities of Conrail that have been or may be conveyed to the Secretary under any agreement or pursuant to the terms of part 5 of this subtitle or the terms of any other law. *Ante*, p. 673.

APPLICABILITY OF OTHER LAWS

SEC. 1168. (a) The provisions of the chapters 5 and 7 of title 5 of the United States Code (popularly known as the Administrative Procedure Act and including provisions popularly known as the Government in the Sunshine Act), the Federal Advisory Committee Act, section 102(2)(C) of the National Environmental Policy Act of 1969, the National Historic Preservation Act of 1966, and section 4(f) of the Department of Transportation Act of 1966 are inapplicable to actions taken in negotiating, approving, or implementing service transfers under title IV of the Regional Rail Reorganization Act of 1973. *Ante*, p. 654.

45 USC 1116.
5 USC 500 *et seq.*, 701 *et seq.*
5 USC app.
42 USC 4332.
16 USC 470 note.
49 USC 1653.

(b) The operation of trains by Conrail shall not be subject to the requirement of any State or local law which specifies the minimum number of crew members who must be employed in connection with the operation of such trains.

EFFECTIVE DATE

SEC. 1169. Except as otherwise provided, the provisions of and the amendments made by this subtitle shall take effect on the date of the enactment of this subtitle.

45 USC 1101 note.

Subtitle F—Amtrak

Amtrak Improvement Act of 1981.

SHORT TITLE

SEC. 1170. This subtitle may be cited as the "Amtrak Improvement Act of 1981".

45 USC 501 note.

FINDINGS

SEC. 1171. Section 101 of the Rail Passenger Service Act (45 U.S.C. 501) is amended to read as follows:

"(a) The Congress finds that the public convenience and necessity require that the National Railroad Passenger Corporation provide, to the extent that the Corporation's budget allows, modern, cost-efficient, and energy-efficient intercity railroad pasenger service between crowded urban areas and in other parts of the country; that rail passenger service can help in alleviating the overcrowding of airways, airports, and highways; and that to the maximum extent feasible travelers in America should have the freedom to choose the mode of transportation most convenient to their needs.

"(b) The Congress further finds that a greater degree of cooperation is necessary among railroads, the Corporation, State, regional, and local governments and the private sector, labor organizations, and suppliers of services and equipment to the Corporation in order to achieve the level of performance sufficient to justify expenditure of public funds.

"(c) The Congress further finds that—

"(1) modern, efficient commuter rail passenger service is important to the viability and well-being of major urban areas and to the national goals of energy conservation and self-sufficiency;

"(2) Amtrak, as a passenger service entity, should be available to operate commuter service through its subsidiary Amtrak Commuter under contract with commuter agencies which do not choose to operate such service themselves as a part of the governmental functions of the State;

"(3) the Northeast Corridor is a valuable national resource used by intercity passenger, commuter passenger, and freight services; and

"(4) greater coordination between intercity and commuter passenger services are required.".

ADDITIONAL GOALS FOR AMTRAK

45 USC 501a.

SEC. 1172. Section 102 of the Rail Passenger Service Act (45 U.S.C. 501) is amended—

(1) by striking out paragraphs (1) and (3) and redesignating paragraphs (2), (4), (5), and (6) as paragraphs (8) through (11), respectively;

(2) by inserting immediately before paragraph (8), as so redesignated, the following new paragraphs:

"(1) Exercise of the Corporation's best business judgment in taking actions to minimize Federal subsidies, including increasing fares, increasing revenues from the carriage of mail and express, reducing losses on food service, improving its contracts with operating railroads, reducing management costs, and increasing employee productivity.

"(2) Encouragement of State, regional, and local governments and the private sector to share the costs of operating rail passenger service, including the costs of operating stations and other facilities, in order to minimize Federal subsidies.

"(3) Improvement of the number of passenger miles generated systemwide per dollar of Federal funding by at least 30 percent within the two-year period beginning on the effective date of the Amtrak Improvement Act of 1981.

"(4) Elimination of the deficit associated with food and beverage services by September 30, 1982.

"(5) Implementation of strategies to achieve immediately maximum productivity and efficiency consistent with safe and efficient service.

"(6) Operation of Amtrak trains, to the maximum extent feasible, to all station stops within 15 minutes of the time established in public timetables for such operation.

"(7) Development of service on rail corridors, subsidized by States or private parties, or both.";

(3) in paragraph (8), as redesignated, by striking out "55" and inserting in lieu thereof "60"; and

(4) by adding at the end thereof the following new paragraphs:

"(12) Implementation of policies ensuring equitable access to the Northeast Corridor by both intercity and commuter services.

"(13) Coordination among the various users of the Northeast Corridor, particularly intercity and commuter passenger services.

"(14) Amtrak's maximization of the use of its resources, including the most cost-effective use of employees, facilities, and real estate. Amtrak is encouraged to enter into agreements with the private sector and undertake initiatives which are consistent with good business judgment and designed to maximize its revenues and minimize Federal subsidies.".

DEFINITIONS

SEC. 1173. Section 103 of the Rail Passenger Service Act (45 U.S.C. 502) is amended—

(1) by redesignating paragraphs (2) through (6) as paragraphs (3) through (7), respectively, and by redesignating paragraphs (7) through (14) as paragraphs (10) through (17), respectively;

(2) by inserting immediately after paragraph (1) the following new paragraph:

"(2) 'Amtrak Commuter' means the Amtrak Commuter Services Corporation created under title V of this Act.".

(3) by inserting immediately after paragraph (7), as redesignated, the following new paragraphs:

"(8) 'Commuter authority' means any State, local, or regional authority, corporation, or other entity established for purposes of providing commuter service, and includes the Metropolitan Transportation Authority, the Connecticut Department of Transportation, the Maryland Department of Transportation, the Southeastern Pennsylvania Transportation Authority, the New Jersey Transit Corporation, the Massachusetts Bay Transportation Authority, the Port Authority Trans-Hudson Corporation, any successor agencies, and any entity created by one or more such agencies for the purpose of operating, or contracting for the operation of, commuter service.

"(9) 'Commuter service' means short-haul rail passenger service operated in metropolitan and suburban areas, whether within or across the geographical boundaries of a State, usually characterized by reduced fare, multiple-ride, and commutation tickets and by morning and evening peak period operations."; and

(4) in paragraph (11), as redesignated, by striking out "commuter and other" and all that follows through "operations" and inserting in lieu thereof "commuter service".

CHANGES IN BOARD OF DIRECTORS

SEC. 1174. (a) Section 303(a) of the Rail Passenger Service Act (45 U.S.C. 543(a)) is amended—

(1) by striking out paragraphs (1) through (4) and inserting in lieu thereof the following new paragraphs:

"(1) The Corporation shall have a board of directors consisting of nine individuals who are citizens of the United States, as follows:

"(A) The Secretary of Transportation, ex officio. The Secretary of Transportation may be represented at meetings of the Board by his deputy, the Administrator of the Federal Railroad Ad-

ministration or the General Counsel of the Department of Transportation.

"(B) The President of the Corporation.

"(C) Three members appointed by the President, by and with the advice and consent of the Senate, on the following basis:

"(i) One to be selected from a list of three qualified individuals recommended by the Railway Labor Executives Association.

"(ii) One to be selected from among the Governors of States with an interest in rail transportation. Such Governor may select an individual to represent him at meetings of the Board.

"(iii) One to be selected as a representative of business with an interest in rail transportation.

"(D) Two members selected by commuter authorities, on the following basis:

"(i) Until January 1, 1983, the two members under this subparagraph shall be selected by the President from a list of names consisting of one individual nominated by each commuter authority for which the Consolidated Rail Corporation operates commuter service under the Regional Rail Reorganization Act of 1973. Such members shall serve until December 31, 1982, or until their successors are appointed pursuant to subparagraph (ii).

45 USC 701 note.

"(ii) After January 1, 1983, the two members under this subparagraph shall be selected by the President from a list of names consisting of one individual nominated by each commuter authority for which Amtrak Commuter operates commuter service under title V of this Act and one individual nominated by each commuter authority in the Region (as defined in section 102 of the Regional Rail Reorganization Act of 1973) which operates its own service or contracts with an operator other than Amtrak Commuter, except that—

Ante, p. 647.

45 USC 702.

"(I) if Amtrak Commuter operates commuter service for one or more commuter authorities, at least one of the members selected under this clause shall be an individual nominated by such a commuter authority; and

"(II) if Amtrak Commuter does not operate commuter service for any commuter authority, five names shall be submitted to the President by commuter authorities providing service over rail properties owned by Amtrak, and the President shall select two members from such list.

"(E) Two members selected annually by the preferred stockholders of the Corporation, which members shall be selected as soon as practicable after the first issuance of preferred stock by the Corporation.

"(2)(A) Members appointed by the President under paragraph (1)(C) shall serve for terms of four years or until their successors have been appointed and qualified, except that any member appointed by the President under such subparagraph to fill a vacancy shall be appointed only for the unexpired term of the member he is appointed to succeed. Not more than two of the members appointed under such subparagraph shall be registered as members of the same political party.

"(B) Members selected under paragraph (1)(D) shall serve for terms of two years or until their successors have been appointed.

"(3) Except as provided in paragraph (2)(A) of this subsection, any vacancy in the membership of the board shall be filled in the same manner as in the case of the original selection.

"(4) The President of the Corporation shall serve as chairman of the board of directors.";

(2) by striking out paragraph (6) and redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(3) in paragraph (7), as redesignated by paragraph (2) of this subsection, by striking out "election" and inserting in lieu thereof "selection"; by striking out "four" and inserting in lieu thereof "two"; and by striking out "seven" and inserting in lieu thereof "four".

(b) The term of office of any member of the board of directors of the National Railroad Passenger Corporation serving on such board immediately before the effective date of this subtitle pursuant to section 303(a)(1)(B), (C), or (D) of the Rail Passenger Service Act shall be deemed to have expired on such effective date, except that— 45 USC 543 note. 45 USC 543.

(1) such members shall continue to serve for a period not to exceed 90 days during which time the President shall appoint members of the board in accordance with section 303(a)(1) of such Act, as amended by this section; and

(2) if any position on such board remains vacant after the expiration of such 90-day period, the President of Amtrak may designate any citizen of the United States to serve in such position until the President fills such position by appointment in accordance with such section 303(a)(1).

FINANCING OF THE CORPORATION

SEC. 1175. Section 304 of the Rail Passenger Service Act (45 U.S.C. 544) is amended—

(1) in subsection (a), by striking out "each of which shall carry voting rights and" and inserting in lieu thereof "which shall";

(2) in subsection (a), by striking out the second sentence;

(3) by amending subsection (c) to read as follows:

"(c)(1) Not later than February 1, 1982, and in consideration of receiving further Federal financial assistance, the Corporation shall issue to the Secretary a sufficient number of shares of preferred stock to equal, to the nearest whole share, the amount of funds appropriated by Congress for capital acquisitions or improvements, or for operating and capital expenses, under the authority of subsections (a)(2), (b)(1)(B), and (b)(1)(C) of section 601 of this Act between October 30, 1970, and September 30, 1981. 45 USC 601.

"(2) Commencing on October 1, 1981, and in consideration of receiving further Federal financial assistance, the Corporation shall issue to the Secretary within 30 days after the close of each quarter of the fiscal year of the United States Government additional preferred stock equal, to the nearest whole share, to the amount of funds paid to the Corporation under section 601 of this Act during such quarter."; and

(4) by striking out subsections (d) through (f) and inserting in lieu thereof the following:

"(d) The Corporation is authorized to issue, in addition to the stock authorized by subsection (a) of this section, nonvoting securities, bonds, debentures, notes, and other certificates of indebtedness as it may determine, except that no obligation with a liquidation interest superior to any preferred stock issued to the Secretary or secured by a lien on property of the Corporation shall be incurred without the

consent of the Secretary so long as any preferred stock issued to the Secretary is outstanding.

"(e)(1) The requirement of section 45(b) of the District of Columbia Business Corporation Act (D.C. Code, sec. 29-920(b)) as to the percentage of stock a stockholder is required to hold in order to have the rights of inspection and copying set forth in such section shall not be applicable in the case of holders of the stock of the Corporation, and they may exercise such rights without regard to the percentage of stock they hold.

"(2) Preferred stock issued under the authority of this section shall not be subject to the annual fee prescribed under section 29-936(e) of the District of Columbia Code, or to any other form of taxation unless otherwise specifically prescribed by Congress.".

CHARGE FOR CUSTOMS AND IMMIGRATION SERVICE

SEC. 1176. Section 305(i) of the Rail Passenger Service Act (45 U.S.C. 545) is amended by adding at the end thereof the following new sentence: "The Corporation shall not be obligated to pay any amount to any agency of the Federal Government for the cost of customs inspection or immigration procedures in connection with the provision of services by the Corporation.".

FOOD AND BEVERAGE SERVICE

SEC. 1177. (a) Section 305 of the Rail Passenger Service Act (45 U.S.C. 545) is amended by adding at the end thereof the following new subsection:

"(n) The Corporation shall implement policies which will eliminate the deficit in its on-board food and beverage operations no later than September 30, 1982. Beginning October 1, 1982, food and beverage services shall be provided on-board Amtrak trains only if the revenues from such service are equal to or greater than the total costs of such services as computed on an annual basis.".

(b) Section 405(e) of the Rail Passenger Service Act (45 U.S.C. 565(e)) is amended—

(1) by striking out "The Corporation" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, the Corporation"; and

(2) by adding at the end thereof the following new paragraph: "(2) The provisions of this subsection shall not apply to food and beverage services provided on-board Amtrak trains.".

APPLICABILITY

SEC. 1178. Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is amended by adding at the end thereof the following new subsection:

"(n) The Corporation shall not be required to pay any additional taxes as a consequence of its expenditure of funds to acquire or improve real property, equipment, facilities, or right-of-way materials or structures used directly or indirectly in the provision of rail passenger service. For purposes of this subsection, 'additional taxes' means taxes or fees (1) on the acquisition, improvement, or ownership of personal property by the Corporation; and (2) on real property other than taxes or fees on the acquisition of real property or on the value of real property which is not attributable to improvements made by the Corporation.".

SANCTIONS

SEC. 1179. Section 307(a) of the Rail Passenger Service Act (45 U.S.C. 547(a)) is amended by adding at the end thereof the following: "Any discontinuance of routes, trains, or services or reduction in frequency of service, which is made by the Corporation shall not be reviewable in any court except on petition of the Attorney General of the United States.".

ELIMINATION OF UNNECESSARY REPORTS

SEC. 1180. (a) Section 308(a)(1) of the Rail Passenger Service Act (45 U.S.C. 548(a)(1)) is amended by striking out subparagraph (C).

(b) Section 308(c) of the Rail Passenger Service Act (45 U.S.C. 548(c)) is amended—

(1) by striking out "and the Commission"; and

(2) by striking out "reports (or, in their discretion, a joint report)" and inserting in lieu thereof "a report".

FACILITY AND SERVICE AGREEMENTS

SEC. 1181. The first sentence of section 402(a) of the Rail Passenger Service Act is amended by inserting ", which terms shall include a penalty for untimely performance" before the period. 45 USC 562.

STATE SUPPORTED SERVICES

SEC. 1182. (a) Section 403 of the Rail Passenger Service Act (45 U.S.C. 563) is amended to read as follows:

"SEC. 403. SERVICE.

"(a) Except as otherwise provided in this Act, after the effective date of the Amtrak Improvement Act of 1981, all route additions shall be in accordance with the Route and Service Criteria.

"(b)(1)(A) Any State or group of States, any regional or local agency, or any other person may submit an application to the Corporation requesting the institution of rail passenger service or the retention of a route, train, or service, or some portion of such route, train, or service, which the Corporation intends to discontinue under section 407 of this Act.

"(B) Each application by a State, agency, or person for rail passenger service under this subsection shall contain—

"(i) adequate assurances by such State, agency, or person that it has sufficient resources to meet its share of the cost of such service for the period such service is to be provided;

"(ii) a market analysis acceptable to the Corporation to ensure that there is adequate demand to warrant such service; and

"(iii) a statement by such State, agency, or person that it agrees to pay in each year of operation of such service at least—

"(I) 45 percent in the first year of operation; and

"(II) 65 percent in each year of operation thereafter; of the short-term avoidable losses of operating such service and 50 percent of the associated capital costs.

"(2)(A) The Corporation shall review each application submitted by a State, agency, or person for the institution or retention of service under this subsection to determine whether—

"(i) the application complies with the requirements of paragraph (1)(B) of this subsection; and

"(ii) there is a reasonable probability that the service requested can be provided with the resources available to the Corporation.

"(B) Any application submitted by a group of States shall be considered in the same manner as an application submitted by a single State, and not on the basis of whether each State that is a party to such application meets the requirements of paragraph (1)(B) of this subsection.

"(3)(A) The Corporation may enter into an agreement with such State, agency, or person for the institution or retention of such service, in accordance with the funding formula set forth in paragraph (1)(B) of this subsection, if the Corporation determines that such service can be provided with resources available to the Corporation.

"(B) An agreement entered into pursuant to this subsection may by mutual agreement be renewed for one or more additional terms of not more than 2 years.

"(C) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the board of directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation.

"(4)(A) Any funds provided by the Corporation under an agreement with a State, an agency or a person pursuant to this subsection which are allocated for associated capital costs and which are not expended during the fiscal year for which they are provided shall remain available until expended.

"(B) The board of directors shall, after consultation with the appropriate officials of each State that contributes to the operation of service under this subsection, establish the basis for determining the short-term avoidable loss and associated capital costs of service operated under this subsection and the total revenues from such service. In addition, the Corporation shall provide appropriate State officials with the basis for determining such loss, costs, and revenues for each route on which service is operated under this subsection.

"(5)(A) Prior to instituting any fare increase that applies to service provided under this subsection and that represents an increase of more than 5 percent over a 6-month period, the Corporation shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. The Corporation shall provide the officials of each such State with an explanation of the circumstances warranting the proposed fare increase (such as the unique costs of or demand for the services involved).

"(B) A proposed fare increase described in subparagraph (A) shall take effect 90 days after the date the Corporation first consults with the affected States pursuant to such subparagraph. Within thirty days of the initial consultation, the affected State may submit proposals to the Corporation for reducing costs and increasing revenues in connection with service provided under this subsection. Following such thirty-day period, the Corporation, after taking into consideration such proposals as may be submitted by a State, shall decide whether to implement the proposed fare increase in whole or in part.

"(C) Notwithstanding the provision of subparagraph (B) of this paragraph, the Corporation may increase fares pursuant to this paragraph during the first month of a fiscal year if the authorization for appropriations or the appropriations for the benefit of the

Corporation for such fiscal year are not enacted at least 90 days prior to the beginning of such fiscal year, and the Corporation may increase fares pursuant to this paragraph during the 30 days following enactment of any appropriation for the benefit of the Corporation or rescission thereof. Notice of fare increases pursuant to the preceding sentence shall be given by the Corporation to any affected State as soon as possible following the decision to effect such fare increase.

"(6) At least 2 but not more than 5 percent of all revenues generated by each particular route operated under the authority of this subsection shall be dedicated to advertising and promotion of such service on a local level.".

(b) The amendments made by subsection (a) of this section shall apply to any agreement entered into under section 403(b) of the Rail Passenger Service Act after October 1, 1981, and to any renewal after October 1, 1983, of any agreement entered into under such section 403(b) prior to October 1, 1981.

45 USC 563 note.

Ante, p. 693.

OPERATION WITHIN AVAILABLE RESOURCES

SEC. 1183. (a) Section 404(c)(3) of the Rail Passenger Service Act (45 U.S.C. 564(c)(3)) is amended—

(1) by inserting "(A)" immediately after "(3)"; and

(2) by adding at the end thereof the following new subparagraph:

"(B) Beginning on the effective date of the Amtrak Improvement Act of 1981, if the Corporation determines that an amendment to the Route and Service Criteria is necessary or appropriate, it shall submit a draft of such amendment to the Congress. Such amendment shall take effect at the end of the first period of 60 calendar days of continuous session of the Congress after the date of its submission, unless either the Senate or the House of Representatives adopts a resolution during such period stating that it does not approve such amendment.".

Ante, p. 687.

(b) Section 404(c)(4) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)) is amended to read as follows:

"(4)(A) The Corporation's annual total costs shall not exceed the funds, including grants made under section 601 of this Act, contributions provided by States, regional and local agencies and other persons, and revenues, available to the Corporation within the then-current fiscal year. Commencing in fiscal year 1982, the Corporation shall recover an amount sufficient that the ratio of its revenues, including contributions from States, agencies, and other persons, to costs, excluding capital costs, shall be at least 50 percent.

45 USC 601.

"(B) The Corporation shall conduct an annual review of each route in the basic system to determine if such route is projected to meet the criteria set forth in paragraph (1) or paragraph (2) of subsection (d), whichever is applicable to such route, as adjusted to reflect constant 1979 dollars. If the Corporation determines on the basis of such review that such route will not meet the criteria set forth in the appropriate paragraph, the Corporation shall discontinue, modify, or adjust the operation of rail passenger service over such route so that the criteria will be met.

Annual review.

"(C) The annual review conducted by the Corporation under subparagraph (B) shall include an evaluation of the potential market demand for, and the cost of providing service on routes or portions thereof, and the potential market demand for, and cost of providing service on, alternative routings. The Corporation shall transmit the results of the annual review to each House of the Congress and to the Secretary of Transportation.

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"(D)(i) No later than 30 days after the beginning of each fiscal year, the Corporation shall evaluate the financial requirements for operating the basic system and its progress in achieving the system-wide performance standards prescribed in this Act during such fiscal year. If the Corporation determines that the funds to be available for such fiscal year are insufficient to meet the projected operating costs, or if the Corporation projects that the system cannot meet the performance standards of this Act, the Corporation shall, in accordance with this subparagraph, take such action as may be necessary to reduce such costs and improve performance.

"(ii) Any action taken by the Corporation to reduce costs or improve performance pursuant to this subparagraph shall be designed to continue the maximum level of service practicable, and may include—

"(I) changes in frequency of service;

"(II) increases in fares;

"(III) reductions in the costs of sleeper car service on certain routes;

"(IV) reductions in the costs of dining car service on certain routes;

"(V) increases in the passenger capacity of cars used on certain routes; and

"(VI) restructuring or adjustment of the route system or discontinuance of service over routes, considering short-term avoidable loss and the number of passengers served by trains on such routes.

"(E) The Corporation shall, prior to October 1, 1983, reduce its costs of management by not less than 10 percent of the administrative costs incurred during the period of twelve calendar months prior to June 1, 1981.

Notice.
Ante, p.693.

"(F)(i) Notice of any discontinuance of service pursuant to this paragraph or section 403(b) of this Act shall be posted at least 14 days before such discontinuance in all stations served by the train to be discontinued.

"(ii) Notice of any discontinuance of service pursuant to this paragraph or section 403(b) of this Act shall be given in such a manner as the Corporation determines will afford an opportunity for any State or group of States, or any regional or local agency or other person, to agree to share the cost of such route, train, or service, or some portion of such route, train, or service. Such notice shall be given at least 90 days prior to such discontinuance.

"(iii) Notwithstanding the provisions of clause (ii), the Corporation may discontinue service pursuant to this paragraph or section 403(b) of this Act during the first month of a fiscal year if the authorization for appropriations or the appropriations for the benefit of the Corporation for such fiscal year are not enacted at least 90 days prior to the beginning of such fiscal year, and the Corporation may discontinue service pursuant to this paragraph or section 403(b) of this Act during the 30 days following enactment of any appropriation for the benefit of the Corporation or rescission thereof. Notice of discontinuance of service pursuant to the preceding sentence shall be given by the Corporation to any affected State or regional or local transportation authority as soon as possible following the decision to effect such discontinuance.".

(c) Section 404(c)(5) of the Rail Passenger Service Act (45 U.S.C. 564(c)(5)) is amended by striking out "and" at the end of subparagraph (A), by striking out the period at the end of subparagraph (B)

and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new subparagraph:

"(C) modification or adjustment of service under paragraph (4)(B) of this subsection, and discontinuance, modification, or adjustment under paragraph (4)(D) of this subsection.".

(d) Section 404(e) of the Rail Passenger Service Act (45 U.S.C. 564(e)) is repealed.

(e) Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d)) is amended to read as follows:

"(d) Beginning October 1, 1981, the Corporation shall continue to operate rail passenger service operated under this subsection prior to the effective date of the Amtrak Improvement Act of 1981 if such service meets the criteria set forth in section 404(d)(2)(B) of this Act, after taking into account projected fare increases and any State or local contributions to such service. Any service continued under this subsection shall be funded in accordance with the method of funding in effect on the day prior to the effective date of the Amtrak Improvement Act of 1981.". *Ante*, p. 687.

EXTENSION OF COMPENSATION FOR PASS RIDERS

SEC. 1184. The third sentence of section 405(f) of the Rail Passenger Service Act (45 U.S.C. 565) is amended by striking out ", during the 2-year period beginning on the effective date of the Amtrak Reorganization Act of 1979,". 45 USC 501 note.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1185. (a) Section 601(b) of the Rail Passenger Service Act (45 U.S.C. 601(b)) is amended—

(1) by striking out paragraph (3); and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) There are authorized to be appropriated to the Secretary for the benefit of the Corporation—

"(A) not to exceed $735,000,000 for the fiscal year ending September 30, 1982, of which not more than $24,000,000 shall be used for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act; and

"(B) not to exceed $788,000,000 for the fiscal year ending September 30, 1983, of which not more than $26,000,000 shall be used for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act.";

(3) in paragraph (3), as redesignated, by striking out "(A)" and by striking out ", and (B) guidelines established by the Secretary"; and

(4) by adding at the end thereof the following new paragraph:

"(4) Of the amounts appropriated under this subsection for fiscal year 1982, the Corporation may not spend for on-board food and beverage services an amount greater than 50 percent of the amount by which the costs of such services in fiscal year 1981 exceeded the revenues from such services in such fiscal year.".

(b) Section 601(b)(1) of the Rail Passenger Service Act (45 U.S.C. 601(b)(1)) is amended by striking out subparagraphs (B) through (E).

LOAN GUARANTEES

SEC. 1186. (a) Section 602(d) of the Rail Passenger Service Act (45 U.S.C. 602(d)) is amended—

(1) by striking out "$900,000,000" each place it appears and inserting in lieu thereof "$930,000,000"; and

(2) by striking out the last sentence.

(b) Section 602 of the Rail Passenger Service Act (45 U.S.C. 602) is amended by adding at the end thereof the following new subsections:

"(j) During the period beginning October 1, 1981, and ending September 30, 1983, the interest due to the Federal Financing Bank from the Corporation on debt of the Corporation held by the Federal Government shall be deferred. During such period the interest so deferred shall be added to the principal of the debt owed to the Federal Government. The deferral of payment under this subsection shall not constitute a default under any note or obligation of the Corporation. Notwithstanding the deferral of interest provided for under this subsection, the Secretary shall guarantee loans to the Corporation to meet commitments under previously approved capital programs and to repay existing notes and equipment obligations.

Recommendations, submittal to Congress.

"(k) Before February 1, 1982, the Department of Transportation, in consultation with the General Accounting Office, the Corporation, and the Department of the Treasury, shall submit to the Congress legislative recommendations for how best to relieve Amtrak of its debt to the Federal Government.".

RAIL CORRIDOR DEVELOPMENT AND OTHER STUDIES

Report to Congress. 45 USC 651 note.

SEC. 1187. (a) Not later than June 1, 1982, the National Railroad Passenger Corporation shall transmit to the Congress a report containing its recommendations for the development of rail corridors. Such report shall contain—

(1) an identification of those rail corridors which the Corporation would propose to develop, taking into consideration factors such as (A) the projected cost-effectiveness, energy efficiency, and ridership of rail corridors recommended for development, (B) the need to preserve regional balance in rail passenger service, (C) the share of intercity passengers which would be attracted by rail corridor service, and (D) the willingness of private sector interests or State and local governments, or both, to contribute to the development of rail corridors;

(2) a timetable for the development of rail corridors, including schedules for (A) the negotiation of agreements with the rail carriers, private interests, and State and local governments, (B) the acquisition of equipment, (C) the improvement of fixed facilities, and (D) the implementation of service; and

(3) a financial plan, including recommendations for reductions in the cost of existing service, during the timetable proposed pursuant to paragraph (2) of this subsection.

Study; report to Congress.

(b) The National Railroad Passenger Corporation, representatives of labor, and the American Association of Railroads shall, within six months after the effective date of this subtitle, conduct a study and submit a joint report to the Congress regarding their efforts to achieve greater efficiencies in management and labor practices. Such report shall include a description of efforts by such corporation toward efficiencies in the management of such corporation, recommendations for further efficiencies, and any other appropriate legislative recommendations.

(c) Within three months after the effective date of this subtitle, the National Railroad Passenger Corporation shall submit to the Congress a report on actual and potential problems for such Corporation in entering into agreements regarding direct employment of rail passenger operating personnel. Such report shall include legislative recommendations, if such corporation determines that such recommendations are appropriate. Report to Congress.

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 1188. (a) Section 301 of the Rail Passenger Service Act (45 U.S.C. 531) is amended by inserting "and commuter" immediately after "intercity" each place it appears. 45 USC 541.

(b) Section 305(a) of the Rail Passenger Service Act (45 U.S.C. 535(a)) is amended by inserting "and commuter" immediately after "intercity" each place it appears. 45 USC 545.

(c) Section 402(e)(1) of the Rail Passenger Service Act (45 U.S.C. 562(e)(1)) is amended by inserting "or commuter" immediately after "intercity".

(d) Section 405 of the Rail Passenger Service Act (45 U.S.C. 565) is amended by adding at the end thereof the following new subsection:

"(g) The provisions of subsections (a), (b), and (c) of this section shall not apply to Amtrak commuter.".

(e) Section 702 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 852), and the item relating to such section in the table of contents of such Act, are repealed. Repeal.

EFFECTIVE DATE

SEC. 1189. Except as otherwise provided, the provisions of and amendments made by this subtitle shall take effect on October 1, 1981. 45 USC 501 note.

Subtitle G—Miscellaneous

CHAPTER 1—LOCAL RAIL ASSISTANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 1191. Section 5(p) of the Department of Transportation Act (49 U.S.C. 1654(p)) is amended by striking out "without fiscal year limitation. Of the foregoing sums, not to exceed $5,000,000 shall be made available for planning grants during each of the 3 fiscal years ending June 30, 1976; September 30, 1977; and September 30, 1978" and inserting in lieu thereof the following: "of which $40,000,000 shall be made available for the fiscal year ending September 30, 1982, $44,000,000 shall be made available for the fiscal year ending September 30, 1983 and $48,000,000 shall be made available for the fiscal year ending September 30, 1984.".

RAIL FREIGHT ASSISTANCE

SEC. 1192. (a) Section 5(f) of the Department of Transportation Act (49 U.S.C. 1654(f)) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively.

(b) The first sentence of section 5(g) of the Department of Transportation Act (49 U.S.C. 1654(g)) is amended by striking out "80 per

centum, except that" and all that follows in that sentence and inserting in lieu thereof "70 per centum.".

(c) Section 5(h) of the Department of Transportation Act (49 U.S.C. 1654(h)) is amended—

(1) in paragraph (1) by striking out "1979" and inserting in lieu thereof "1981";

(2) in paragraph (2) by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1981";

(3) in paragraph (2)(B) by striking out "(including" and all that follows through "under this section)" both places it appears; and

(4) by amending paragraph (3) to read as follows:

"(3)(A) The Interstate Commerce Commission shall, no later than July 1 of the year preceding the fiscal year funds are made available under this section, provide the Secretary with the sum of the rail mileage in each State that meets the description set forth in subparagraphs (A) and (B) of paragraph (2). The Secretary shall, no later than the first day of each fiscal year, notify each State of the funds to which such State is entitled under this subsection during such fiscal year.

Notification.

"(B)(i) Entitlement funds shall remain available to a State for the first 6 months after the end of the fiscal year for which funds have been made available for use under this section.

"(ii) Any funds which have not been applied for under this section shall be made available to the Secretary for use during the remainder of the current fiscal year for rail service assistance projects meeting the requirements of this section. The Secretary shall, no later than 30 days after the end of the first six months of a fiscal year, notify each State with respect to any funds still available for rail service assistance projects under this section.

Notification.

"(C) In considering applications for rail service assistance to be provided with funds described in subparagraph (B)(ii), the Secretary shall consider the following:

"(i) The percentage of lines filed with the Interstate Commerce Commission for abandonment or potential abandonment within a State.

"(ii) The likelihood of future abandonments within a State.

"(iii) The ratio of benefits to costs (which are included in the State rail plan) for a proposed project.

"(iv) The likelihood that the line will continue operating with rail freight assistance.

"(v) The impact of rail bankruptcies, rail restructuring, and rail mergers on the State applying for assistance.".

(d) Section 5(i) of the Department of Transportation Act (49 U.S.C. 1654(i)) is amended to read as follows:

"(i) On the first day of the fiscal year, each State shall be entitled to $100,000 of the fund available for expenditure under subsection (q) of this section during the fiscal year to meet the cost of establishing, implementing, revising, and updating the State rail plan required by subsection (j) of this section. Each State must apply for such funds on or before the first day of the fiscal year. Any funds which have not been applied for under this subsection shall be made available to the Secretary under subsection (h)(3)(B) of this section.".

(e) Section 5(k) of the Department of Transportation Act (49 U.S.C. 1654(k)) is amended—

(1) by striking out paragraph (1) and redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively;

(2) in paragraph (1), as redesignated, by striking out "paragraph (2)" and inserting in lieu thereof "paragraph (1)", by

striking out "; or" at the end of subparagraph (B) and inserting in lieu thereof a period, and by striking out subparagraph (C);

(3) in paragraph (2), as redesignated, by striking out "paragraphs (3) and (5)" and inserting in lieu thereof "paragraphs (2) and (4)";

(4) in paragraph (3), as redesignated, by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (3)"; and

(5) by striking out the period at the end of paragraph (2), as redesignated, and at the end of paragraph (3)(B), as redesignated, and inserting in lieu thereof the following: "unless such a project has been receiving assistance under this subsection but did not receive all the funds to which the State was entitled at the beginning of the fiscal year ending September 30, 1981, in which case such project shall continue to be eligible until September 30, 1982.".

(f) Section 5(l) of the Department of Transportation Act (49 U.S.C. 1654(l)) is amended by adding at the end thereof the following new sentence: "Upon receipt of an application for rail freight assistance, the Secretary shall consider the application and notify the State submitting such an application as to its approval or disapproval within 45 days. If the Secretary fails to consider and notify the State applying for rail freight assistance under subsection (k) within 45 days, then the project shall be considered approved and the State shall receive the Federal share up to the amount to which it is entitled.".

(g) Section 5(n) of the Department of Transportation Act (49 U.S.C. 1654(n)) is amended to read as follows:

"(n) As used in this section, the term 'State' means any State in which a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under chapter 105 of title 49, United States Code, maintains any line of railroad.".

(h) Section 5(o) of the Department of Transportation Act (49 U.S.C. 1654(o)) is amended by striking out "paragraph (3)" each place it appears and inserting in lieu thereof "paragraph (2)", and by adding at the end thereof the following new paragraph:

"(5) The State, to the maximum extent possible, shall encourage the participation of shippers, railroads, and local communities in providing the State share of rail freight assistance funds.".

(i) Section 5 of the Department of Transportation Act (49 U.S.C. 1654) is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) Each State shall retain a contingent interest (redeemable preference shares) for the Federal share of funds in any line receiving rail freight assistance under this section and may exercise the right to collect its share of the funds used for such a line, if an application for abandonment of such line is filed under chapter 109 of title 49, United States Code, or if such line is sold or disposed of in any way after it has received Federal assistance.". 49 USC 10901 *et seq.*

CHAPTER 2—NORTHEAST CORRIDOR

NORTHEAST CORRIDOR

SEC. 1193. Section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 is amended— 45 USC 854.

(1) by inserting before the first sentence thereof the following new sentence: "The Secretary shall complete the Northeast

Corridor improvement project in accordance with the goals of this Act to the extent of funds authorized under this Act."; and

(2) by adding after paragraph (4) the following new sentence: "Of the funds authorized to be appropriated under this section, not more than $200,000,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1982; and not more than $185,000,000 is authorized to be appropriated to the Secretary for the fiscal year ending September 30, 1983.".

CHAPTER 3—DEPARTMENT OF TRANSPORTATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 1194. (a) The Department of Transportation Act is amended by inserting at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

49 USC 1660.

"SEC. 17. There are authorized to be appropriated—

"(1)(A) for necessary expenses of the Secretary of Transportation, including not to exceed $27,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine, not to exceed $35,193,204 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984; and

"(B) for necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics to remain available until expended, $10,486,615 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984;

"(2) for necessary expenses for railroad research and development, not to exceed $40,000,000 for the fiscal year ending September 30, 1982, to remain available until expended; and

"(3) for necessary expenses of the Minority Business Resource Center not otherwise provided for, not to exceed $10,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984.

The Secretary may not utilize any appropriated funds for the Office of the Secretary other than those which are authorized for that purpose by this section.".

CHAPTER 4—RAILROAD SAFETY

AUTHORIZATION OF APPROPRIATIONS

94 Stat. 1811.
45 USC 444.

SEC. 1195. Section 214(a) of the Federal Railroad Safety Act of 1970 is amended by striking out "$40,000,000" and inserting in lieu thereof "$27,650,000".

CHAPTER 5—INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

49 USC 10301 note.

SEC. 1196. Notwithstanding any other provision of law, the total amount authorized to be appropriated for necessary expenses of the Interstate Commerce Commission shall not exceed $79,000,000 for the fiscal year ending September 30, 1982; $80,400,000 for the fiscal year

ending September 30, 1983; and $80,400,000 for the fiscal year ending September 30, 1984.

CHAPTER 6—TRANSPORTATION RESEARCH

TRANSPORTATION RESEARCH AND SPECIAL PROGRAMS

SEC. 1197. Notwithstanding any other provision of law, the total amount authorized to be appropriated to the Department of Transportation for expenses necessary to discharge the functions of the Research and Special Programs Administration shall not exceed $30,047,000 for the fiscal year ending September 30, 1982; $32,300,000 for the fiscal year ending September 30, 1983; and $33,300,000 for the fiscal year ending September 30, 1984. 49 USC 1653 note.

STATEMENT OF MANAGERS

SEC. 1199A. The managers on the part of the Senate and the House of Representatives are authorized to have printed in the Congressional Record at any time prior to midnight on August 4, 1981, a statement in explanation of the provisions of this title relating to matters within the jurisdiction of the Senate Committee on Commerce, Science, and Transportation and the House Committee on Energy and Commerce. Such statement shall be considered to have been filed at the same time and along with the conference report on the Omnibus Budget Reconciliation Act of 1981 (H.R. 3982); and shall be considered for all purposes to constitute the statement on the part of the managers with respect to such provisions.

TITLE XII—CONSUMER PRODUCT SAFETY AND COMMUNICATIONS

Subtitle A—Consumer Product Safety

Consumer Product Safety Amendments of 1981.

SHORT TITLE; REFERENCE TO ACT

SEC. 1201. (a) This subtitle may be cited as the "Consumer Product Safety Amendments of 1981". 15 USC 2051 note.

(b) Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act. 15 USC 2051 note.

CONSUMER PRODUCT SAFETY STANDARDS

SEC. 1202. Section 7 is amended to read as follows: 15 USC 2056.

"CONSUMER PRODUCT SAFETY STANDARDS

"SEC. 7. (a) The Commission may promulgate consumer product safety standards in accordance with the provisions of section 9. A consumer product safety standard shall consist of one or more of any of the following types of requirements: *Post*, p. 704.

"(1) Requirements expressed in terms of performance requirements.

"(2) Requirements that a consumer product be marked with or accompanied by clear and adequate warnings or instructions, or requirements respecting the form of warnings or instructions.

Any requirement of such a standard shall be reasonably necessary to prevent or reduce an unreasonable risk of injury associated with such product.

"(b) The Commission shall rely upon voluntary consumer product safety standards rather than promulgate a consumer product safety standard prescribing requirements described in subsection (a) whenever compliance with such voluntary standards would eliminate or adequately reduce the risk of injury addressed and it is likely that there will be substantial compliance with such voluntary standards.

"(c) If any person participates with the Commission in the development of a consumer product safety standard, the Commission may agree to contribute to the person's cost with respect to such participation, in any case in which the Commission determines that such contribution is likely to result in a more satisfactory standard than would be developed without such contribution, and that the person is financially responsible. Regulations of the Commission shall set forth the items of cost in which it may participate, and shall exclude any contribution to the acquisition of land or buildings. Payments under agreements entered into under this subsection may be made without regard to section 3648 of the Revised Statutes of the United States (31 U.S.C. 529).".

ADMINISTRATIVE PROCEDURE

15 USC 2058.

SEC. 1203. (a) Section 9 is amended to read as follows:

"PROCEDURE FOR CONSUMER PRODUCT SAFETY RULES

Publication in Federal Register.

"SEC. 9. (a) A proceeding for the development of a consumer product safety rule shall be commenced by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

"(1) identify the product and the nature of the risk of injury associated with the product;

"(2) include a summary of each of the regulatory alternatives under consideration by the Commission (including voluntary consumer product safety standards);

"(3) include information with respect to any existing standard known to the Commission which may be relevant to the proceedings, together with a summary of the reasons why the Commission believes preliminarily that such standard does not eliminate or adequately reduce the risk of injury identified in paragraph (1);

"(4) invite interested persons to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days or more than 60 days after the date of publication of the notice), comments with respect to the risk of injury identified by the Commission, the regulatory alternatives being considered, and other possible alternatives for addressing the risk;

"(5) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), an existing standard or a portion of a standard as a proposed consumer product safety standard; and

"(6) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), a statement of intention to modify or develop a voluntary consumer product safety standard to address the risk of injury identified in paragraph (1) together with a description of a plan to modify or develop the standard.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

Transmittal to congressional committees.

"(b)(1) If the Commission determines that any standard submitted to it in response to an invitation in a notice published under subsection (a)(5) if promulgated (in whole, in part, or in combination with any other standard submitted to the Commission or any part of such a standard) as a consumer product safety standard, would eliminate or adequately reduce the risk of injury identified in the notice under subsection (a)(1), the Commission may publish such standard, in whole, in part, or in such combination and with nonmaterial modifications, as a proposed consumer product safety rule.

"(2) If the Commission determines that—

"(A) compliance with any standard submitted to it in response to an invitation in a notice published under subsection (a)(6) is likely to result in the elimination or adequate reduction of the risk of injury identified in the notice, and

"(B) it is likely that there will be substantial compliance with such standard,

the Commission shall terminate any proceeding to promulgate a consumer product safety rule respecting such risk of injury and shall publish in the Federal Register a notice which includes the determination of the Commission and which notifies the public that the Commission will rely on the voluntary standard to eliminate or reduce the risk of injury.

Publication in Federal Register.

"(c) No consumer product safety rule may be proposed by the Commission unless, not less than 60 days after publication of the notice required in subsection (a), the Commission publishes in the Federal Register the text of the proposed rule, including any alternatives, which the Commission proposes to promulgate, together with a preliminary regulatory analysis containing—

Publication in Federal Register.

"(1) a preliminary description of the potential benefits and potential costs of the proposed rule, including any benefits or costs that cannot be quantified in monetary terms, and an identification of those likely to receive the benefits and bear the costs;

"(2) a discussion of the reasons any standard or portion of a standard submitted to the Commission under subsection (a)(5) was not published by the Commission as the proposed rule or part of the proposed rule;

"(3) a discussion of the reasons for the Commission's preliminary determination that efforts proposed under subsection (a)(6) and assisted by the Commission as required by section 5(a)(3) would not, within a reasonable period of time, be likely to result in the development of a voluntary consumer product safety standard that would eliminate or adequately reduce the risk of injury addressed by the proposed rule; and

Post, p. 720.

"(4) a description of any reasonable alternatives to the proposed rule, together with a summary description of their poten-

tial costs and benefits, and a brief explanation of why such alternatives should not be published as a proposed rule.

Transmittal to congressional committees.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

"(d)(1) Within 60 days after the publication under subsection (c) of a proposed consumer product safety rule respecting a risk of injury associated with a consumer product, the Commission shall—

"(A) promulgate a consumer product safety rule respecting the risk of injury associated with such product, if it makes the findings required under subsection (f), or

"(B) withdraw the applicable notice of proposed rulemaking if it determines that such rule is not (i) reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with the product, or (ii) in the public interest;

Publication in Federal Register.

except that the Commission may extend such 60-day period for good cause shown (if it publishes its reasons therefor in the Federal Register).

"(2) Consumer product safety rules shall be promulgated in accordance with section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, or arguments, in addition to an opportunity to make written submissions. A transcript shall be kept of any oral presentation.

"(e) A consumer product safety rule shall express in the rule itself the risk of injury which the standard is designed to eliminate or reduce. In promulgating such a rule the Commission shall consider relevant available product data including the results of research, development, testing, and investigation activities conducted generally and pursuant to this Act. In the promulgation of such a rule the Commission shall also consider and take into account the special needs of elderly and handicapped persons to determine the extent to which such persons may be adversely affected by such rule.

"(f)(1) Prior to promulgating a consumer product safety rule, the Commission shall consider, and shall make appropriate findings for inclusion in such rule with respect to—

"(A) the degree and nature of the risk of injury the rule is designed to eliminate or reduce;

"(B) the approximate number of consumer products, or types or classes thereof, subject to such rule;

"(C) the need of the public for the consumer products subject to such rule, and the probable effect of such rule upon the utility, cost, or availability of such products to meet such need; and

"(D) any means of achieving the objective of the order while minimizing adverse effects on competition or disruption or dislocation of manufacturing and other commercial practices consistent with the public health and safety.

"(2) The Commission shall not promulgate a consumer product safety rule unless it has prepared, on the basis of the findings of the Commission under paragraph (1) and on other information before the Commission, a final regulatory analysis of the rule containing the following information:

"(A) A description of the potential benefits and potential costs of the rule, including costs and benefits that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits and bear the costs.

"(B) A description of any alternatives to the final rule which were considered by the Commission, together with a summary description of their potential benefits and costs and a brief explanation of the reasons why these alternatives were not chosen.

"(C) A summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of such issues.

The Commission shall publish its final regulatory analysis with the rule.

"(3) The Commission shall not promulgate a consumer product safety rule unless it finds (and includes such finding in the rule)—

"(A) that the rule (including its effective date) is reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with such product;

"(B) that the promulgation of the rule is in the public interest;

"(C) in the case of a rule declaring the product a banned hazardous product, that no feasible consumer product safety standard under this Act would adequately protect the public from the unreasonable risk of injury associated with such product;

"(D) in the case of a rule which relates to a risk of injury with respect to which persons who would be subject to such rule have adopted and implemented a voluntary consumer product safety standard, that—

"(i) compliance with such voluntary consumer product safety standard is not likely to result in the elimination or adequate reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary consumer product safety standard;

"(E) that the benefits expected from the rule bear a reasonable relationship to its costs; and

"(F) that the rule imposes the least burdensome requirement which prevents or adequately reduces the risk of injury for which the rule is being promulgated.

"(4)(A) Any preliminary or final regulatory analysis prepared under subsection (c) or (f)(2) shall not be subject to independent judicial review, except that when an action for judicial review of a rule is instituted, the contents of any such regulatory analysis shall constitute part of the whole rulemaking record of agency action in connection with such review.

"(B) The provisions of subparagraph (A) shall not be construed to alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.

"(g)(1) Each consumer product safety rule shall specify the date such rule is to take effect not exceeding 180 days from the date promulgated, unless the Commission finds, for good cause shown, that a later effective date is in the public interest and publishes its reasons for such finding. The effective date of a consumer product safety standard under this Act shall be set at a date at least 30 days after the date of promulgation unless the Commission for good cause shown determines that an earlier effective date is in the public interest. In no case may the effective date be set at a date which is earlier than the date of promulgation. A consumer product safety standard shall be applicable only to consumer products manufactured after the effective date.

"(2) The Commission may by rule prohibit a manufacturer of a consumer product from stockpiling any product to which a consumer product safety rule applies, so as to prevent such manufacturer from circumventing the purpose of such consumer product safety rule. For purposes of this paragraph, the term 'stockpiling' means manufacturing or importing a product between the date of promulgation of such consumer product safety rule and its effective date at a rate which is significantly greater (as determined under the rule under this paragraph) than the rate at which such product was produced or imported during a base period (prescribed in the rule under this paragraph) ending before the date of promulgation of the consumer product safety rule.

"Stockpiling."

"(h) The Commission may by rule amend or revoke any consumer product safety rule. Such amendment or revocation shall specify the date on which it is to take effect which shall not exceed 180 days from the date the amendment or revocation is published unless the Commission finds for good cause shown that a later effective date is in the public interest and publishes its reasons for such finding. Where an amendment involves a material change in a consumer product safety rule, sections 7 and 8, and subsections (a) through (g) of this section shall apply. In order to revoke a consumer product safety rule, the Commission shall publish a proposal to revoke such rule in the Federal Register, and allow oral and written presentations in accordance with subsection (d)(2) of this section. It may revoke such rule only if it determines that the rule is not reasonably necessary to eliminate or reduce an unreasonable risk of injury associated with the product. Section 11 shall apply to any amendment of a consumer product safety rule which involves a material change and to any revocation of a consumer product safety rule, in the same manner and to the same extent as such section applies to the Commission's action in promulgating such a rule.".

Ante, p. 703.
15 USC 2057.
Publication in Federal Register.

15 USC 2060.

(b)(1) Section 3 of the Federal Hazardous Substances Act (15 U.S.C. 1262) is amended by adding at the end the following new subsections:

"(f) A proceeding for the promulgation of a regulation under section 2(q)(1) classifying an article or substance as a banned hazardous substance or a regulation under subsection (e) of this section shall be commenced by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

Publication in Federal Register.
15 USC 1261.

"(1) identify the article or substance and the nature of the risk of injury associated with the article or substance;

"(2) include a summary of each of the regulatory alternatives under consideration by the Commission (including voluntary standards);

"(3) include information with respect to any existing standard known to the Commission which may be relevant to the proceedings, together with a summary of the reasons why the Commission believes preliminarily that such standard does not eliminate or adequately reduce the risk of injury identified in paragraph (1);

"(4) invite interested persons to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days or more than 60 days after the date of publication of the notice), comments with respect to the risk of injury identified by the Commission, the regulatory alternatives being considered, and other possible alternatives for addressing the risk;

"(5) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall

specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), an existing standard or a portion of a standard as a proposed regulation under section 2(q)(1) or subsection (e) of this section; and

15 USC 1261.

"(6) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), a statement of intention to modify or develop a voluntary standard to address the risk of injury identified in paragraph (1) together with a description of a plan to modify or develop the standard.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

Transmittal to congressional committees.

"(g)(1) If the Commission determines that any standard submitted to it in response to an invitation in a notice published under subsection (f)(5) if promulgated (in whole, in part, or in combination with any other standard submitted to the Commission or any part of such a standard) as a regulation under section 2(q)(1) or subsection (e) of this section, as the case may be, would eliminate or adequately reduce the risk of injury identified in the notice provided under subsection (f)(1), the Commission may publish such standard, in whole, in part, or in such combination and with nonmaterial modifications, as a proposed regulation under such section or subsection.

"(2) If the Commission determines that—

"(A) compliance with any standard submitted to it in response to an invitation in a notice published under subsection (f)(6) is likely to result in the elimination or adequate reduction of the risk of injury identified in the notice, and

"(B) it is likely that there will be substantial compliance with such standard,

the Commission shall terminate any proceeding to promulgate a regulation under section 2(q)(1) or subsection (e) of this section, respecting such risk of injury and shall publish in the Federal Register a notice which includes the determination of the Commission and which notifies the public that the Commission will rely on the voluntary standard to eliminate or reduce the risk of injury.

Publication in Federal Register.

"(h) No regulation under section 2(q)(1) classifying an article or substance as a banned hazardous substance and no regulation under subsection (e) of this section may be proposed by the Commission unless, not less than 60 days after publication of the notice required in subsection (f), the Commission publishes in the Federal Register the text of the proposed rule, including any alternatives, which the Commission proposes to promulgate, together with a preliminary regulatory analysis containing—

Publication in Federal Register.

"(1) a preliminary description of the potential benefits and potential costs of the proposed regulation, including any benefits or costs that cannot be quantified in monetary terms, and an identification of those likely to receive the benefits and bear the costs;

"(2) a discussion of the reasons any standard or portion of a standard submitted to the Commission under subsection (f)(5) was not published by the Commission as the proposed regulation or part of the proposed regulation;

"(3) a discussion of the reasons for the Commission's preliminary determination that efforts proposed under subsection (f)(6) and assisted by the Commission as required by section 5(a)(3) of

Post, p. 720.

the Consumer Product Safety Act would not, within a reasonable period of time, be likely to result in the development of a voluntary standard that would eliminate or adequately reduce the risk of injury identified in the notice provided under subsection (f)(1); and

"(4) a description of any reasonable alternatives to the proposed regulation, together with a summary description of their potential costs and benefits, and a brief explanation of why such alternatives should not be published as a proposed regulation.

Transmittal to congressional committees.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

15 USC 1261.

"(i)(1) The Commission shall not promulgate a regulation under section 2(q)(1) classifying an article or substance as a banned hazardous substance or a regulation under subsection (e) of this section unless it has prepared a final regulatory analysis of the regulation containing the following information:

"(A) A description of the potential benefits and potential costs of the regulation, including costs and benefits that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits and bear the costs.

"(B) A description of any alternatives to the final regulation which were considered by the Commission, together with a summary description of their potential benefits and costs and a brief explanation of the reasons why these alternatives were not chosen.

"(C) A summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of such issues.

The Commission shall publish its final regulatory analysis with the regulation.

"(2) The Commission shall not promulgate a regulation under section 2(q)(1) classifying an article or substance as a banned hazardous substance or a regulation under subsection (e) of this section unless it finds (and includes such finding in the regulation)—

"(A) in the case of a regulation which relates to a risk of injury with respect to which persons who would be subject to such regulation have adopted and implemented a voluntary standard, that—

"(i) compliance with such voluntary standard is not likely to result in the elimination or adequate reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary standard;

"(B) that the benefits expected from the regulation bear a reasonable relationship to its costs; and

"(C) that the regulation imposes the least burdensome requirement which prevents or adequately reduces the risk of injury for which the regulation is being promulgated.

"(3)(A) Any regulatory analysis prepared under subsection (h) or paragraph (1) shall not be subject to independent judicial review, except that when an action for judicial review of a regulation is instituted, the contents of any such regulatory analysis shall constitute part of the whole rulemaking record of agency action in connection with such review.

"(B) The provisions of subparagraph (A) shall not be construed to alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.".

(2) Section 4 of the Flammable Fabrics Act (15 U.S.C. 1193) is amended by adding at the end the following new subsections:

Publication in Federal Register.

"(g) A proceeding for the promulgation of a regulation under this section for a fabric, related material, or product shall be commenced by the publication in the Federal Register of an advance notice of proposed rulemaking which shall—

"(1) identify the fabric, related material, or product and the nature of the risk of injury associated with the fabric, related material, or product;

"(2) include a summary of each of the regulatory alternatives under consideration by the Commission (including voluntary standards);

"(3) include information with respect to any existing standard known to the Commission which may be relevant to the proceedings, together with a summary of the reasons why the Commission believes preliminarily that such standard does not eliminate or adequately reduce the risk of injury identified in paragraph (1);

"(4) invite interested persons to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days or more than 60 days after the date of publication of the notice), comments with respect to the risk of injury identified by the Commission, the regulatory alternatives being considered, and other possible alternatives for addressing the risk;

"(5) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), an existing standard or a portion of a standard as a proposed regulation.

"(6) invite any person (other than the Commission) to submit to the Commission, within such period as the Commission shall specify in the notice (which period shall not be less than 30 days after the date of publication of the notice), a statement of intention to modify or develop a voluntary standard to address the risk of injury identified in paragraph (1) together with a description of a plan to modify or develop the standard.

Transmittal to congressional committees.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

"(h)(1) If the Commission determines that any standard submitted to it in response to an invitation in a notice published under subsection (g)(5) if promulgated (in whole, in part, or in combination with any other standard submitted to the Commission or any part of such a standard) as a regulation, would eliminate or adequately reduce the risk of injury identified in the notice provided under subsection (g)(1), the Commission may publish such standard, in whole, in part, or in such combination and with nonmaterial modifications, as a proposed regulation under this section.

"(2) If the Commission determines that—

"(A) compliance with any standard submitted to it in response to an invitation in a notice published under subsection (g)(6) is likely to result in the elimination or adequate reduction of the risk of injury identified in the notice, and

"(B) it is likely that there will be substantial compliance with such standard,

Publication in Federal Register.

the Commission shall terminate any proceeding to promulgate a regulation respecting such risk of injury and shall publish in the Federal Register a notice which includes the determination of the Commission and which notifies the public that the Commission will rely on the voluntary standard to eliminate or reduce the risk of injury.

Publication in Federal Register.

"(i) No regulation may be proposed by the Commission under this section unless, not less than 60 days after publication of the notice required in subsection (g), the Commission publishes in the Federal Register the text of the proposed rule, including any alternatives, which the Commission proposes to promulgate, together with a preliminary regulatory analysis containing—

"(1) a preliminary description of the potential benefits and potential costs of the proposed regulation, including any benefits or costs that cannot be quantified in monetary terms, and an identification of those likely to receive the benefits and bear the costs;

"(2) a discussion of the reasons any standard or portion of a standard submitted to the Commission under subsection (g)(5) was not published by the Commission as the proposed regulation or part of the proposed regulation;

"(3) a discussion of the reasons for the Commission's preliminary determination that efforts proposed under subsection (g)(6) and assisted by the Commission as required by section 5(a)(3) of the Consumer Product Safety Act would not, within a reasonable period of time, be likely to result in the development of a voluntary standard that would eliminate or adequately reduce the risk of injury identified in the notice provided under subsection (g)(1); and

Post, p. 720.

"(4) a description of any reasonable alternatives to the proposed regulation, together with a summary description of their potential costs and benefits, and a brief explanation of why such alternatives should not be published as a proposed regulation.

Transmittal to congressional committees.

The Commission shall transmit such notice within 10 calendar days to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives.

"(j)(1) The Commission shall not promulgate a regulation under this section unless it has prepared a final regulatory analysis of the regulation containing the following information:

"(A) A description of the potential benefits and potential costs of the regulation, including costs and benefits that cannot be quantified in monetary terms, and the identification of those likely to receive the benefits and bear the costs.

"(B) A description of any alternatives to the final regulation which were considered by the Commission, together with a summary description of their potential benefits and costs and a brief explanation of the reasons why these alternatives were not chosen.

"(C) A summary of any significant issues raised by the comments submitted during the public comment period in response to the preliminary regulatory analysis, and a summary of the assessment by the Commission of such issues.

The Commission shall publish its final regulatory analysis with the regulation.

"(2) The Commission shall not promulgate a regulation under this section unless it finds (and includes such finding in the regulation)—

"(A) in the case of a regulation which relates to a risk of injury with respect to which persons who would be subject to such regulation have adopted and implemented a voluntary standard, that—

"(i) compliance with such voluntary standard is not likely to result in the elimination or adequate reduction of such risk of injury; or

"(ii) it is unlikely that there will be substantial compliance with such voluntary standard;

"(B) that the benefits expected from the regulation bear a reasonable relationship to its costs; and

"(C) that the regulation imposes the least burdensome requirement which prevents or adequately reduces the risk of injury for which the regulation is being promulgated.

"(3)(A) Any regulatory analysis prepared under subsection (i) or paragraph (1) shall not be subject to independent judicial review, except that when an action for judicial review of a regulation is instituted, the contents of any such regulatory analysis shall constitute part of the whole rulemaking record of agency action in connection with such review.

"(B) The provisions of subparagraph (A) shall not be construed to alter the substantive or procedural standards otherwise applicable to judicial review of any action by the Commission.".

(c) Section 8 (15 U.S.C. 2057) is amended by striking out "propose and".

PUBLIC DISCLOSURE OF INFORMATION

SEC. 1204. Section 6 (15 U.S.C. 2055) is amended to read as follows:

"PUBLIC DISCLOSURE OF INFORMATION

"SEC. 6. (a)(1) Nothing contained in this Act shall be construed to require the release of any information described by subsection (b) of section 552 of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

"(2) All information reported to or otherwise obtained by the Commission or its representative under this Act which information contains or relates to a trade secret or other matter referred to in section 1905 of title 18, United States Code, or subject to section 552(b)(4) of title 5, United States Code, shall be considered confidential and shall not be disclosed.

"(3) The Commission shall, prior to the disclosure of any information which will permit the public to ascertain readily the identity of a manufacturer or private labeler of a consumer product, offer such manufacturer or private labeler an opportunity to mark such information as confidential and therefore barred from disclosure under paragraph (2).

"(4) All information that a manufacturer or private labeler has marked to be confidential and barred from disclosure under paragraph (2), either at the time of submission or pursuant to paragraph (3), shall not be disclosed, except in accordance with the procedures established in paragraphs (5) and (6).

"(5) If the Commission determines that a document marked as confidential by a manufacturer or private labeler to be barred from disclosure under paragraph (2) may be disclosed because it is not confidential information as provided in paragraph (2), the Commis-

sion shall notify such person in writing that the Commission intends to disclose such document at a date not less than 10 days after the date of receipt of notification.

"(6) Any person receiving such notification may, if he believes such disclosure is barred by paragraph (2), before the date set for release of the document, bring an action in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the documents are located, or in the United States District Court for the District of Columbia to restrain disclosure of the document. Any person receiving such notification may file with the appropriate district court or court of appeals of the United States, as appropriate, an application for a stay of disclosure. The documents shall not be disclosed until the court has ruled on the application for a stay.

"(7) Nothing in this Act shall authorize the withholding of information by the Commission or any officer or employee under its control from the duly authorized committees or subcommittees of the Congress, and the provisions of paragraphs (2) through (6) shall not apply to such disclosures, except that the Commission shall immediately notify the manufacturer or private labeler of any such request for information designated as confidential by the manufacturer or private labeler.

"(8) The provisions of paragraphs (2) through (6) shall not prohibit the disclosure of information to other officers or employees concerned with carrying out this Act or when relevant in any administrative proceeding under this Act, or in judicial proceedings to which the Commission is a party. Any disclosure of relevant information in Commission administrative proceedings, or in judicial proceedings to which the Commission is a party, shall be governed by the rules of the Commission (including in camera review rules for confidential material) for such proceedings or by court rules or orders, except that the rules of the Commission shall not be amended in a manner inconsistent with the purposes of this section.

"(b)(1) Except as provided by paragraph (2) of this subsection, not less than 30 days prior to its public disclosure of any information obtained under this Act, or to be disclosed to the public in connection therewith (unless the Commission finds that the public health and safety requires a lesser period of notice and publishes such a finding in the Federal Register), the Commission shall, to the extent practicable, notify and provide a summary of the information to, each manufacturer or private labeler of any consumer product to which such information pertains, if the manner in which such consumer product is to be designated or described in such information will permit the public to ascertain readily the identity of such manufacturer or private labeler, and shall provide such manufacturer or private labeler with a reasonable opportunity to submit comments to the Commission in regard to such information. The Commission shall take reasonable steps to assure, prior to its public disclosure thereof, that information from which the identity of such manufacturer or private labeler may be readily ascertained is accurate, and that such disclosure is fair in the circumstances and reasonably related to effectuating the purposes of this Act. In disclosing any information under this subsection, the Commission may, and upon the request of the manufacturer or private labeler shall, include with the disclosure any comments or other information or a summary thereof submitted by such manufacturer or private labeler to the extent permitted by and subject to the requirements of this section.

"(2) If the Commission determines that a document claimed to be inaccurate by a manufacturer or private labeler under paragraph (1) should be disclosed because the Commission believes it has complied with paragraph (1), the Commission shall notify the manufacturer or private labeler that the Commission intends to disclose such document at a date not less than 10 days after the date of the receipt of notification. The Commission may provide a lesser period of notice of intent to disclose if the Commission finds that the public health and safety requires a lesser period of notice and publishes such finding in the Federal Register.

"(3) Prior to the date set for release of the document, the manufacturer or private labeler receiving the notice described in paragraph (2) may bring an action in the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the documents are located or in the United States District Court for the District of Columbia to enjoin disclosure of the document. The district court may enjoin such disclosure if the Commission has failed to take the reasonable steps prescribed in paragraph (1).

"(4) Paragraphs (1) through (3) of this subsection shall not apply to the public disclosure of (A) information about any consumer product with respect to which product the Commission has filed an action under section 12 (relating to imminently hazardous products), or which the Commission has reasonable cause to believe is in violation of section 19 (relating to prohibited acts); or (B) information in the course of or concerning a rulemaking proceeding (which shall commence upon the publication of an advance notice of proposed rulemaking or a notice of proposed rulemaking), an adjudicatory proceeding (which shall commence upon the issuance of a complaint) or other administrative or judicial proceeding under this Act.

15 USC 2061.

15 USC 2068.

"(5) In addition to the requirements of paragraph (1), the Commission shall not disclose to the public information submitted pursuant to section 15(b) respecting a consumer product unless—

15 USC 2064.

"(A) the Commission has issued a complaint under section 15 (c) or (d) alleging that such product presents a substantial product hazard;

"(B) in lieu of proceeding against such product under section 15 (c) or (d), the Commission has accepted in writing a remedial settlement agreement dealing with such product; or

"(C) the person who submitted the information under section 15(b) agrees to its public disclosure.

The provisions of this paragraph shall not apply to the public disclosure of information with respect to a consumer product which is the subject of an action brought under section 12, or which the Commission has reasonable cause to believe is in violation of section 19(a), or information in the course of or concerning a judicial proceeding.

"(6) Where the Commission initiates the public disclosure of information that reflects on the safety of a consumer product or class of consumer products, whether or not such information would enable the public to ascertain readily the identity of a manufacturer or private labeler, the Commission shall establish procedures designed to ensure that such information is accurate and not misleading.

"(7) If the Commission finds that, in the administration of this Act, it has made public disclosure of inaccurate or misleading information which reflects adversely upon the safety of any consumer product or class of consumer products, or the practices of any manufacturer, private labeler, distributor, or retailer of consumer products, it shall,

in a manner equivalent to that in which such disclosure was made, take reasonable steps to publish a retraction of such inaccurate or misleading information.

"(8) If, after the commencement of a rulemaking or the initiation of an adjudicatory proceeding, the Commission decides to terminate the proceeding before taking final action, the Commission shall, in a manner equivalent to that in which such commencement or initiation was publicized, take reasonable steps to make known the decision to terminate.

"(c) The Commission shall communicate to each manufacturer of a consumer product, insofar as may be practicable, information as to any significant risk of injury associated with such product.

"(d)(1) For purposes of this section, the term 'Act' means the Consumer Product Safety Act, the Flammable Fabrics Act, the Poison Prevention Packaging Act, and the Federal Hazardous Substances Act.

"(2) The provisions of this section shall apply whenever information is to be disclosed by the Commission, any member of the Commission, or any employee, agent, or representative of the Commission in an official capacity.".

ADVISORY COUNCILS

Repeals.

SEC. 1205. (a)(1) Section 28 (15 U.S.C. 2077) is repealed.

(2) Subsection (d) of section 12 (15 U.S.C. 2061) is repealed and subsections (e) and (f) are redesignated as subsections (d) and (e), respectively.

(b) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is repealed.

7 USC 135.
21 USC 343, 352, 353, 362.
15 USC 1261, 1475, 1476, 1471 note.

(c) Section 6 of the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1475) is repealed and sections 7, 8, and 9 of such Act are redesignated as sections 6, 7, and 8, respectively.

CHRONIC HAZARDS

SEC. 1206. (a) The following section is inserted after section 27:

"CHRONIC HAZARD ADVISORY PANEL

15 USC 2077.

"SEC. 28. (a) The Commission shall appoint Chronic Hazard Advisory Panels (hereinafter referred to as the Panel or Panels) to advise the Commission in accordance with the provisions of section 31(b) respecting the chronic hazards of cancer, birth defects, and gene mutations associated with consumer products.

Post, p. 717.

"(b) Each Panel shall consist of 7 members appointed by the Commission from a list of nominees who shall be nominated by the President of the National Academy of Sciences from scientists—

"(1) who are not officers or employees of the United States, and who do not receive compensation from or have any substantial financial interest in any manufacturer, distributor, or retailer of a consumer product; and

"(2) who have demonstrated the ability to critically assess chronic hazards and risks to human health presented by the exposure of humans to toxic substances or as demonstrated by the exposure of animals to such substances.

The President of the National Academy of Sciences shall nominate for each Panel a number of individuals equal to three times the number of members to be appointed to the Panel.

"(c) The Chairman and Vice Chairman of the Panel shall be elected from among the members and shall serve for the duration of the Panel.

"(d) Decisions of the Panel shall be made by a majority of the Panel.

"(e) The Commission shall provide each Panel with such administrative support services as it may require to carry out its duties under section 31.

"(f) A member of a Panel appointed under subsection (a) shall be paid at a rate not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which the member is engaged in the actual performance of the duties of the Panel.

"(g) Each Panel shall request information and disclose information to the public, as provided in subsection (h), only through the Commission.

"(h)(1) Notwithstanding any statutory restriction on the authority of agencies and departments of the Federal Government to share information, such agencies and departments shall provide the Panel with such information and data as each Panel, through the Commission, may request to carry out its duties under section 31. Each Panel may request information, through the Commission, from States, industry and other private sources as it may require to carry out its responsibilities.

"(2) Section 6 shall apply to the disclosure of information by the Panel but shall not apply to the disclosure of information to the Panel.". *Ante*, p. 713.

(b) Section 31 (15 U.S.C. 2080) is amended by inserting "(a)" after "SEC. 31." and by adding at the end the following:

"(b)(1) The Commission may not issue an advance notice of proposed rulemaking for—

"(A) a consumer product safety rule,

"(B) a rule under section 27(e), or 15 USC 2076.

"(C) a regulation under section 2(q)(1) of the Federal Hazardous Substances Act, 15 USC 1261.

relating to a risk of cancer, birth defects, or gene mutations from a consumer product unless a Chronic Hazard Advisory Panel, established under section 28, has, in accordance with paragraph (2), submitted a report to the Commission with respect to whether a substance contained in such product is a carcinogen, mutagen, or teratogen. *Ante*, p. 716.

"(2)(A) Before the Commission issues an advance notice of proposed rulemaking for—

"(i) a consumer product safety rule,

"(ii) a rule under section 27(e), or

"(iii) a regulation under section 2(q)(1) of the Federal Hazardous Substances Act,

relating to a risk of cancer, birth defects, or gene mutations from a consumer product, the Commission shall request the Panel to review the scientific data and other relevant information relating to such risk to determine if any substance in the product is a carcinogen, mutagen, or a teratogen and to report its determination to the Commission.

"(B) When the Commission appoints a Panel, the Panel shall convene within 30 days after the date the final appointment is made to the Panel. The Panel shall report its determination to the Commission not later than 120 days after the date the Panel is convened or, if the Panel requests additional time, within a time period specified by the Commission. If the determination reported to the Commission

states that a substance in a product is a carcinogen, mutagen, or a teratogen, the Panel shall include in its report an estimate, if such an estimate is feasible, of the probable harm to human health that will result from exposure to the substance.

Ante, p. 716.

"(C) A Panel appointed under section 28 shall terminate when it has submitted its report unless the Commission extends the existence of the Panel.

5 USC app.

"(D) The Federal Advisory Committee Act shall not apply with respect to any Panel established under this section.

"(c) Each Panel's report shall contain a complete statement of the basis for the Panel's determination. The Commission shall consider the report of the Panel and incorporate such report into the advance notice of proposed rulemaking and final rule.".

CONGRESSIONAL VETO

SEC. 1207. (a) The Consumer Product Safety Act is amended by adding at the end the following new section:

"CONGRESSIONAL VETO OF CONSUMER PRODUCT SAFETY RULES

15 USC 2083.

"SEC. 36. (a) The Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any consumer product safety rule promulgated by the Commission under section 9.

Ante, p. 704.

"(b) Any rule specified in subsection (a) shall not take effect if—

"(1) within the 90 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): 'That the Congress disapproves the consumer product safety rule which was promulgated by the Consumer Product Safety Commission with respect to and which was transmitted to the Congress on and disapproves the rule for the following reasons: .'; or

"(2) within the 60 calendar days of continuous session of the Congress which occur after the date of the promulgation of such rule, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the 30 calendar days of continuous session of the Congress which occur after the date of such transmittal.

"(c) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the rule involved, and shall not be construed to create any presumption of validity with respect to such rule.

"(d) For purposes of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b).".

(b) Subsection (l) of section 27 (15 U.S.C. 2076) is repealed.

(c) The Federal Hazardous Substances Act is amended by adding at the end the following new section:

"CONGRESSIONAL VETO OF REGULATIONS

"SEC. 21. (a) The Consumer Product Safety Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any regulation promulgated by the Commission under section 2(q)(1) or subsection (e) of section 3. 15 USC 1276. 15 USC 1261, 1262.

"(b) Any regulation specified in subsection (a) shall not take effect if—

"(1) within the ninety calendar days of continuous session of the Congress which occur after the date of the promulgation of such regulation, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): 'That the Congress disapproves the regulation which was promulgated under the Federal Hazardous Substances Act by the Consumer Product Safety Commission with respect to and which was transmitted to the Congress on and disapproves the regulation for the following reasons: .'; or

"(2) within the sixty calendar days of continuous session of the Congress which occur after the date of the promulgation of such regulation, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the thirty calendar days of continuous session of the Congress which occur after the date of such transmittal.

"(c) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the regulation involved, and shall not be construed to create any presumption of validity with respect to such regulation.

"(d) For purposes of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b).".

(d) The Flammable Fabrics Act is amended by adding at the end the following new section: *Ante*, p. 716.

"CONGRESSIONAL VETO OF FLAMMABILITY REGULATIONS

"SEC. 17. (a) The Consumer Product Safety Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of any flammability regulation promulgated by the Commission under section 4. 15 USC 1204. 15 USC 1193.

"(b) Any regulation specified in subsection (a) shall not take effect if—

"(1) within the ninety calendar days of continuous session of the Congress which occur after the date of the promulgation of such regulation, both Houses of the Congress adopt a concurrent resolution, the matter after the resolving clause of which is as follows (with the blank spaces appropriately filled): 'That the Congress disapproves the flammability regulation which was promulgated under the Flammable Fabrics Act by the Consumer Product Safety Commission with respect to and which was transmitted to the Congress on and disapproves the regulation for the following reasons: .'; or

"(2) within the sixty calendar days of continuous session of the Congress which occur after the date of the promulgation of such regulation, one House of the Congress adopts such concurrent resolution and transmits such resolution to the other House and such resolution is not disapproved by such other House within the thirty calendar days of continuous session of the Congress which occur after the date of such transmittal.

"(c) Congressional inaction on, or rejection of, a concurrent resolution of disapproval under this section shall not be construed as an expression of approval of the regulation involved, and shall not be construed to create any presumption of validity with respect to such regulation.

"(d) For purposes of this section—

"(1) continuity of session is broken only by an adjournment of the Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the periods of continuous session of the Congress specified in subsection (b).".

REPORTS

SEC. 1208. (a) Section 27(b)(1) (15 U.S.C. 2076(b)(1)) is amended by inserting "to carry out a specific regulatory or enforcement function of the Commission" after "may prescribe".

(b) Section 27(b) is amended by adding after and below paragraph (9) the following: "An order issued under paragraph (1) shall contain a complete statement of the reason the Commission requires the report or answers specified in the order to carry out a specific regulatory or enforcement function of the Commission. Such an order shall be designed to place the least burden on the person subject to the order as is practicable taking into account the purpose for which the order was issued.".

VOLUNTARY STANDARDS

SEC. 1209. (a) Section 5(a) (15 U.S.C. 2054(a)) is amended by—

(1) striking "and" after paragraph (1);

(2) striking the period after paragraph (2) and inserting in lieu thereof a semicolon; and

(3) adding at the end thereof the following:

"(3) following publication of an advance notice of proposed rulemaking or a notice of proposed rulemaking for a product safety rule under any rulemaking authority administered by the Commission, assist public and private organizations or groups of manufacturers, administratively and technically, in the development of safety standards addressing the risk of injury identified in such notice; and

"(4) to the extent practicable and appropriate (taking into account the resources and priorities of the Commission), assist public and private organizations or groups of manufacturers, administratively and technically, in the development of product safety standards and test methods.".

(b) Section 5(b) (15 U.S.C. 2054(b)) is amended by amending paragraph (3) to read as follows:

"(3) offer training in product safety investigation and test methods.".

(c) Section 27(j) (15 U.S.C. 2076(j)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by redesignating paragraph (10) as paragraph (11); and

(3) by inserting immediately after paragraph (9) the following:

"(10) with respect to voluntary consumer product safety standards for which the Commission has participated in the development through monitoring or offering of assistance and with respect to voluntary consumer product safety standards relating to risks of injury that are the subject of regulatory action by the Commission, a description of—

"(A) the number of such standards adopted;

"(B) the nature and number of the products which are the subject of such standards;

"(C) the effectiveness of such standards in reducing potential harm from consumer products;

"(D) the degree to which staff members of the Commission participate in the development of such standards;

"(E) the amount of resources of the Commission devoted to encouraging development of such standards; and

"(F) such other information as the Commission determines appropriate or necessary to inform the Congress on the current status of the voluntary consumer product safety standard program; and".

PETITIONS TO COMMISSION

SEC. 1210. Section 10 (15 U.S.C. 2059) is repealed. Repeal.

MISCELLANEOUS

SEC. 1211. (a) The first sentence of section 24 (15 U.S.C. 2073) is amended by inserting "(including any individual or nonprofit, business, or other entity)" after "interested person".

(b) Section 13 (15 U.S.C. 2062) is repealed. Repeal.

(c)(1) Section 20 is amended by—

(A) redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(B) by inserting after subsection (a) the following:

"(b) In determining the amount of any penalty to be sought upon commencing an action seeking to assess a penalty for a violation of section 19(a), the Commission shall consider the nature of the product defect, the severity of the risk of injury, the occurrence or absence of injury, the number of defective products distributed, and the appropriateness of such penalty in relation to the size of the business of the person charged.". 15 USC 2068.

(2) The second sentence of section 20(c) (as so redesignated by subsection (a)(1) of this section) (15 U.S.C. 2069) is amended to read as follows: "In determining the amount of such penalty or whether it should be remitted or mitigated and in what amount, the Commission shall consider the appropriateness of such penalty to the size of the business of the person charged, the nature of the product defect, the severity of the risk of injury, the occurrence or absence of injury, and the number of defective products distributed.".

(d) Section 27 (15 U.S.C. 2076) is amended by striking out subsection (m).

(e) The last sentence of section 14(a) of the Flammable Fabrics Act (15 U.S.C. 1201(a)) is repealed.

(f)(1) Section 15 of the Federal Hazardous Substances Act (15 U.S.C. 1274) is amended to read as follows:

"NOTICE AND REPAIR, REPLACEMENT, OR REFUND

"SEC. 15. (a) If any article or substance sold in commerce is defined as a banned hazardous substance (whether or not it was such at the time of its sale) and the Commission determines (after affording interested persons, including consumers and consumer organizations, an opportunity for a hearing) that notification is required to adequately protect the public from such article or substance, the Commission may order the manufacturer or any distributor or dealer of the article or substance to take any one or more of the following actions:

"(1) To give public notice that the article or substance is a banned hazardous substance.

"(2) To mail such notice to each person who is a manufacturer, distributor, or dealer of such article or substance.

"(3) To mail such notice to every person to whom the person giving the notice knows such article or substance was delivered or sold.

An order under this subsection shall specify the form and content of any notice required to be given under the order.

"(b) If any article or substance sold in commerce is defined as a banned hazardous substance (whether or not it was such at the time of its sale) and the Commission determines (after affording interested persons, including consumers and consumer organizations, an opportunity for a hearing) that action under this subsection is in the public interest, the Consumer Product Safety Commission may order the manufacturer, distributor, or dealer to take whichever of the following actions the person to whom the order is directed elects:

"(1) If repairs to or changes in the article or substance may be made so that it will not be a banned hazardous substance, to make such repairs or changes.

"(2) To replace such article or substance with a like or equivalent article or substance which is not a banned hazardous substance.

"(3) To refund the purchase price of the article or substance (less a reasonable allowance for use, if the article or substance has been in the possession of the consumer for one year or more—

"(A) at the time of public notice under subsection (a), or

"(B) at the time the consumer receives actual notice that the article or substance is a banned hazardous substance, whichever first occurs).

An order under this subsection may also require the person to whom it applies to submit a plan, satisfactory to the Commission, for taking the action which such person has elected to take. The Commission shall specify in the order the persons to whom refunds must be made if the person to whom the order is directed elects to take the action described in paragraph (3). If an order under this subsection is directed to more than one person, the Commission shall specify which person has the election under this subsection. An order under this subsection may prohibit the person to whom it applies from manufacturing for sale, offering for sale, distributing in commerce, or importing into the customs territory of the United States (as defined in general headnote 2 to the Tariff Schedules of the United States), or from doing any combination of such actions, with respect to the article or substance with respect to which the order was issued.

19 USC 1202 note.

"(c)(1) No charge shall be made to any person (other than a manufacturer, distributor, or dealer) who avails himself of any

remedy provided under an order issued under subsection (b), and the person subject to the order shall reimburse each person (other than a manufacturer, distributor, or dealer) who is entitled to such a remedy for any reasonable and foreseeable expenses incurred by such person in availing himself of such remedy.

"(2) An order issued under subsection (a) or (b) with respect to an article or substance may require any person who is a manufacturer, distributor, or dealer of the article or substance to reimburse any other person who is a manufacturer, distributor, or dealer of such article or substance for such other person's expenses in connection with carrying out the order, if the Commission determines such reimbursement to be in the public interest.

"(d) An order under subsection (a) or (b) may be issued only after an opportunity for a hearing in accordance with section 554 of title 5, United States Code, except that, if the Commission determines that any person who wishes to participate in such hearing is a part of a class of participants who share an identity of interest, the Commission may limit such person's participation in such hearing to participation through a single representative designated by such class (or by the Commission if such class fails to designate such a representative).".

(2) Section 4 of the Federal Hazardous Substances Act (15 U.S.C. 1263) is amended by adding at the end the following:

"(j) The failure to comply with an order issued under section 15.". *Ante*, p. 722.

(g) The table of contents is amended by striking out the items relating to sections 13 and 28, and inserting in lieu thereof the following:

"Sec. 13. Repealed."

and

"Sec. 28. Chronic hazards advisory panel.",

respectively.

(h)(1) Section 11(c) (15 U.S.C. 2060(c)) is amended by striking out "section 9(c)" and inserting in lieu thereof "sections 9(f)(1) and 9(f)(3)". (2) Section 11(a) is amended by striking out "9(a)(2)" and inserting in lieu thereof "9(d)(2)".

(3)(A) Section 11 is amended by adding at the end thereof the following:

"(f) For purposes of this section and sections 23(a) and 24, a reasonable attorney's fee is a fee (1) which is based upon (A) the actual time expended by an attorney in providing advice and other legal services in connection with representing a person in an action brought under this section, and (B) such reasonable expenses as may be incurred by the attorney in the provision of such services, and (2) which is computed at the rate prevailing for the provision of similar services with respect to actions brought in the court which is awarding such fee.".

(B) Section 23(a) (15 U.S.C. 2072(a)) is amended by striking out "10(e)(4)" and inserting in lieu thereof "11(f)".

(C) Section 24 (15 U.S.C. 2074) is amended by striking out "10(e)(4)" and inserting in lieu thereof "11(f)". 15 USC 2073.

(4) Section 15(g)(1) (15 U.S.C. 2064(g)(1)) is amended by inserting ", Science and Transportation" immediately after "on Commerce", and by striking out "section 12(e)(1)" and inserting in lieu thereof "section 12(c)(1)".

LAWN MOWER STANDARD

SEC. 1212. (a) Not later than 90 days after the date of the enactment of this Act, the Consumer Product Safety Commission shall amend its consumer product safety standard for walk-behind power lawn mowers to provide that a manually started rotary type lawn mower which has a blade control system which meets the requirements of the standard relating to blade controls (16 CFR 1205.5) except that the system stops the engine and requires a manual restart of the engine shall be considered in compliance with such requirements if the engine starting controls for the lawn mower are located within twenty-four inches from the top of the mower's handles or the mower has a protective foot shield which extends three hundred and sixty degrees around the mower housing. The Consumer Product Safety Act shall not apply with respect to the promulgation of the amendment prescribed by this subsection.

15 USC 2051 note.

Study and report.

(b) The Commission shall conduct a study of the effect on consumers of the amendment prescribed by subsection (a) and shall report the results of such study two years after the date the standard, as amended in accordance with subsection (a), takes effect. The Commission may not amend the amendment prescribed by subsection (a) before the report is filed under this subsection.

AMUSEMENT PARKS

SEC. 1213. Section 3(a)(1) (15 U.S.C. 2052(a)(1)) is amended by inserting before the sentence following subparagraph (I) the following: "Such term includes any mechanical device which carries or conveys passengers along, around, or over a fixed or restricted route or course or within a defined area for the purpose of giving its passengers amusement, which is customarily controlled or directed by an individual who is employed for that purpose and who is not a consumer with respect to such device, and which is not permanently fixed to a site. Such term does not include such a device which is permanently fixed to a site.".

EXTENSION OF ACT

SEC. 1214. Section 32(a) (15 U.S.C. 2081(a)) is amended (1) by striking out "and" at the end of paragraph (6), (2) by striking out the period at the end of paragraph (7) and inserting a semicolon, and (3) by adding at the end the following:

"(8) $33,000,000 for the fiscal year ending September 30, 1982; and

"(9) $35,000,000 for the fiscal year ending September 30, 1983. For payment of accumulated and accrued leave under section 5551 of title 5, United States Code, severance pay under section 5595 under such title, and any other expense related to a reduction in force in the Commission, there are authorized to be appropriated such sums as may be necessary.".

EFFECTIVE DATE

15 USC 2052 note.

SEC. 1215. (a) Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of the enactment of this Act.

(b) The amendments made by section 1207 shall apply with respect to consumer product safety rules under the Consumer Product Safety Act and regulations under the Federal Hazardous Substances Act and the Flammable Fabrics Act promulgated by the Consumer

15 USC 1261 note.
15 USC 1191 note.

Product Safety Commission after the date of the enactment of this Act; and the amendments made by sections 1202, 1203, and 1206 of this subtitle shall apply with respect to regulations under the Consumer Product Safety Act, the Federal Hazardous Substances Act, and the Flammable Fabrics Act for which notices of proposed rulemaking are issued after August 14, 1981.

15 USC 2051 note.
15 USC 1261 note.
15 USC 1191 note.

Subtitle B—Communications

CHAPTER 1—PUBLIC BROADCASTING

Public Broadcasting Amendments Act of 1981.

SHORT TITLE

SEC. 1221. This chapter may be cited as the "Public Broadcasting Amendments Act of 1981".

47 USC 609 note.

AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC TELECOMMUNICATIONS FACILITIES

SEC. 1222. Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended by inserting after "1981," the following: "$20,000,000 for fiscal year 1982, $15,000,000 for fiscal year 1983, and $12,000,000 for fiscal year 1984,".

GRANTS FOR CONSTRUCTION AND PLANNING

SEC. 1223. (a) Section 392(a)(4) of the Communications Act of 1934 (47 U.S.C. 392(a)(4)) is amended by striking out "only" and inserting in lieu thereof "primarily", and by inserting before the semicolon at the end thereof the following: ", and that the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services will not interfere with the provision of such public telecommunications services as required in this part".

(b) Section 392(g)(2) of the Communications Act of 1934 (47 U.S.C. 392(g)(2)) is amended—

(1) by striking out "only" and inserting in lieu thereof "primarily"; and

(2) by striking out "(unless" and all that follows through "do so)" and inserting in lieu thereof the following: "(or the use of such public telecommunications facilities for purposes other than the provision of public telecommunications services interferes with the provision of such public telecommunications services as required in this part)".

DECLARATION OF POLICY REGARDING CORPORATION

SEC. 1224. Section 396(a)(5) of the Communications Act of 1934 (47 U.S.C. 396(a)(5)) is amended by striking out "and", and by inserting before the semicolon at the end thereof the following: ", and which will constitute a source of alternative telecommunications services for all the citizens of the Nation".

BOARD OF DIRECTORS OF CORPORATION

SEC. 1225. (a)(1) Section 396(c) of the Communications Act of 1934 (47 U.S.C. 396(c)) is amended to read as follows:

"Board of Directors

"(c)(1) The Corporation for Public Broadcasting shall have a Board of Directors (hereinafter in this section referred to as the 'Board'), consisting of 10 members appointed by the President, by and with the advice and consent of the Senate, and the President of the Corporation. No more than 6 members of the Board appointed by the President may be members of the same political party. The President of the Corporation shall serve as the Chairman of the Board.

"(2) The 10 members of the Board appointed by the President (A) shall be selected from among citizens of the United States (not regular full-time employees of the United States) who are eminent in such fields as education, cultural and civic affairs, or the arts, including radio and television; and (B) shall be selected so as to provide as nearly as practicable a broad representation of various regions of the Nation, various professions and occupations, and various kinds of talent and experience appropriate to the functions and responsibilities of the Corporation.

"(3) Of the members of the Board appointed by the President under paragraph (1), one member shall be selected from among individuals who represent the licensees and permittees of public television stations, and one member shall be selected from among individuals who represent the licensees and permittees of public radio stations.

"(4) The members of the initial Board of Directors shall serve as incorporators and shall take whatever actions are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act.

D.C. Code 29-1001.

"(5) The term of office of each member of the Board appointed by the President shall be 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. No member of the Board shall be eligible to serve in excess of 2 consecutive terms of 5 years each.

"(6) Any vacancy in the Board shall not affect its power, but shall be filled in the manner consistent with this Act.

"(7) Members of the Board shall attend not less than 50 percent of all duly convened meetings of the Board in any calendar year. A member who fails to meet the requirement of the preceding sentence shall forfeit membership and the President shall appoint a new member to fill such vacancy not later than 30 days after such vacancy is determined by the Chairman of the Board.".

47 USC 396 note.

(2)(A) The amendment made in paragraph (1) shall not affect the continuation in office of any individual serving on the Board of Directors of the Corporation for Public Broadcasting on the date of the enactment of this Act.

(B) The first 5 vacancies occurring on the Board after October 1, 1983 (other than any vacancy in the office of Chairman) shall not be filled, so as to reduce the membership of the Board to 10 members in addition to the Chairman of the Board.

(b) Section 396(d) of the Communications Act of 1934 (47 U.S.C. 396(d)) is amended to read as follows:

"Election of Vice Chairman; Compensation

"(d)(1) Members of the Board shall annually elect one or more of their members as a Vice Chairman or Vice Chairmen.

"(2) The members of the Board shall not, by reason of such membership, be deemed to be officers or employees of the United

States. They shall, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this subpart, be entitled to receive compensation at the rate of $150 per day, including traveltime. No Board member shall receive compensation of more than $10,000 in any fiscal year. While away from their homes or regular places of business, Board members shall be allowed travel and actual, reasonable, and necessary expenses.".

(c) Section 396(e)(1) of the Communications Act of 1934 (47 U.S.C. 396(e)(1)) is amended—

(1) by striking out "the Chairman and any" and inserting in lieu thereof "a"; and

(2) by inserting "for services rendered" after "Corporation" the sixth time it appears therein.

REPORT TO CONGRESS

SEC. 1226. Section 396(i)(1) of the Communications Act of 1934 (47 U.S.C. 396(i)(1)) is amended by striking out "February" and inserting in lieu thereof "May".

FINANCING; COMMUNITY ADVISORY BOARDS

SEC. 1227. (a) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(1) by striking out "and" each place it appears therein;

(2) by inserting "1984, 1985, and 1986," after "1983,"; and

(3) by inserting before the period at the end thereof the following: ", and $130,000,000 for each of the fiscal years 1984, 1985, and 1986".

(b) Section 396(k)(2)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(2)(B)) is amended—

(1) by striking out "quarterly" and inserting in lieu thereof "fiscal year"; and

(2) by striking out ", in such amounts" and all that follows through "quarter".

(c)(1) Section 396(k)(3)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)) is amended to read as follows:

"(3)(A)(i) The Corporation shall establish an annual budget for use in allocating amounts from the Fund. Of the amounts appropriated into the Fund available for allocation for any fiscal year—

"(I) not more than 5 percent of such amounts shall be available for the administrative expenses of the Corporation;

"(II) not less than 5 percent of such amounts shall be available for other expenses incurred by the Corporation, including research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness, capital costs relating to telecommunications satellites, the payment of programming royalties and other fees, and the costs of interconnection facilities and operations (as provided in clause (iv)(I)), except that the total amount available for obligation for any fiscal year under this subclause and subclause (I) shall not exceed 10 percent of the amounts appropriated into the Fund available for allocation for such fiscal year;

"(III) 75 percent of the remainder (after allocations are made under subclause (I) and subclause (II)) shall be allocated in accordance with clause (ii)(I); and

"(IV) 25 percent of such remainder shall be allocated in accordance with clause (iii).

"(ii) Of the amounts allocated under clause (i)(III) for any fiscal year—

"(I) 75 percent of such amounts shall be available for distribution among the licensees and permittees of public television stations pursuant to paragraph (6)(B); and

"(II) 25 percent of such amounts shall be available for distribution under subparagraph (B)(i) for public television programming.

"(iii) Of the amounts allocated under clause (i)(IV) for any fiscal year—

"(I) not less than 50 percent of such amounts (as determined under paragraph (6)(A)) shall be available for distribution among the licensees and permittees of public radio stations pursuant to paragraph (6)(B); and

"(II) not more than 50 percent of such amounts (as determined under paragraph (6)(A)) shall be available for distribution under subparagraph (B)(i) for public radio.

"(iv)(I) Subject to the provisions of clause (v), the Corporation shall defray an amount equal to 50 percent of the total costs of interconnection facilities and operations to facilitate the availability of public television and radio programs among public broadcast stations.

"(II) Of the amounts received as the result of any contract, lease agreement, or any other arrangement under which the Corporation directly or indirectly makes available interconnection facilities, 50 percent of such amounts shall be distributed to the licensees and permittees of public television stations and public radio stations. The Corporation shall not have any authority to establish any requirements, guidelines, or limitations with respect to the use of such amounts by such licensees and permittees.

"(v) If the expenses incurred by the Corporation under clause (i)(II) for any fiscal year for—

"(I) capital costs relating to telecommunications satellites;

"(II) the payment of programming royalties and other fees; and

"(III) the costs of interconnection facilities and operations (as provided in clause (iv));

exceed 6 percent of the amounts appropriated into the Fund available for allocation for such fiscal year, then 75 percent of such excess costs shall be defrayed by the licensees and permittees of public television stations from amounts available to such licensees and permittees under clause (ii)(I) and 25 percent of such excess costs shall be defrayed by the licensees and permittees of public radio stations from amounts available to such licensees and permittees under clause (iii)(I).".

(2) Section 396(k)(3)(B)(i) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(B)(i)) is amended to read as follows:

"(B)(i) The Corporation shall utilize the funds allocated pursuant to subparagraph (A)(ii)(II) and subparagraph (A)(iii)(II), and a significant portion of such other funds as may be available to the Corporation, to make grants and contracts for production of public television or radio programs by independent producers and production entities and public telecommunications entities, and for acquisition of such programs by public telecommunications entities. Of the funds utilized pursuant to this clause, a substantial amount shall be reserved for distribution to independent producers and production entities for the production of programs.".

(3) Section 396(k)(3)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(B)) is amended—

(A) in clause (ii) thereof, by striking out "contained in the annual budget established by the Corporation under clause (i)" and inserting in lieu thereof "available for distribution under clause (i)"; and

(B) by striking out clause (iii) and clause (iv) thereof.

(4) The amendments made in this subsection shall apply to fiscal years beginning after September 30, 1983. 47 USC 396 note.

(d)(1) Section 396(k)(6)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(6)(A)) is amended to read as follows:

"(6)(A) The Corporation, in consultation with public radio stations and with National Public Radio (or any successor organization), shall determine the percentage of funds allocated under subclause (I) and subclause (II) of paragraph (3)(A)(iii) for each fiscal year. The Corporation, in consultation with such organizations, also shall conduct an annual review of the criteria and conditions applicable to such allocations.".

(2) Section 396(k)(6)(B) of the Communications Act of 1934 (47 U.S.C. 396(k)(6)(B)) is amended—

(A) by striking out the first sentence thereof;

(B) in the second sentence thereof, by inserting "under paragraph (3)(A)(ii)(I)" after "stations"; and

(C) in the last sentence thereof, by inserting "under paragraph (3)(A)(iii)(I)" after "radio stations".

(3) The amendments made in this subsection shall apply to fiscal years beginning after September 30, 1983. 47 USC 396 note.

(e) Section 396(k)(7) of the Communications Act of 1934 (47 U.S.C. 396(k)(7)) is amended to read as follows:

"(7) The funds distributed pursuant to paragraph (3)(A) may be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming.".

(f) Section 396(k)(8) of the Communications Act of 1934 (47 U.S.C. 396(k)(8)) is amended to read as follows:

"(8) Any public telecommunications entity which—

"(A) receives any funds pursuant to this subpart for any fiscal year; and

"(B) during such fiscal year has filed or was required to file a return with the Internal Revenue Service declaring unrelated business income related to station operations under sections 501, 511, and 512 of the Internal Revenue Code of 1954; 26 USC 501, 511, 512.

shall refund to the Corporation an amount equal to the amount of unrelated business income tax paid as stated in such filed return.".

(g)(1) Section 396(k)(9)(A) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(A)) is amended—

(A) by inserting "(other than any station which is owned and operated by a State, a political or special purpose subdivision of a State, or a public agency)" after "public broadcast station";

(B) by inserting after "assure that" the following: "(i) its advisory board meets at regular intervals; (ii) the members of its advisory board regularly attend the meetings of the advisory board; and (iii)"; and

(C) by striking out "reasonably reflects" and inserting in lieu thereof "are reasonably representative of".

(2) Section 396(k)(9)(D) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(D)) is amended by inserting "(other than any station which is owned and operated by a State, a political or special purpose

subdivision of a State, or a public agency)" after "public broadcast station".

(3) Section 396(k)(9)(E) of the Communications Act of 1934 (47 U.S.C. 396(k)(9)(E)) is amended by inserting "(other than any station which is owned and operated by a State, a political or special purpose subdivision of a State, or a public agency)" after "public broadcast station".

RECORDS AND AUDIT

SEC. 1228. (a) Section 396(l)(1)(A) of the Communications Act of 1934 (47 U.S.C. 396(l)(1)(A)) is amended by inserting ", except that such requirement shall not preclude shared auditing arrangements between any public telecommunications entity and its licensee where such licensee is a public or private institution" after "United States".

(b) Section 396(l)(3)(B) of the Communications Act of 1934 (47 U.S.C. 396(l)(3)(B)) is amended—

(1) in clause (ii) thereof, by striking out "an annual" and inserting in lieu thereof "a biannual"; and

(2) in clause (iii) thereof, by striking out "annually" and inserting in lieu thereof "biannually".

EDITORIALIZING AND SUPPORT OF POLITICAL CANDIDATES PROHIBITED

SEC. 1229. Section 399 of the Communications Act of 1934 (47 U.S.C. 399) is amended to read as follows:

"EDITORIALIZING AND SUPPORT OF POLITICAL CANDIDATES PROHIBITED

47 USC 396.

"SEC. 399. No noncommercial educational broadcasting station which receives a grant from the Corporation under subpart C of this part may engage in editorializing. No noncommercial educational broadcasting station may support or oppose any candidate for political office.".

USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

SEC. 1230. Subpart D of part IV of title III of the Communications Act of 1934 (47 U.S.C. 397) is amended by adding at the end thereof the following new section:

"USE OF BUSINESS OR INSTITUTIONAL LOGOGRAMS

"Business or institutional logogram."
47 USC 399A.

"SEC. 399A. (a) For purposes of this section, the term 'business or institutional logogram' means any aural or visual letters or words, or any symbol or sign, which is used for the exclusive purpose of identifying any corporation, company, or other organization, and which is not used for the purpose of promoting the products, services, or facilities of such corporation, company, or other organization.

"(b) Each public television station and each public radio station shall be authorized to broadcast announcements which include the use of any business or institutional logogram and which include a reference to the location of the corporation, company, or other organization involved, except that such announcements may not interrupt regular programming.

"(c) The provisions of this section shall not be construed to limit the authority of the Commission to prescribe regulations relating to the manner in which logograms may be used to identify corporations, companies, or other organizations.".

OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC BROADCAST STATIONS

SEC. 1231. Subpart D of part IV of title III of the Communications Act of 1934, as amended in section 1230, is further amended by adding at the end thereof the following new section:

"OFFERING OF CERTAIN SERVICES, FACILITIES, OR PRODUCTS BY PUBLIC BROADCAST STATIONS

"SEC. 399B. (a) For purposes of this section, the term 'advertisement' means any message or other programming material which is broadcast or otherwise transmitted in exchange for any remuneration, and which is intended— "Advertisement." 47 USC 399B.

"(1) to promote any service, facility, or product offered by any person who is engaged in such offering for profit;

"(2) to express the views of any person with respect to any matter of public importance or interest; or

"(3) to support or oppose any candidate for political office.

"(b)(1) Except as provided in paragraph (2), each public broadcast station shall be authorized to engage in the offering of services, facilities, or products in exchange for remuneration.

"(2) No public broadcast station may make its facilities available to any person for the broadcasting of any advertisement.

"(c) Any public broadcast station which engages in any offering specified in subsection (b)(1) may not use any funds distributed by the Corporation under section 396(k) to defray any costs associated with such offering. Any such offering by a public broadcast station shall not interfere with the provision of public telecommunications services by such station. 47 USC 396.

"(d) Each public broadcast station which engages in the activity specified in subsection (b)(1) shall, in consultation with the Corporation, develop an accounting system which is designed to identify any amounts received as remuneration for, or costs related to, such activities under this section, and to account for such amounts separately from any other amounts received by such station from any source.".

STUDY ON ALTERNATIVE FINANCING FOR PUBLIC TELECOMMUNICATIONS

SEC. 1232. (a)(1) A study shall be conducted in accordance with the provisions of this section regarding options which may be available to public telecommunications entities, the Public Broadcasting Service, and National Public Radio with respect to the development of sources of revenue in addition to the sources of revenue available to such entities and organizations on the date of the enactment of this Act. Such study shall be completed not later than July 1, 1982, and a report shall be submitted to the Congress in accordance with subsection (i). 47 USC 396 note. Report to Congress.

(2) The study required in paragraph (1) shall seek to identify funding options which also will ensure that public telecommunications as a source of alternative and diverse programming will be maintained and enhanced, and that public telecommunications services will continue to expand and be available to increasing numbers of citizens throughout the Nation.

(3) The study required in paragraph (1), in examining funding alternatives, also shall seek to determine appropriate means for ensuring that the use of such funding alternatives does not interfere

with the content and quality of programming appearing on public television and radio.

Temporary Commission on Alternative Financing for Public Telecommunications.

(b)(1) The study required in subsection (a)(1) shall be conducted by a commission to be known as the Temporary Commission on Alternative Financing for Public Telecommunications (hereinafter in this section referred to as the "Commission").

(2) The Commission shall consist of the Chairman of the Federal Communications Commission (or a member of the Commission designated by the Chairman); the Assistant Secretary of Commerce for Communications and Information (or his delegate); the heads of the Corporation for Public Broadcasting, National Public Radio, and the National Association of Public Television Stations (or their delegates); the Chairman and the ranking minority member of the Committee on Commerce, Science, and Transportation of the Senate (or any members of such committee designated by them); and the Chairman and ranking minority member of the Committee on Energy and Commerce of the House of Representatives (or any members of such committee designated by them).

(3) In addition to the members of the Commission specified in paragraph (2), an officer or employee of a public television station and an officer or employee of a public radio station shall serve as members of the Commission. Such members shall be selected by the members of the Commission specified in paragraph (2). Such selection shall be made at the first meeting conducted by the Commission.

Definitions.

(4) For purposes of this subsection, the terms "public television station" and "public radio station" have the same meaning as the term "public broadcast station" in section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6)).

(c) The members of the Commission shall serve without compensation, but the Federal Communications Commission shall make funds available to reimburse such members for travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Federal Government service are allowed expenses under section 5703 of title 5, United States Code.

(d) The Chairman of the Federal Communications Commission (or the person designated by the Chairman under subsection (b)(2)) shall serve as Chairman of the Commission.

(e) The Commission shall meet at the call of the Chairman or a majority of the members of the Commission. Six members of the Commission shall constitute a quorum.

(f)(1) Upon request of the Commission, the Federal Communications Commission shall furnish the Commission with such personnel and support services as may be necessary to assist the Commission in carrying out its duties and functions under this section. The Commission shall not be required to pay or reimburse the Federal Communications Commission for such personnel and support services.

(2) The Assistant Secretary of Commerce for Communications and Information, and the heads of the Corporation for Public Broadcasting, the Public Broadcasting Service, National Public Radio, and the National Association of Public Television Stations, each are authorized to furnish the Commission with such personnel and support services as each such organization considers necessary or appropriate to assist the Commission in carrying out its duties and functions under this section.

(g) The Commission shall have authority to hold such hearings, sit and act at such times and places, and take such testimony as the Commission considers advisable. The Commission shall seek to obtain the testimony and advice of business representatives, persons repre-

senting public interest groups, and other persons and organizations which have an interest in public broadcasting.

(h) The Commission shall be exempt from section 10(e), section 10(f), and section 14 of the Federal Advisory Committee Act (5 U.S.C. Appendix).

(i) The Commission shall submit a report to the Congress containing the results of the study required in subsection (a)(1) not later than July 1, 1982. Such report shall include an evaluation of each option with respect to the development of additional sources of revenue, and shall include recommendations for such legislative or other action as the Commission considers necessary or appropriate.

Report to Congress.

(j)(1) Except as provided in paragraph (2), the Commission shall terminate at the end of the 90-day period following the date of the submission of the report required in subsection (i).

Termination.

(2) If the Commission decides to establish the demonstration program specified in section 1233, then the Commission shall reconvene after the termination of the demonstration program conducted under section 1233 for the purpose of carrying out the functions of the Commission specified in section 1233(e). The Commission shall terminate at the end of the 90-day period following the date of the submission of the report required in section 1233(e).

DEMONSTRATION PROGRAM REGARDING ADVERTISING

SEC. 1233. (a) The Temporary Commission on Alternative Financing for Public Telecommunications established in section 1232 may establish a demonstration program in accordance with this section for the purpose of determining the feasibility of permitting public television station licensees and public radio station licensees to broadcast advertising announcements. If the Commission decides to establish such demonstration program, then the Commission shall establish and carry out such demonstration program in accordance with the provisions of subsection (b) through subsection (f).

47 USC 396 note.

(b)(1)(A) The Commission shall establish the demonstration program as soon as practicable after the date of the enactment of this Act. The Commission shall permit public broadcast station licensees to begin the broadcasting of qualifying advertising not later than January 1, 1982, except that such licensees may begin such advertising before such date if the Commission completes the establishment of the demonstration program before such date.

(B) Such broadcasting of qualifying advertising shall be carried out during the 18-month period beginning January 1, 1982 (or beginning on such earlier date as may be authorized by the Commission under subparagraph (A)), except that such broadcasting of qualifying advertising shall terminate not later than June 30, 1983. The demonstration program shall terminate at the end of such period.

Termination.

(2)(A) The Corporation for Public Broadcasting, in consultation with the Commission, shall select not more than 10 public television station licensees and not more than 10 public radio station licensees to participate in the demonstration program.

(B) Such selection shall be made from among licensees which have expressed to the Corporation a desire to participate in the demonstration program, except that any public television station licensee or public radio station licensee which is represented on the Commission under section 1232(b)(3) shall not be eligible to participate in the demonstration program.

(C) If a licensee elects not to participate in the demonstration program, after receiving notice of its selection from the Corporation, then the Corporation shall select an alternate licensee.

26 USC 501.

(D) The exemption from income tax of any public broadcast station licensee under section 501(a) of the Internal Revenue Code of 1954, relating to exemption from taxation, shall not be affected by the participation of such licensee in the demonstration program.

(3) The Corporation shall make selections under paragraph (2), to the extent practicable, in a manner which ensures that—

(A) a representative geographical distribution of public broadcast station licensees will be achieved;

(B) licensees serving audiences and markets of various sizes will participate in the demonstration program;

(C) licensees with operating budgets of various sizes will participate in the demonstration program;

(D) different types of licensees will participate in the demonstration program; and

(E) in the case of public radio station licensees, licensees with different types of programming formats will participate in the demonstration program.

(c) Each public television station licensee or public radio station licensee which is selected by the Corporation for Public Broadcasting under subsection (b) shall be authorized to broadcast qualifying advertising in accordance with subsection (d).

(d)(1)(A) Except as provided in subparagraph (B), any qualifying advertising announcement which is broadcast by any public television station licensee or any public radio station licensee may be broadcast only at the beginning or at the end of regular programs, and may not interrupt regular programs.

(B) In the case of any regular program which is 2 or more hours in duration, any public radio station licensee may broadcast (subject to paragraph (2)) a qualifying advertising announcement during the program, but only (i) during a break in the program scheduled for station identification; or (ii) at other times which will not unduly disrupt the program.

(2) Any qualifying advertising announcements which are broadcast consecutively by any public television station licensee or any public radio station licensee may not exceed 2 minutes in duration. Such licensees may not engage in any such consecutive broadcasts of qualifying advertising announcements more than once during any 30-minute period.

Regulations.

(3)(A) The Commission shall prescribe regulations which specify the types of advertisements which may be broadcast by licensees during the demonstration program. The Commission may authorize licensees participating in the demonstration program to broadcast institutional advertisements and advertisements relating to specific products, services, or facilities. Licensees shall not be authorized or required to broadcast any advertisement which—

(i) is intended to promote any opinion or point-of-view regarding any matter of public importance or interest, any political issue, or any matter relating to religion; or

(ii) is intended to support or oppose any candidate for political office.

(B) The Federal Communications Commission shall have authority to determine in disputed cases whether any advertising announcement shall be considered to be qualifying advertising for purposes of this section.

(4) The Commission shall prescribe regulations which establish requirements relating to the sale of broadcast time for advertisements during the demonstration program. Such regulations may authorize— Regulations.

(A) the assignment of broadcast time for advertisements through a system of random selection;

(B) the sale of broadcast time for advertisements which will be broadcast at the beginning or at the end of particular programs, or during particular portions of the broadcast day; or

(C) any other method for the sale of broadcast time which the Commission considers appropriate.

(5) The Commission shall have authority to prescribe regulations under paragraph (3) and paragraph (4) which establish different criteria and requirements applicable to the various licensees participating in the demonstration program, to the extent the Commission considers the establishment of such different criteria and requirements to be necessary to assist the Commission in preparing the report, and making the recommendations, required in subsection (e).

(6) Any issue regarding compliance with the provisions of this subsection shall be resolved by the Federal Communications Commission in accordance with its authority under the Communications Act of 1934 (47 U.S.C. 151 et seq.).

(e)(1) The Commission, as soon as practicable after the termination of the demonstration program under subsection (b)(1)(A), shall analyze the results of the demonstration program and shall submit a report to each House of the Congress regarding the demonstration program. Such report shall be submitted not later than October 1, 1983, and shall include— Report to Congress.

(A) an examination of whether qualifying advertising had any influence or effect upon programming broadcast by the public broadcast station licensees involved;

(B) an analysis of the reaction of audiences to the broadcasting of such qualifying advertising;

(C) an examination of the extent to which businesses and other organizations engaged in the purchase of broadcast time for the broadcast of qualifying advertising;

(D) an analysis of whether the broadcasting of qualifying advertising had any impact upon the underwriting of programs; and

(E) any other findings or information which the Commission considers appropriate.

(2) Such report also shall include such recommendations for legislative or other action as the Commission considers appropriate, including a recommendation regarding whether public broadcast stations should be permitted to broadcast qualifying advertising on a permanent basis.

(f) For purposes of this section: Definitions.

(1) The term "Commission" means the Temporary Commission on Alternative Financing for Public Telecommunications established in section 1232.

(2) The term "demonstration program" means the demonstration program which the Commission is authorized to establish in accordance with this section.

(3) The terms "public broadcast station", "public television station", and "public radio station" have the same meaning as the term "public broadcast station" in section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6)).

(4) The term "qualifying advertising" means any type of advertising specified by the Commission under subsection (d)(3)(A).

TECHNICAL AMENDMENTS

SEC. 1234. (a) Section 396(g) of the Communications Act of 1934 (47 U.S.C. 396(g)) is amended by striking out paragraph (5) thereof, and by redesignating paragraph (6) as paragraph (5).

(b) Section 397(15) of the Communications Act of 1934 (47 U.S.C. 397(15)) is amended by striking out ", Education, and Welfare" and inserting in lieu thereof "Human Services".

CHAPTER 2—TELEVISION AND RADIO BROADCASTING

TELEVISION AND RADIO LICENSE TERMS

SEC. 1241. (a) Section 307(d) of the Communications Act of 1934 (47 U.S.C. 307(d)) is amended—

(1) by inserting "television" after "operation of a";

(2) by striking out "three years" each place it appears therein and inserting in lieu thereof "five years";

(3) by inserting "(other than a radio broadcasting station)" after "class of station";

(4) by inserting after the first sentence thereof the following new sentence: "Each license granted for the operation of a radio broadcasting station shall be for a term of not to exceed seven years.";

(5) by inserting "television" after "in the case of" the first place it appears therein;

(6) by inserting "for a term of not to exceed seven years in the case of radio broadcasting station licenses," after "licenses," the first place it appears therein; and

(7) by inserting "for a term of" after "and" the third place it appears therein.

Effective date.
47 USC 307 note.

(b) The amendments made in subsection (a) shall apply to television and radio broadcasting licenses granted or renewed by the Federal Communications Commission after the date of the enactment of this Act.

GRANTING OF CERTAIN INITIAL LICENSES AND PERMITS BASED ON SYSTEM OF RANDOM SELECTION

SEC. 1242. (a) Section 309 of the Communications Act of 1934 (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

"(i)(1) If there is more than one applicant for any initial license or construction permit which will involve any use of the electromagnetic spectrum, then the Commission, after determining the qualifications of each such applicant under section 308(b), shall have authority to grant such license or permit to a qualified applicant through the use of a system of random selection.

47 USC 308.

"(2) The determination of the Commission under paragraph (1) with respect to the qualifications of applicants for an initial license or construction permit shall be made after notice and opportunity for a hearing, except that the provisions of section 409(c)(2) shall not apply in the case of any such determination.

47 USC 409.

Rules.

"(3)(A) The Commission shall establish rules and procedures to ensure that, in the administration of any system of random selection

under this subsection, groups or organizations, or members of groups or organizations, which are underrepresented in the ownership of telecommunications facilities or properties will be granted significant preferences.

"(B) The Commission shall have authority to require each qualified applicant seeking a significant preference under subparagraph (A) to submit to the Commission such information as may be necessary to enable the Commission to make a determination regarding whether such applicant shall be granted such preference. Such information shall be submitted in such form, at such times, and in accordance with such procedures, as the Commission may require.

Rules on random selection.

"(4)(A) The Commission, not later than 180 days after the effective date of this subsection, shall, after notice and opportunity for hearing, prescribe rules establishing a system of random selection for use by the Commission under this subsection in any instance in which the Commission, in its discretion, determines that such use is appropriate for the granting of any license or permit in accordance with paragraph (1).

"(B) The Commission shall have authority to amend such rules from time to time to the extent necessary to carry out the provisions of this subsection. Any such amendment shall be made after notice and opportunity for hearing.".

47 USC 309 note.

(b) The Commission shall have authority to use the system of random selection established by the Commission under section 309(i) of the Communications Act of 1934, as added in subsection (a), with respect to any application for an initial license or construction permit which will involve any use of the electromagnetic spectrum and which—

(1) is filed with the Commission after the date of the enactment of this Act; or

(2) is pending before the Commission on such date of enactment but has not been designated for hearing on or before such date of enactment.

SPECIAL REQUIREMENTS RELATING TO BROADCASTING STATION LICENSE APPLICATIONS

SEC. 1243. Section 311 of the Communications Act of 1934 (47 U.S.C. 311) is amended by adding at the end thereof the following new subsection:

"(d)(1) If there are pending before the Commission two or more applications for a license granted for the operation of a broadcasting station, only one of which can be granted, it shall be unlawful, without approval of the Commission, for the applicants or any of them to effectuate an agreement whereby one or more of such applicants withdraws his or their application or applications in exchange for the payment of money, or the transfer of assets or any other thing of value by the remaining applicant or applicants.

"(2) The request for Commission approval in any such case shall be made in writing jointly by all the parties to the agreement. Such request shall contain or be accompanied by full information with respect to the agreement, set forth in such detail, form, and manner as the Commission shall require.

"(3) The Commission shall approve the agreement only if it determines that (A) the agreement is consistent with the public interest, convenience, or necessity; and (B) no party to the agreement filed its license application for the purpose of reaching or carrying out such agreement.

"(4) For purposes of this subsection, an application shall be deemed to be pending before the Commission from the time such application is filed with the Commission until an order of the Commission granting or denying it is no longer subject to rehearing by the Commission or to review by any court.".

CHAPTER 3—REGULATORY AGENCIES

Subchapter A—Federal Communications Commission

AUTHORIZATION OF APPROPRIATIONS

SEC. 1251. (a) The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting after section 5 the following new section:

"AUTHORIZATION OF APPROPRIATIONS

47 USC 156.

"SEC. 6. There is authorized to be appropriated for the administration of this Act by the Commission $76,900,000, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1982 and 1983.".

(b) Section 4(g) of the Communications Act of 1934 (47 U.S.C. 154(g)) is amended by striking out "from time to time may be appropriated for by Congress" and inserting in lieu thereof "may be appropriated for by the Congress in accordance with the authorizations of appropriations established in section 6".

MANAGING DIRECTOR OF COMMISSION; ANNUAL REPORT

SEC. 1252. Section 5 of the Communications Act of 1934 (47 U.S.C. 155) is amended by adding at the end thereof the following new subsections:

"(f) The Commission shall have a Managing Director who shall be appointed by the Chairman subject to the approval of the Commission. The Managing Director, under the supervision and direction of the Chairman, shall perform such administrative and executive functions as the Chairman shall delegate. The Managing Director shall be paid at a rate equal to the rate then payable for level V of the Executive Schedule.

Report to Congress.

"(g) The Commission shall submit an annual report to the Congress not later than January 31 of each year. Such report shall—

"(1) list the specific goals, objectives, and priorities of the Commission which shall be projected over 12-month, 24-month, and 36-month periods;

"(2) describe in detail the programs which are, or shall be, established to meet or carry out such goals, objectives, and priorities;

"(3) provide an evaluation of actions taken during the preceding year with regard to fulfilling the functions of the Commission; and

"(4) contain recommendations for legislative action required to enable the Commission to meet its objectives.".

UNIFORM SYSTEM OF ACCOUNTS

SEC. 1253. (a)(1) The Federal Communications Commission (hereinafter in this section referred to as the "Commission") shall complete

the rulemaking proceeding relating to the revision of the uniform system of accounts used by telephone companies (Common Carrier Docket 78-196; notice of proposed rulemaking adopted June 28, 1978, 43 Federal Register 33560) as soon as practicable after the date of the enactment of this Act.

(2) Such uniform system shall require that each common carrier shall maintain a system of accounting methods, procedures, and techniques (including accounts and supporting records and memoranda) which shall ensure a proper allocation of all costs to and among telecommunications services, facilities, and products (and to and among classes of such services, facilities, and products) which are developed, manufactured, or offered by such common carrier.

(b) The Commission shall submit a report to each House of the Congress not later than one year after the date of the enactment of this Act. Such report shall include a summary of actions taken by the Commission in connection with the rulemaking proceeding specified in subsection (a), together with such other information as the Commission considers appropriate.

Report to Congress.

Subchapter B—National Telecommunications and Information Administration

AUTHORIZATION OF APPROPRIATIONS

SEC. 1255. There is authorized to be appropriated for the administration of the National Telecommunications and Information Administration $16,483,500, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for fiscal year 1982.

Subtitle C—Department of Commerce

AUTHORIZATION OF APPROPRIATIONS

SEC. 1261. There are authorized to be appropriated to the Secretary of Commerce for expenses necessary for the general administration of the Department of Commerce not to exceed $33,472,300 for fiscal year 1982, $33,472,300 for fiscal year 1983, and $33,472,300 for fiscal year 1984.

TITLE XIII—INTERNATIONAL AFFAIRS

Subtitle A—Public Law 480

APPROPRIATION LIMITS

SEC. 1301. Notwithstanding any other provision of law, programs shall not be undertaken under title I (including title III) and title II of the Agricultural Trade Development and Assistance Act of 1954 during any calendar year which call for an appropriation of more than $1,304,836,000 for the fiscal year 1982, $1,320,292,000 for the fiscal year 1983, and $1,402,278,000 for the fiscal year 1984.

7 USC 1733 note.

7 USC 1701, 1727, 1721.

Subtitle B—International Development Banks

PART 1—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INCREASE IN SUBSCRIPTION OF STOCK

SEC. 1311. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following new section:

22 USC 286e-1h.

"SEC. 39. (a) The United States Governor of the Bank is authorized—

"(1) to vote to increase by three hundred and sixty-five thousand shares the authorized capital stock of the Bank; and

"(2) to subscribe on behalf of the United States to not more than seventy-three thousand and ten shares of the capital stock of the Bank: *Provided, however,* That not more than seven and one-half percent ($658,305,195) of the price of the shares subscribed may be paid in to the Bank on subscription, with the remainder of that price ($8,149,256,155) being subject to call only when a call on unpaid subscriptions is required to meet obligations of the Bank for funds borrowed or on loans guaranteed by it and not for use by the Bank in its lending activities or for administrative expenses: *Provided further,* That any subscription to such additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

Appropriation authorization.

"(b) In order to pay for the paid-in portion of the United States subscription to the Bank provided for in this section, there is authorized to be appropriated, without fiscal year limitation, $658,305,195 for payment by the Secretary of the Treasury: *Provided, however,* That not more than $109,720,549 of such sum may be made available for each of the fiscal years 1982, 1983, and 1984.".

FUTURE SUBSCRIPTIONS OF STOCK

SEC. 1312. Section 27(a)(2) of the Bretton Woods Agreements Act (22 U.S.C. 286e-1f(a)(2)) is amended by striking out "That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "That any subscription to additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

PART 2—INTERNATIONAL DEVELOPMENT ASSOCIATION

SIXTH REPLENISHMENT

SEC. 1321. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

22 USC 284o.

"SEC. 17. (a) The United States Governor is authorized to agree on behalf of the United States to pay to the Association $3,240,000,000 as the United States contribution to the sixth replenishment of the resources of the Association: *Provided, however,* That any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

"(b) In order to pay for the United States contributions provided for in this section, there is authorized to be appropriated, without fiscal year limitation, $3,240,000,000 for payment by the Secretary of the Treasury: *Provided, however,* That not more than $850,000,000 of such sum may be made available for the fiscal year 1982 and not more than $945,000,000 of such sum may be made available for the fiscal year 1983.". Appropriation authorization.

PART 3—AFRICAN DEVELOPMENT BANK

African Development Bank Act.

SHORT TITLE

SEC. 1331. This part may be cited as the "African Development Bank Act". 22 USC 290i note.

ACCEPTANCE OF MEMBERSHIP

SEC. 1332. The President is hereby authorized to accept membership for the United States in the African Development Bank (hereinafter in this part referred to as the "Bank") provided for by the agreement establishing the Bank (hereinafter in this part referred to as the "agreement") deposited in the archives of the United Nations. 22 USC 290i.

GOVERNOR AND ALTERNATE GOVERNOR

SEC. 1333. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor and an Alternate Governor of the Bank. The term of office for the Governor and the Alternate Governor shall be five years, subject at any time to termination of appointment or to reappointment. The Governor and Alternate Governor shall remain in office until a successor has been appointed. Appointment. 22 USC 290i-1.

(b) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor or Alternate Governor, except for reasonable expenses to attend meetings of the Board of Governors.

(c) The Governor, or in the Governor's absence the Alternate Governor, on the instructions of the President, shall cast the votes of the United States for the Director to represent the United States in the Bank.

DIRECTOR OR ALTERNATE DIRECTOR; ALLOWANCES

SEC. 1334. The Director or Alternate Director representing the United States, if citizens of the United States, may, in the discretion of the President, receive such compensation, allowances, and other benefits as, together with those received from the Bank and from the African Development Fund, may not exceed those authorized for a chief of mission under the Foreign Service Act of 1980. 22 USC 290i-2. 22 USC 3901 note.

APPLICABILITY OF BRETTON WOODS AGREEMENTS ACT

SEC. 1335. The provisions of section 4 of the Bretton Woods Agreements Act (22 U.S.C. 286b) shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of section 4 of that Act shall be included in the first and subsequent reports made thereunder after the United States accepts membership in the Bank. 22 USC 290i-3.

RESTRICTIONS

22 USC 290i-4.

SEC. 1336. (a) Unless authorized by law, neither the President, nor any person or agency, shall, on behalf of the United States—

(1) subscribe to additional shares of stock of the Bank;

(2) vote for or agree to any amendment of the agreement which increases the obligations of the United States, or which changes the purpose or functions of the Bank; or

(3) make a loan or provide other financing to the Bank, except that funds for technical assistance may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to provide funds to international organizations.

FEDERAL RESERVE BANKS AS DEPOSITORIES

22 USC 290i-5.

SEC. 1337. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SUBSCRIPTION OF STOCK

22 USC 290i-6.

SEC. 1338. (a) The President is authorized to agree to subscribe on behalf of the United States to twenty-nine thousand eight hundred and twenty shares of the capital stock of the Bank: *Provided, however,* That the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

Appropriation authorization.

(b) There is authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the initial United States subscription to twenty-nine thousand eight hundred and twenty shares of the capital stock of the Bank, $359,733,570: *Provided, however,* That not more than $17,986,679 of such sum may be made available for paid in subscriptions to the Bank for each of the fiscal years 1982, 1983, and 1984.

(c) Any payment or distributions of moneys from the Bank to the United States shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION OF UNITED STATES COURTS

22 USC 290i-7.

SEC. 1339. For the purposes of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agent appointed for the purpose of accepting service or notice of service is located, and any such action to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action. When the Bank is defendant in any action in a State court, it may at any time before the trial thereof remove the action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28, United States Code.

EFFECTIVENESS OF AGREEMENT

SEC. 1340. Paragraph 5 of article 49, articles 50 through 59, and the other provisions of the agreement shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon acceptance of membership by the United States in the Bank. The President, at the time of deposit of the instrument of acceptance of membership by the United States in the Bank, shall also deposit a declaration as provided in article 64, paragraph 3, of the agreement that the United States retains for itself and its political subdivisions the right to tax salaries and emoluments paid by the Bank to United States citizens or nationals. 22 USC 290i-8.

SECURITIES ISSUED BY THE BANK

SEC. 1341. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with the raising of funds for inclusion in the Bank's ordinary capital resources as defined in article 9 of the agreement and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article 7, paragraph 4(a), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c) and section 3(a)(12) of the Securities Exchange Act of 1934 (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations as necessary in the public interest or for the protection of investors. 22 USC 290i-9.

(b) The Securities and Exchange Commission, acting in consultation with such agency or officer as the President shall designate, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

TECHNICAL AMENDMENTS

SEC. 1342. (a) The seventh sentence of paragraph 7 of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by striking out "or" after "the Inter-American Development Bank" and inserting in lieu thereof a comma, and by inserting "or the African Development Bank" after "the Asian Development Bank".

(b) Section 701(a) of Public Law 95-118 (22 U.S.C. 262d(a)) is amended by striking out "and" after "the African Development Fund," and inserting "and the African Development Bank," after "the Asian Development Bank,".

(c) Section 801(a) of Public Law 95-118 (22 U.S.C. 262f(a)) is amended by striking out "and" after "the African Development Fund," and inserting "and the African Development Bank," after "the Asian Development Bank,".

(d) Section 51 of Public Law 91-599 (22 U.S.C. 276c-2) is amended by striking out "and" after "the Asian Development Bank," and inserting "and the African Development Bank," after "the African Development Fund,".

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PART 4—INTER-AMERICAN DEVELOPMENT BANK AND ASIAN DEVELOPMENT BANK

CONTRIBUTIONS TO THE INTER-AMERICAN DEVELOPMENT BANK

SEC. 1351. (a) The Inter-American Development Bank Act (22 U.S.C. 283 et seq.) is amended by adding at the end thereof the following new section:

22 USC 283z-2.

"SEC. 30. (a) The United States Governor of the Bank is authorized on behalf of the United States to contribute to the Fund for Special Operations $70,000,000: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

Appropriation authorization.

22 USC 283z-1.

"(b) In order to pay for a portion of the increase in the United States subscription to the capital stock of the Bank provided for in section 29(a) and for the United States contribution to the Fund for Special Operations provided for in this section, there are authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury, (1) $274,920,799 for the United States subscription, and (2) $70,000,000 for the United States contribution to the Fund for Special Operations: *Provided, however,* That no funds may be made available for such contribution to the Fund for Special Operations for the fiscal year 1982.".

(b) Section 29(b) of the Inter-American Development Bank Act (22 U.S.C. 283z-1(b)) is amended by striking out the period and inserting in lieu thereof the following: ": *Provided, however,* That for contributions to the Fund for Special Operations, not more than $175,000,000 may be made available for the fiscal year 1982, and not more than $105,000,000 may be made available for the fiscal year 1983.".

(c) Section 26(b) of the Inter-American Development Bank Act (22 U.S.C 283w(b)) is amended by striking out the period and inserting in lieu thereof the following: ": *Provided, however,* That not more than $15,677,000 may be made available to the Fund for Special Operations for the fiscal year 1982.".

CONTRIBUTIONS TO THE ASIAN DEVELOPMENT FUND

SEC. 1352. (a) The Asian Development Bank Act (22 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new section:

22 USC 285w.

"SEC. 26. (a) The United States Governor of the Bank is authorized to contribute on behalf of the United States $66,750,000 to the Asian Development Fund, a special fund of the Bank: *Provided, however,* That any commitment to make such contribution shall be made subject to obtaining the necessary appropriations.

Appropriation authorization.

"(b) In order to pay for the United States contribution to the Asian Development Fund provided for in this section, there is authorized to be appropriated, without fiscal year limitation, $66,750,000 for payment by the Secretary of the Treasury: *Provided, however,* That no funds may be made available for such contribution for the fiscal year 1982.".

(b) Section 24(b) of the Asian Development Bank Act (22 U.S.C. 285u(b)) is amended by striking out the period and inserting in lieu thereof the following: ": *Provided, however,* That not more than $111,250,000 of such sum may be made available for the fiscal year 1982, and not more than $44,500,000 of such sum may be made available for the fiscal year 1983.".

(c) Section 23(b) of the Asian Development Bank Act (22 U.S.C. 285t(b)) is amended by striking out the period and inserting in lieu thereof the following: ": *Provided, however,* That not more than $14,116,177 may be made available for such contribution for the fiscal year 1982.".

FUTURE SUBSCRIPTIONS OF STOCK TO THE ASIAN DEVELOPMENT BANK

SEC. 1353. Section 22(a) of the Asian Development Bank Act (22 U.S.C. 285s(a)) is amended by striking out "That any subscription to additional shares shall be made only after the amount required for such subscription has been appropriated" and inserting in lieu thereof "That any subscription to additional shares shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts".

PART 5—TARGETING ASSISTANCE TO THE NEEDY; CONGRESSIONAL CONSULTATIONS

AMENDMENTS TO PUBLIC LAW 95-118

SEC. 1361. (a) Public Law 95-118 (22 U.S.C. 262c et seq.) is amended by inserting immediately after the enacting clause the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'International Financial Institutions Act' ". 22 USC 262c note.

(b) Public Law 95-118 is further amended by adding at the end thereof the following new titles:

"TITLE XI—TARGETING ASSISTANCE TO THE NEEDY

"SEC. 1101. (a) The Congress finds that there is a need for concerted international efforts to deal with the problems of malnutrition, low life expectancy, childhood disease, underemployment, and low productivity in developing countries. 22 USC 262g-1.

"(b) The Congress notes with approval that the Inter-American Development Bank, under the terms of its Fifth Replenishment, has adopted the target that 50 percent of its lending benefit the poorest groups and has developed a usable methodology for determining the proportion of its lending which benefits such groups.

"SEC. 1102. (a) The Secretary of the Treasury shall consult with representatives of other member countries of the International Bank for Reconstruction and Development, the International Development Association, the Asian Development Bank, the African Development Fund, and the African Development Bank (if the United States becomes a member of that Bank), for the purpose of establishing guidelines within each of those institutions which specify that, in a manner consistent with the purposes and charters of those institutions, a specified proportion of the annual lending by each institution shall be designed to benefit needy people, primarily by financing sound, efficient, productive, self-sustaining projects designed to benefit needy people in developing countries, thus helping poor people improve their conditions of life. 22 USC 262g-2.

"(b) The Congress finds that projects to construct basic infrastructure, to expand productive capacity (including private enterprise), and to address social problems can all meet the objectives of this

"Needy people."

section if they are designed and implemented properly. For the purposes of this title, 'needy people' means those people living in 'absolute' or 'relative' poverty as determined under the standards employed by the International Bank for Reconstruction and Development and the International Development Association.

Report to Congress. 22 USC 262g-2 note.

"SEC. 1103. The Secretary of the Treasury shall, not later than May 1 of 1982, 1983, and 1984, report to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate on the progress being made toward achieving the goals of section 1102, and shall include in each such report, for each of the institutions referred to in sections 1101 and 1102, as accurate an estimate as is practicable of the proportion of the lending by that institution which benefits needy people in its borrower countries.

"TITLE XII—CONGRESSIONAL CONSULTATIONS

22 USC 262g-3.

"SEC. 1201. The Secretary of the Treasury or his designee shall consult with the Chairman and the Ranking Minority Member of—

"(1) the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Committee on Appropriations of the House of Representatives, and the appropriate subcommittee of each such committee, and

"(2) the Committee on Foreign Relations of the Senate, the Committee on Appropriations of the Senate, and the appropriate subcommittee of each such committee,

for the purpose of discussing the position of the executive branch and the views of the Congress with respect to any international negotiations being held to consider future replenishments or capital expansions of any multilateral development bank which may involve an increased contribution or subscription by the United States. Such consultation shall be made (A) not later than 30 days before the initiation of such international negotiations, (B) during the period in which such negotiations are being held, in a frequent and timely manner, and (C) before a session of such negotiations is held at which the United States representatives may agree to such a replenishment or capital expansion.".

PART 6—MISCELLANEOUS PROVISIONS

ELIMINATION OF CERTAIN REPORTS

Repeal.

SEC. 1371. (a)(1) Section 31 of the Bretton Woods Agreements Act (22 U.S.C. 286e-10) is repealed.

(2) Section 35 of that Act (22 U.S.C. 286u) is amended by striking out ", and shall report" and all that follows through "goal".

(b)(1) Section 801 of Public Law 95-118 (22 U.S.C. 262f) is amended—

(A) by striking out "(a)"; and

(B) by repealing subsection (b).

(2) Section 901 of that Act (22 U.S.C. 262g) is amended—

(A) by striking out "(a)"; and

(B) by repealing subsection (b).

EFFECTIVE DATE AND AVAILABILITY OF FUNDS

22 USC 290i note.

SEC. 1372. This subtitle shall take effect upon its enactment, except that funds authorized to be appropriated by any provision contained

in part 1 or part 4 shall not be available for use or obligation prior to October 1, 1981.

Subtitle C—Foreign Assistance and Foreign Affairs Agencies

AUTHORIZATION CEILINGS

SEC. 1381. The following ceilings are hereby established:

(1) AMERICAN SCHOOLS AND HOSPITALS ABROAD: The amount authorized to be appropriated for the fiscal year 1982 to carry out section 214 of the Foreign Assistance Act of 1961 shall not exceed $20,000,000. 22 USC 2174 note. 22 USC 2174.

(2) INTERNATIONAL ORGANIZATIONS AND PROGRAMS: The amount authorized to be appropriated for the fiscal year 1982 under section 302(a)(1) of the Foreign Assistance Act of 1961 shall not exceed $255,650,000. 22 USC 2222 note. 22 USC 2222.

(3) INTERNATIONAL NARCOTICS CONTROL: The amount authorized to be appropriated for the fiscal year 1982 to carry out section 481 of the Foreign Assistance Act of 1961 shall not exceed $37,700,000. 22 USC 2291a note. 22 USC 2291.

(4) INTERNATIONAL DISASTER ASSISTANCE: The amount authorized to be appropriated for the fiscal year 1982 under section 492 of the Foreign Assistance Act of 1961 to carry out section 491 of that Act shall not exceed $27,000,000. 22 USC 2292a note. 22 USC 2292a. 22 USC 2292.

(5) INTER-AMERICAN FOUNDATION: The amount authorized to be appropriated for the fiscal year 1982 to carry out section 401 of the Foreign Assistance Act of 1969 shall not exceed $12,000,000. 22 USC 290f note. 22 USC 290f.

(6) PEACE CORPS: The amount authorized to be appropriated for the fiscal year 1982 under section 3(b) of the Peace Corps Act to carry out that Act shall not exceed $105,000,000. 22 USC 2502 note. 22 USC 2502.

(7) INTERNATIONAL ORGANIZATIONS AND CONFERENCES—ASSESSED CONTRIBUTIONS: The amount authorized to be appropriated for the fiscal year 1982 for assessed contributions to international organizations under "International Organizations and Conferences" shall not exceed $454,591,000.

(8) BOARD FOR INTERNATIONAL BROADCASTING: The amount authorized to be appropriated for the fiscal year 1982 under section 8(a)(1)(A) of the Board for International Broadcasting Act of 1973 to carry out that Act shall not exceed $98,317,000. 22 USC 2877 note. 22 USC 2877.

(9) INTERNATIONAL COMMUNICATION AGENCY—SALARIES AND EXPENSES: The amount authorized to be appropriated for the fiscal year 1982 for salaries and expenses for the International Communication Agency, excluding amounts authorized by section 704 of the United States Information and Educational Exchange Act of 1948 (relating to nondiscretionary personnel costs and currency fluctuations), shall not exceed $452,187,000. 22 USC 1477b note. 22 USC 1477b.

(10) ARMS CONTROL AND DISARMAMENT AGENCY: The amount authorized to be appropriated for the fiscal year 1982 under section 49(a)(1) of the Arms Control and Disarmament Act to carry out the purposes of that Act (other than the amounts necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates) shall not exceed $18,268,000. 22 USC 2589 note. 22 USC 2589.

TITLE XIV—DEPARTMENT OF INTERIOR AND RELATED PROGRAMS

Appropriation limitations.
43 USC 1457a.

SEC. 1401. (a) Notwithstanding any other provision of law, there shall not be appropriated to the Secretary of the Interior for Department of the Interior programs as defined in subsection (e) in excess of $4,095,404,000 for the fiscal year ending on September 30, 1981; in excess of $3,970,267,000 for the fiscal year ending on September 30, 1982; $4,680,223,000 for the fiscal year ending on September 30, 1983; and $4,797,281,000 for the fiscal year ending on September 30, 1984.

(b) It is the sense of the Congress that the appropriation targets for such fiscal years should be: not less than $275,000,000 to be appropriated annually pursuant to the provisions of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897; 16 U.S.C. 460z); not less than $30,000,000 to be appropriated annually pursuant to the provisions of the National Historic Preservation Act of 1966 (80 Stat. 915; 16 U.S.C. 470); not less than $10,000,000 to be appropriated annually pursuant to the provisions of the Urban Park and Recreation Recovery Act of 1978 (92 Stat. 3538; 16 U.S.C. 2501, et seq.); not less than $105,000,000 to be appropriated annually to be used for the restoration and rehabilitation of units of the National Park System, as authorized by law; not less than $239,000,000 to be appropriated annually for the Office of Territorial and International Affairs (including amounts for the Trust Territory of the Pacific Islands); not less than $6,200,000 to be appropriated annually to carry out the provisions of title III of the Surface Mining Control and Reclamation Act of 1977 (91 Stat. 445); and not less than $100,000,000 to be appropriated annually pursuant to the Act of October 20, 1976 (90 Stat. 2662; 31 U.S.C. 1601, et seq.) including not less than $5,000,000 annually to carry out the purposes of section 3 of said Act.

30 USC 1221.

(c) Notwithstanding the limitation otherwise imposed by subsection (a) of this section—

(1) the authorization for obligation and appropriations for the Department of the Interior may exceed the amount specified in subsection (a) by such amount as permanent and annual indefinite appropriations exceed the estimates for such appropriations as contained in "The Budget of the United States Government, Fiscal Year 1982," as revised by the March 1981, publication of the Office of Management and Budget entitled "Fiscal Year 1982 Budget Revisions", when receipts available to be appropriated equal or exceed such appropriations, and

(2) the authorization for obligation and appropriations for the Department of the Interior may exceed the amount specified in subsection (a) by such amounts as may be required for emergency firefighting and for increased pay costs authorized by law.

Noncompetitive oil and gas leases, application filing fees.
43 USC 1734 note.
31 USC 483a.
43 USC 1734.

(d)(1) Notwithstanding any other provision of law, effective October 1, 1981, all applications for noncompetitive oil and gas leases shall be accompanied by a filing fee of not less than $25 for each such application: *Provided,* That any increase in the filing fee above $25 shall be established by regulation and subject to the provisions of the Act of August 31, 1951 (65 Stat. 290), the Act of October 20, 1976 (90 Stat. 2765) but not limited to actual costs. Such fees shall be retained as a service charge even though the application or offer may be rejected or withdrawn in whole or in part.

Study.
Report to Congress.

(2) The Secretary of the Interior is hereby directed to conduct a study and report to Congress within one year of the date of enactment of this Act, regarding the current annual rental charges on all

noncompetitive oil and gas leases to investigate the feasibility and effect of raising such rentals.

(e) For the purposes of this section, the term "Department of the Interior programs" means— "Department of the Interior programs." 43 USC 1457a.

(1) Alaska Native Fund amounts included in Bureau of Indian Affairs programs funded from Miscellaneous Trust Funds and Miscellaneous Permanent Appropriations accounts;

(2) Bureau of Land Management programs;

(3) Bureau of Mines programs;

(4) National Park Service programs other than the John F. Kennedy Center for the Performing Arts (including those programs formerly administered by the Heritage Conservation and Recreation Service as of October 1, 1980);

(5) Offices of the Solicitor and the Secretary;

(6) Office of Surface Mining Reclamation and Enforcement programs;

(7) Office of Territorial Affairs programs;

(8) United States Geological Survey programs; and

(9) Bureau of Reclamation (including those programs formerly administered by the Water and Power Resources Service).

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SEC. 1402. Notwithstanding any other provision of law, there shall not be appropriated for programs of the Advisory Council on Historic Preservation in excess of $1,590,000 for the fiscal year ending September 30, 1981; in excess of $1,865,000 for the fiscal year ending on September 30, 1982; in excess of $1,920,000 for the fiscal year ending on September 30, 1983; and in excess of $2,000,000 for the fiscal year ending on September 30, 1984. 16 USC 470t note.

OFFICE OF FEDERAL INSPECTOR FOR THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM

SEC. 1403. Notwithstanding any other provision of law, there shall not be appropriated for programs of the Office of Federal Inspector for the Alaska Natural Gas Transportation System in excess of $21,038,000 for the fiscal year ending September 30, 1981; $36,568,000 for the fiscal year ending September 30, 1982; in excess of $45,532,000 for the fiscal year ending on September 30, 1983, or $46,908,000 for the fiscal year ending on September 30, 1984. 15 USC 719e note.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SEC. 1404. Notwithstanding any other provision of law, there shall not be appropriated for programs of the Pennsylvania Avenue Development Corporation in excess of $31,612,000 for the fiscal year ending September 30, 1981; in excess of $19,040,000 for the fiscal year ending on September 30, 1982; in excess of $19,500,000 for the fiscal year ending on September 30, 1983; or in excess of $19,300,000 for the fiscal year ending September 30, 1984. 40 USC 885 note.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

SEC. 1405. Notwithstanding any other provision of law, there shall not be appropriated for programs of the United States Holocaust Memorial Council in excess of $900,000 for the fiscal year ending on September 30, 1982, in excess of $950,000 for the fiscal year ending on 36 USC 1408 note.

September 30, 1983, or in excess of $1,000,000 for the fiscal year ending on September 30, 1984.

CORPS OF ENGINEERS

16 USC 460l-6a note.

SEC. 1406. Notwithstanding any other provision of law, there shall not be appropriated to the Secretary of Defense for special recreational user fees programs of the corps of Engineers in excess of $5,000,000 for the fiscal year ending September 30, 1981; in excess of $5,200,000 for the fiscal year ending September 30, 1982; in excess of $6,000,000 for the fiscal year ending September 30, 1983; or in excess of $6,000,000 for the fiscal year ending September 30, 1984.

YOUTH CONSERVATION CORPS ACT OF 1970

16 USC 1706 note.
16 USC 1701.

SEC. 1407. No funds may be appropriated to carry out the Act of August 13, 1970, commonly referred to as the Youth Conservation Corps Act of 1970, for fiscal year 1982, 1983, or 1984.

TITLE XV—DEPARTMENT OF JUSTICE AND RELATED PROVISIONS

AUTHORIZATION OF APPROPRIATIONS FOR SALARIES AND EXPENSES OF PATENT AND TRADEMARK OFFICE FOR FISCAL YEAR 1982

35 USC 3 note.

SEC. 1501. Notwithstanding any other provision of law, there are authorized to be appropriated for the payment of salaries and expenses of the Patent and Trademark Office $118,961,000 for the fiscal year ending September 30, 1982, and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

LIMITATION ON APPROPRIATIONS FOR REFUGEE ASSISTANCE FOR FISCAL YEAR 1982

8 USC 1524 note.
8 USC 1521.
8 USC 1522.
8 USC 1522 note.
8 USC 1522 note.

SEC. 1502. The total amount of appropriations to carry out—

(1) chapter 2 of title IV of the Immigration and Nationality Act (relating to refugee assistance), other than section 412(b) thereof (relating to initial resettlement assistance), and

(2) sections 313(c) and 401 of the Refugee Act of 1980 (Public Law 96-212),

shall not exceed $583,705,000 for fiscal year 1982, and none of the amounts appropriated for fiscal year 1982 to carry out such provisions shall be available to carry out any of the provisions of Public Law 96-422.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1974

42 USC 5671 note.
42 USC 5611.

SEC. 1503. The total amount of appropriations to carry out title II of the Juvenile Justice and Delinquency Prevention Act of 1974 shall not exceed $77,000,000 for fiscal year 1982; $77,500,000 for fiscal year 1983; and $74,900,000 for fiscal year 1984.

TITLE XVI—MARITIME AND RELATED PROGRAMS

SEC. 1601. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce of fiscal year 1982, as follows:

Appropriation authorization.

(1) for payment of obligations incurred for operating differential subsidy, $417,148,000;

(2) for research and development, $10,491,000;

(3) for operations and training, $74,898,000 including—

(A) $8,005,000 for reserve fleet expenses;

(B) $33,684,000 for maritime education and training expenses, including $19,205,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $12,599,000 for financial assistance to State maritime academies and $1,880,000 for expenses necessary for additional training; and

(C) $33,209,000 for other operating and training expenses.

SEC. 1602. There are authorized to be appropriated for the fiscal year 1982, in addition to the amounts authorized by section 1601, such supplemental amounts for the activities for which appropriations are authorized under section 1601, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Appropriation authorization.

SEC. 1603. The Merchant Marine Act, 1936, as amended (46 U.S.C. 1101-1294), is further amended by adding a new section 614 to read as follows:

"SEC. 614. (a) Any operator receiving operating differential subsidy funds may elect, for all or a portion of its ships, to suspend its operating differential subsidy contract with all attendant statutory and contractual restrictions, except as to those pertaining to the domestic intercoastal or coastwise service, including any agreement providing for the replacement of vessels, if—

Operating differential subsidy contract. 46 USC 1184.

"(1) the vessel is less than ten years of age;

"(2) the suspension period is not less than twelve months;

"(3) the operator's financial condition is maintained at a level acceptable to the Secretary of Commerce; and

"(4) the owner agrees to pay to the Secretary, upon such terms and conditions as he may prescribe, an amount which bears the same proportion to the construction differential subsidy paid by the Secretary as the portion of the suspension period during which the vessel is operated in any preference trade from which a subsidized vessel would otherwise be excluded by law or contract bears to the entire economic life of the vessel.

"(b) Any operator making an election under this section is entitled to full reinstatement of the suspended contract on request. The Secretary of Commerce may prescribe rules and regulations consistent with the purpose of this section.".

SEC. 1604. Section 809(a) of the Merchant Marine Act, 1936 (46 U.S.C. 1213(a)) is amended by inserting after the second sentence the following: "For the purposes of this section and section 211(a), the Secretary shall establish trade routes, services, or lines that take into account the seasonal closure of the Saint Lawrence Seaway and provide for alternate routing of ships via a diffferent range of ports during that closure so as to maintain continuity of service on a year-round basis. For the purposes of section 605(c), such an alternate routing via a different range of ports shall be deemed to be service from Great Lakes ports, provided such alternative routing is based

46 USC 1121.

46 USC 1175.

upon receipt or delivery of cargo at Great Lakes-Saint Lawrence Seaway ports under through intermodal bills of lading.

SEC. 1605. The Merchant Marine Act, 1936 is amended by adding a new section 909 to read as follows:

46 USC 1248.

"SEC. 909. No vessel may receive construction differential subsidy or operating differential subsidy if it is not offered for enrollment in a sealift readiness program approved by the Secretary of Defense.".

46 USC 1273 and note.

SEC. 1606. (a) Section 203(b) of Public Law 96-320 (94 Stat. 994) is repealed.

Limitation.

(b) Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273), is amended to read as follows:

"(f) The aggregate unpaid principal amount of the obligations guaranteed under this section and outstanding at any one time shall not exceed $12,000,000,000, of which $1,650,000,000 shall be limited to obligations pertaining to commerical demonstration ocean thermal energy conversion facilities or plantships guaranteed under section 1110 of this title, and of which $850,000,000 shall be limited to obligations pertaining to guarantees of obligations for fishing vessels and fishery facilities made under this title."

(c) Section 1104(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1274(d)), as amended—

(1) in paragraph (1), by striking "Except as provided in paragraph (2), no" an inserting in lieu thereof "No";

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(d) Section 1104(g) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1274(g)) is amended—

(1) by striking "(1)" immediately after "(g)"; and

(2) by striking paragraph (2).

(e) The first sentence of section 1105(d) of the Merchant Marine Act, as amended (46 U.S.C. 1275(d)), is amended by striking ", and shall be paid from the appropriate subfund required to be established under section 1104(g)(2)".

46 USC 1279c.

(f) The last sentence of section 1110(c) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1279(c)), is amended by striking "$2,000,000,000" and inserting in lieu thereof "$1,650,000,000".

SEC. 1607. Section 1303(h)(2)(D) of the Merchant Marine Act, 1936 (46 U.S.C. 1295b(h)(2)(D)), is amended by striking "1 Member" and inserting in lieu thereof "2 Members".

"Independent ocean freight forwarder."

SEC. 1608. (a) Section 1 of the Shipping Act, 1916 (39 Stat. 728), as amended (46 U.S.C. 801), is amended by striking at the end thereof the paragraph defining an independent ocean freight forwarder and inserting in lieu thereof the following: "The term 'independent ocean freight forwarder' means a person that is carrying on the business of forwarding for a consideration who is not a shipper, consignee, seller, or purchaser of shipments to foreign countries.".

46 USC 841b.

(b) Section 44 of the Shipping Act, 1916 (75 Stat. 552; 46 U.S.C. 841(b)), is amended by adding at the end thereof the following new subsection:

"(f) A forwarder may not receive compensation from a common carrier with respect to any shipment in which the forwarder has a beneficial interest or with respect to any shipment in which any holding company, subsidiary, affiliate, officer, director, agent, or executive of such forwarder has a beneficial interest.".

"Independent ocean freight forwarder."
46 USC 801 and note.

(c) This section shall remain in effect until December 31, 1983, after which time the definition in section 1, Shipping Act, 1916, of 'independent ocean freight forwarder' shall read: "An 'independent ocean freight forwarder' is a person carrying on the business of forwarding

for a consideration who is not a shipper or consignee or a seller or purchaser of shipments to foreign countries, nor has any beneficial interest therein, nor directly or indirectly controls or is controlled by such shipper or consignee or by any person having such a beneficial interest." By June 1, 1983, the Federal Maritime Commission shall submit a report to Congress evaluating the enforceability of this section and describing any reasons why this section should not be made permanent law.

Report to Congress.

SEC. 1609. The Secretary of Commerce shall conduct a study comparing the relative costs of repairing and outfitting the training vessel Bay State with the costs of reactivating and converting the steamship Tulare of the United States Naval Reserve Fleet, in order to aid in the determination of the appropriate vessel for use as the training ship of the Massachusetts Maritime Academy. This study shall be completed and submitted to the Congress within ninety days of enactment of this Act.

Study, submittal to Congress.

SEC. 1610. The Merchant Marine Act, 1936 (46 U.S.C. 1101 et seq.) is amended by adding a new section 615 to read as follows:

"SEC. 615. (a) The Secretary of Commerce may, until September 30, 1983, authorize an operator receiving or applying for operating differential subsidy under this title to construct, reconstruct, or acquire its vessels of over five thousand deadweight tons in a foreign shipyard if the Secretary finds and certifies in writing that such operator's application for construction differential subsidy cannot be approved due to the unavailability of funds in the construction differential subsidy account. Vessels constructed, reconstructed, or modified pursuant to this section shall be deemed to have been United States built for the purposes of this title, section 901(b) of this Act, and section 5(7) of the Port and Tanker Safety Act of 1978 (46 U.S.C. 391(a)(7)): *Provided,* That the provisions of section 607 of this Act shall not apply to vessels constructed, reconstructed, modified, or acquired pursuant to this section.

46 USC 1185.

46 USC 1241.

46 USC 391a.

"(b) The provisions of this section shall be effective for fiscal year 1983 only if the President in his annual budget message for that year requests at least $100,000,000 in construction differential subsidy or proposes an alternate program that would create equivalent merchant shipbuilding activity in privately owned United States shipyards and the Secretary reports to Congress on the effect such action will have on the shipyard mobilization base at least thirty days prior to making the certification referred to in subsection (a).".

TITLE XVII—CIVIL SERVICE AND POSTAL SERVICE PROGRAMS; GOVERNMENTAL AFFAIRS GENERALLY

Subtitle A—Civil Service Programs

4.8 PERCENT PAY CAP ON FEDERAL EMPLOYEES

SEC. 1701. (a) Notwithstanding any other provision of law, the overall percentage of the adjustment of the rates of pay under the General Schedule or any other statutory pay system under section 5305 of title 5, United States Code, which is to become effective with the first applicable pay period commencing on or after October 1, 1981, shall not exceed 4.8 percent.

5 USC 5305 note.

5 USC 5343 note.

(b)(1) Notwithstanding any other provision of law, in the case of a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, or an employee covered by section 5348 of that title—

5 USC 5343 note.

(A) any increase in the rate of pay payable to such employee which would result from the expiration of the limitation contained in section 114(a)(2) of Public Law 96-369 shall not take effect, and

5 USC 5341.

(B) any adjustment under subchapter IV of chapter 53 of such title to any wage schedule or rate applicable to such employee which results from a wage survey and which is to become effective during the fiscal year beginning October 1, 1981, shall not exceed the amount which is 4.8 percent above the schedule or rate payable on September 30, 1981 (determined with regard to the limitation contained in section 114(a)(2) of Public Law 96-369).

5 USC 5343 note.

(2) Notwithstanding the provisions of section 9(b) of Public Law 92-392 or section 704(b) of the Civil Service Reform Act of 1978, the provisions of paragraph (1) shall apply (in such manner as the Office of Personnel Management shall prescribe) to prevailing rate employees to whom such section 9(b) applies, except that the provisions of paragraph (1) shall not apply to any increase in a wage schedule or rate which is required by the terms of a contract entered into before the date of the enactment of this Act.

ANNUALIZATION OF COST-OF-LIVING ADJUSTMENT FOR FEDERAL EMPLOYEES

SEC. 1702. (a) Section 8340(b) of title 5, United States Code, is amended to read as follows:

"(b) Except as provided in subsection (c) of this section, effective March 1 of each year each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change in the price index published for December of the preceding year over the price index published for December of the year prior to the preceding year, adjusted to the nearest 1/10 of 1 percent.".

(b) Section 8340(c)(1) of title 5, United States Code, is amended to read as follows:

"(1) The first increase (if any) made under subsection (b) of this section to an annuity which is payable from the Fund to an employee or Member who retires, to the widow or widower of a deceased employee or Member, or to the widow or widower of a deceased annuitant whose annuity has not been increased under this subsection or subsection (b) of this section, shall be equal to the product (adjusted to the nearest 1/10 of 1 percent) of—

"(A) 1/12 of the applicable percent change computer under subsection (b) of this section, multiplied by

"(B) the number of months (counting any portion of a month as a month)—

"(i) for which the annuity was payable from the Fund before the effective date of the increase, or

"(ii) in the case of a widow or widower of a deceased annuitant whose annuity has not been so increased, since the annuity was first payable to the deceased annuitant.".

Effective date.
5 USC 8340 note.

(c) The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to annuities which commence before, on, or after such date.

AWARDS FOR THE DISCLOSURE OF WASTE, FRAUD, AND MISMANAGEMENT

SEC. 1703. (a) Chapter 45 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER II—AWARDS FOR COST SAVINGS DISCLOSURES

"§ 4511. Definition and general provisions 5 USC 4511.

"(a) For purposes of this subchapter, the term 'agency' means any Executive agency. "Agency."

"(b) A cash award under this subchapter is in addition to the regular pay of the recipient. Acceptance of a cash award under this subchapter constitutes an agreement that the use by the Government of an idea, method, or device for which the award is made does not form the basis of a further claim of any nature against the Government by the employee, his heirs, or assigns.

"§ 4512. Agency awards for cost savings disclosures 5 USC 4512.

"(a) The Inspector General of an agency, or any other agency employee designated under subsection (b), may pay a cash award to any employee of such agency whose disclosure of fraud, waste, or mismanagement to the Inspector General of the agency, or to such other designated agency employee, has resulted in cost savings for the agency. The amount of an award under this section may not exceed the lesser of—

"(1) $10,000; or

"(2) an amount equal to 1 percent of the agency's cost savings which the Inspector General, or other employee designated under subsection (b), determines to be the total savings attributable to the employee's disclosure.

For purposes of paragraph (2), the Inspector General or other designated employee may take into account agency cost savings projected for subsequent fiscal years which will be attributable to such disclosure.

"(b) In the case of an agency for which there is no Inspector General, the head of the agency shall designate an agency employee who shall have the authority to make the determinations and grant the awards permitted under this section.

"(c)(1) The Inspector General, or other employee designated under subsection (b), shall submit to the Comptroller General documentation substantiating any award made under this section.

"(2) The Comptroller General shall, from time to time, review awards made under this section and procedures used in making such awards to verify the cost savings for which the awards were made.

"§ 4513. Presidential awards for cost savings disclosures 5 USC 4513.

"The President may pay a cash award in the amount of $20,000 to any employee whose disclosure of fraud, waste, or mismanagement has resulted in substantial cost savings for the Government. In evaluating the significance of a cost savings disclosure made by an employee for purposes of determining whether to make an award to such employee under this section, the President may take into account cost savings projected for subsequent fiscal years which will be attributable to the disclosure. During any fiscal year, the President may not make more than 50 awards under this section.

5 USC 4514.

"§ 4514. Expiration of authority

"No award may be made under this title after September 30, 1984.".

(b)(1) Chapter 45 of title 5, United States Code, is amended by inserting immediately before section 4501 the following new subchapter heading:

"Subchapter I—Awards for Superior Accomplishments".

(2) Chapter 45 of title 5, United States Code, is amended in sections 4501, 4502, 4505, and 4506, by striking out "chapter" each place it appears and inserting in lieu thereof "subchapter".

(3) The analysis for chapter 45 of title 5, United States Code, is amended—

(A) by inserting immediately after the chapter heading the following new item:

"Subchapter I—Awards for Superior Accomplishments";

and

(B) by inserting after the item relating to section 4507 the following:

"Subchapter II—Awards for Cost Savings Disclosures

"4511. Definition and general provisions.
"4512. Agency awards for cost savings disclosures.
"4513. Presidential awards for cost savings disclosures.
"4514. Expiration of authority.".

Effective date.
5 USC 4501 note.

(c) The amendments made by this section shall take effect on October 1, 1981.

REDUCTIONS IN FORCE OF CAREER SENIOR EXECUTIVES

SEC. 1704. (a)(1) Chapter 35 of title 5, United States Code, relating to retention preference, restoration, and reemployment, is amended by redesignating section 3595 as section 3596 and by inserting after section 3594 the following new section:

5 USC 3595.

"§ 3595. Reduction in force in the Senior Executive Service

"(a) An agency shall establish competitive procedures for determining who shall be removed from the Senior Executive Service in any reduction in force of career appointees within that agency. The competitive procedures shall be designed to assure that such determinations are primarily on the basis of performance, as determined under subchapter II of chapter 43 of this title.

5 USC 4311.

"(b)(1) This subsection applies to any career appointee who has successfully completed the probationary period prescribed under section 3393(d) of this title.

"(2) Except as provided in paragraphs (4) and (5), a career appointee may not be removed from the Senior Executive Service due to a reduction in force within an agency.

"(3) A career appointee who, but for this subsection, would be removed from the Senior Executive Service due to a reduction in force within an agency—

"(A) is entitled to be assigned by the head of that agency to a vacant Senior Executive Service position for which the career appointee is qualified; or

"(B) if the agency head certifies, in writing, to the Office of Personnel Management that no such position is available in the agency, is entitled to be placed by the Office in any agency in any vacant Senior Executive Service position unless the head of that agency determines that the career appointee is not qualified for that position.

The Office of Personnel Management shall take all reasonable steps to place a career appointee under subparagraph (B) and may require any agency to take any action which the Office considers necessary to carry out any such placement.

"(4) A career appointee who is not assigned under paragraph (3)(A) may be removed from the Senior Executive Service and the civil service due to a reduction in force if—

"(A) the career appointee declines a reasonable offer for placement in a Senior Executive Service position under paragraph (3)(B); or

"(B) subject to paragraph (5), the career appointee is not placed in another Senior Executive Service position under paragraph (3)(B) within 120 days after the Office receives certification regarding that appointee under paragraph (3)(B).

"(5) An individual who was a career appointee on May 31, 1981, may be removed from the Senior Executive Service and the civil service due to a reduction in force after the 120-day period specified in paragraph (4)(B) only if the Director of the Office of Personnel Management certifies to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate, no later than 30 days prior to the effective date of such removal, that—

"(A) the Office has taken all reasonable steps to place the career appointee in accordance with paragraph (3) of this subsection, and

"(B) due to the highly specialized skills and experience of the career appointee, the Office has been unable to place the career appointee.

"(c) A career appointee is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title—

"(1) whether the reduction in force complies with the competitive procedures required under subsection (a),

"(2) any removal under subsection (b)(4)(A), and

"(3) in the event the career appointee is not placed under subsection (b)(3) of this section whether the Office of Personnel Management took all reasonable steps to achieve such placement.

"(d) For purposes of this section, 'reduction in force' includes the elimination or modification of a position due to a reorganization, due to a lack of funds or curtailment of work, or due to any other factor.". "Reduction in force."

(2) The table of sections for chapter 35 of title 5, United States Code, is amended by striking out the item relating to section 3595 and inserting in lieu thereof the following:

"3595. Reduction in force in the Senior Executive Service.
"3596. Regulations.".

(b) Section 3593 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(c)(1) A former career appointee shall be reinstated, without regard to section 3393(b) and (c) of this title, to any vacant Senior Executive Service position in an agency for which the appointee is qualified if—

"(A) the individual was a career appointee on May 31, 1981;

"(B) the appointee was removed from the Senior Executive Service under section 3595 of this title due to a reduction in force in that agency;

"(C) before the removal occurred, the appointee successfully completed the probationary period established under section 3393(d) of this title; and

"(D) the appointee applies for that vacant position within one year after the Office receives certification regarding that appointee pursuant to section 3595 (b)(3)(B) of this title.

"(2) A career appointee is entitled to appeal to the Merit Systems Protection Board under section 7701 of this title any determination by the agency that the appointee is not qualified for a position for which the appointee applies under paragraph (1) of this subsection.".

(c) Section 3393 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) A career appointee may not be removed from the Senior Executive Service or civil service except in accordance with the applicable provisions of sections 1207, 3592, 3595, 7532, or 7543 of this title.".

(d)(1) Section 7542 of title 5, United States Code, is amended by inserting "or 3595" after "3592".

(2) Section 7543(a) of title 5, United States Code, is amended by striking out "such cause" and all that follows down through the period and inserting in lieu thereof "misconduct, neglect of duty, or malfeasance.".

Effective date.
5 USC 3595 note.

(e)(1) Subject to paragraph (2), the amendments made by this section shall be effective as of June 1, 1981.

(2)(A) Except as provided in subparagraph (B), the amendments made by this section shall apply to any career appointee removed from the civil service after May 31, 1981, and before the date of the enactment of this section if, not later than 14 days after such date of enactment, application therefor is made to the Office of Personnel Management and to the head of the agency in which the appointee was employed.

(B) The provisions of section 3595(a), as added by subsection (a)(1), shall take effect on the date of the enactment of this Act.

(3) The effectiveness of the amendments made by this section shall be subject to section 415(b) of the Civil Service Reform Act of 1978 (5 U.S.C. 3131 note) to the same extent and manner as the amendments made by title IV of that Act.

5 USC 2101a.

VOLUNTARY STATE INCOME TAX WITHHOLDING FOR ANNUITANTS

SEC. 1705. (a) Section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(k)(1) The Office shall, in accordance with this subsection, enter into an agreement with any State within 120 days of a request for agreement from the proper State official. The agreement shall provide that the Office shall withhold State income tax in the case of the monthly annuity of any annuitant who voluntarily requests, in writing, such withholding. The amounts withheld during any calendar quarter shall be held in the Fund and disbursed to the States during the month following that calendar quarter.

"(2) An annuitant may have in effect at any time only one request for withholding under this subsection, and an annuitant may not have more than two such requests in effect during any one calendar year.

"(3) Subject to paragraph (2) of this subsection, an annuitant may change the State designated by that annuitant for purposes of having withholdings made, and may request that the withholdings be remitted in accordance with such change. An annuitant also may revoke any request of that annuitant for withholding. Any change in the State designated or revocation is effective on the first day of the month after the month in which the request or the revocation is processed by the Office, but in no event later than on the first day of the second month beginning after the day on which such request or revocation is received by the Office.

"(4) This subsection does not give the consent of the United States to the application of a statute which imposes more burdensome requirements on the United States than on employers generally, or which subjects the United States or any annuitant to a penalty or liability because of this subsection. The Office may not accept pay from a State for services performed in withholding State income taxes from annuities. Any amount erroneously withheld from an annuity and paid to a State by the Office shall be repaid by the State in accordance with regulations issued by the Office.

"(5) For the purpose of this subsection, 'State' means a State, the District of Columbia, or any territory or possession of the United States.". "State."

(b) The amendment made by subsection (a) shall take effect October 1, 1981. Effective date. 5 USC 8345 note.

(c) The Civil Service Retirement and Disability Fund is available for expenses incurred by the Office of Personnel Management in the initial implementation of the amendments made by this section. 5 USC 8345 note.

Subtitle B—Savings Under the Postal Service Program

AUTHORIZATIONS FOR PUBLIC SERVICE APPROPRIATIONS

SEC. 1721. Section 2401(b)(1) of title 39, United States Code, is amended—

(1) in subparagraph (D), by striking out "an amount equal to 7 percent of such sum for fiscal year 1971" and inserting in lieu thereof "$250,000,000";

(2) in subparagraph (E), by striking out "an amount equal to 6 percent of such sum for fiscal year 1971" and inserting in lieu thereof "$100,000,000"; and

(3) in subparagraph (F), by striking out "an amount equal to 5 percent of such sum for fiscal year 1971" and inserting in lieu thereof "no funds are authorized to be appropriated".

CONTINUATION OF SIX-DAY MAIL DELIVERY

SEC. 1722. During fiscal years 1982 through 1984, the Postal Service shall take no action to reduce or to plan to reduce the number of days each week for regular mail delivery. 39 USC 403 note.

REDUCTION OF AUTHORIZATION FOR REVENUE FOREGONE

SEC. 1723. (a) Notwithstanding section 2401(c) of title 39, United States Code, the amount authorized to be appropriated under such section shall not exceed— 39 USC 2401 note.

(1) $696,000,000 for fiscal year 1982;

(2) $708,000,000 for fiscal year 1983; or

(3) $760,000,000 for fiscal year 1984.

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(b)(1) If during any of the fiscal years 1982 through 1984, the amount which would have been authorized to be appropriated under section 2401(c) of title 39, United States Code, if this section were not enacted exceeds the amount authorized to be appropriated by subsection (a) of this section for that fiscal year, the rates for the class of mail under former sections 4452(b) and 4452(c) of such title shall be adjusted (in the same manner as rates are adjusted under section 3627 of such title) so that the increased revenues received from the users of such class of mail will equal the amount of such difference. During such fiscal years, adjustments in rates under such section 3627 as a result of a failure of appropriations (as described by that section) may be made under section 3627 only to the extent permitted under paragraph (2) of this subsection.

(2) If during any of the fiscal years 1982 through 1984 the Congress fails to appropriate the maximum amount authorized by subsection (a) of this section for purposes of section 2401(c) of title 39, United States Code, then rates for any class of mail sent at a free or reduced rate under section 3217 or section 3626 of such title 39, under the Federal Voting Assistance Act of 1955, or under the Overseas Citizens Voting Rights Act of 1975, may be adjusted during such fiscal year in accordance with section 3627 of title 39, United States Code, in order to provide for additional revenues equal to the difference between (A) the maximum amount authorized to be appropriated for such fiscal year by subsection (a) of this section, and (B) any lesser amount actually appropriated for such fiscal year for purposes of section 2401(c) of title 39, United States Code.

50 USC 1451 note.
42 USC 1973dd note.

REDUCTION OF TRANSITIONAL APPROPRIATIONS

39 USC 2004 note.

SEC. 1724. (a) Notwithstanding the authorization contained in section 2004 of title 39, United States Code, no sums are authorized to be appropriated to the Fund for the purposes of such section during fiscal years 1982 through 1984. During fiscal year 1985, there are authorized to be appropriated to the Fund such amounts as may be necessary to carry out such section during such fiscal year, together with such amounts as would have been available to the Fund for fiscal years 1982 through 1984 were this section not enacted.

(b) From amounts available to the Postal Service from the Fund, during fiscal years 1982 through 1984 the Postal Service shall meet the transitional expenses referred to under section 2004 of title 39, United States Code, to the same extent as the Postal Service would have met such expenses were subsection (a) of this section not enacted.

QUARTERLY PAYMENTS OF APPROPRIATIONS TO THE POSTAL SERVICE FUND

SEC. 1725. Section 2003(e) of title 39, United States Code, is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end thereof the following:

"(2) Funds appropriated to the Postal Service under sections 2401 and 2004 of this title shall be apportioned as provided in this paragraph. From the total amounts appropriated to the Postal Service for any fiscal year under the authorizations contained in sections 2401 and 2004 of this title, the Secretary of the Treasury shall make available to the Postal Service 25 percent of such amount at the beginning of each quarter of such fiscal year.".

PROHIBITION OF 9-DIGIT ZIP CODE

SEC. 1726. (a) The Postal Service shall not implement any ZIP code system using more than 5 digits before October 1, 1983. This subsection shall not be construed as precluding the Postal Service or the Postal Rate Commission from taking such actions as may be required before October 1, 1983, to prepare for the implementation of such a ZIP code system. 39 USC 403 note.

(b) During the period beginning on the date of the enactment of this Act and ending December 31, 1982, no Executive agency shall take any action to conform its mailing procedures to those appropriate for use under any ZIP code system using more than 5 digits. As used in this subsection, the term "Executive agency" has the same meaning given such term by section 105 of title 5, United States Code. "Executive agency."

EFFECTIVE DATE

SEC. 1727. The provisions of this subtitle (other than section 1726 and this section) shall take effect on October 1, 1981. The provisions of sections 1726 and this section shall take effect on the date of the enactment of this Act. 39 USC 2003 note.

Subtitle C—Governmental Affairs Generally

CHAPTER 1—CONSULTANTS AND TRAVEL

REDUCTION IN EXPENDITURES FOR CONSULTANTS

SEC. 1731. (a) The President shall submit with the Budget of the United States Government transmitted by the President under section 201(a) of the Budget and Accounting Act, 1921, in January, 1982, a rescission bill (as that term is defined in section 1011(3) of the Impoundment Control Act of 1974) to reduce by the amount described in subsection (b) the total amount of funds appropriated for the fiscal year 1982 which may be obligated for consultant services, management and professional services, and special studies and analyses for all departments, agencies, and instrumentalities of the executive branch of the Government. Such bill shall be accompanied by a special message specifying the matters required by paragraphs (1) through (5) of section 1012(a) of the Impoundment Control Act of 1974 with respect to the rescission proposal and shall specifically allocate the reduction in such total amount required by the preceding sentence among the departments, agencies, and instrumentalities of the executive branch. 31 USC 11. 31 USC 1401. 31 USC 1402.

(b) The amount of the reduction referred to in subsection (a) shall be $500,000,000 less the difference between—

(1) the amounts which can be identified for the consultant services, management and professional services, and special studies and analyses referred to in subsection (a) in the Budget of the United States Government for the fiscal year 1982 which was transmitted by the President on January 15, 1981, under section 201(a) of the Budget and Accounting Act, 1921, and

(2) the amounts appropriated for the fiscal year 1982 for such purposes,

to the extent that the amounts described in paragraph (1) exceed the amounts described in paragraph (2). The special message required by subsection (a) shall identify the amounts in appropriations Acts and

the amounts in the Budget of the United States Government on the basis of which the reduction described in this subsection is calculated.

REDUCTION IN EXPENDITURES FOR TRAVEL BY FEDERAL EMPLOYEES

31 USC 11.

31 USC 1401.

31 USC 1402.

SEC. 1732. (a) The President shall submit with the Budget of the United States Government transmitted by the President under section 201(a) of the Budget and Accounting Act, 1921, in January, 1982, a rescission bill (as that term is defined in section 1011(3) of the Impoundment Control Act of 1974) to reduce by the amount described in subsection (b) the total amount of funds appropriated for the fiscal year 1982 which may be obligated for direct administrative travel for all departments, agencies, and instrumentalities of the executive branch of the Government. Such bill shall be accompanied by a special message specifying the matters required by paragraphs (1) through (5) of section 1012(a) of the Impoundment Control Act of 1974 with respect to the rescission proposal and shall specifically allocate the reduction in such total amount required by the preceding sentence among the departments, agencies, and instrumentalities of the executive branch. In making such allocation, the President shall not—

(1) propose the reduction of any amounts to be obligated for debt collection, supervision of loans, necessary and essential law enforcement activities, or emergency national defense activities of the Federal Government; or

(2) propose the reduction of the total amount which may be obligated by any department, agency, or instrumentality for direct administrative travel for officers and employees of such department, agency, or instrumentality by more than 15 percent of the amount proposed thereof in such budget.

(b) The amount of the reduction referred to in subsection (a) shall be $100,000,000 less the difference between—

(1) the amounts which can be identified for the direct administrative travel referred to in subsection (a) in the Budget of the United States Government for the fiscal year 1982 which was transmitted by the President on January 15, 1981, under section 201(a) of the Budget and Accounting Act, 1921, and

(2) the amounts appropriated for the fiscal year 1982 for such purposes,

to the extent that the amounts described in paragraph (1) exceed the amounts described in paragraph (2). The special message required by subsection (a) shall identify the amounts in the appropriations Acts and the amounts in the Budget of the United States Government on the basis of which the reduction described in this subsection is calculated.

CHAPTER 2—BLOCK GRANT FUNDS

DISTRIBUTION OF BLOCK GRANT FUNDS

31 USC 1243 note.

SEC. 1741. (a) To help assure that (1) block grant funds are allocated for programs of special importance to meet the needs of local governments, their residents, and other eligible entities, and (2) all eligible urban and rural local governments, their residents, and other eligible entities are treated fairly in the distribution of such funds, each State which receives block grant funds under this Act shall comply with the requirements of this chapter, to the extent that such funds may be used at the discretion of the State, as described in subsection (b)(1)(B).

(b) For purposes of this chapter—

(1) block grant funds are funds which are received for a program—

(A) which provides for the direct allocation of funds to States only, except for the allocation of funds for use by the Federal agency administering the program; and

(B) which provides funds that may be used at the discretion of the State, in whole or in part, for the purpose of continuing to support activities funded, immediately before the date of the enactment of this Act, under programs the authorizations of which are discontinued by this Act and which were funded, immediately before such date of the enactment, by Federal Government allocations to units of local government or other eligible entities, or both; and

(2) "State" includes the District of Columbia and any territory or possession of the United States. "State."

REPORTS ON PROPOSED USE OF FUNDS; PUBLIC HEARINGS

SEC. 1742. (a) Each State shall prepare a report on the proposed use of block grant funds received by that State, including (1) a statement of goals and objectives, (2) information on the types of activities to be supported, geographic areas to be served, and categories or characteristics of individuals to be served, and (3) the criteria and method established for the distribution of the funds, including details on how the distribution of funds will be targeted on the basis of need to achieve the purposes of the block grant funds. Beginning in the fiscal year 1983, the report required by this subsection shall include a description of how the State has met the goals, objectives, and needs in the use of funds for the previous fiscal year as identified in the report prepared pursuant to this subsection for that previous fiscal year. 31 USC 1243 note.

(b) The report prepared by a State pursuant to subsection (a), and any changes in such report, shall be made public within the State on a timely basis and in such manner as to facilitate comments from interested local governments and persons.

(c) No State may receive block grant funds for any fiscal year until the State has conducted a public hearing, after adequate public notice, on the use and distribution of the funds proposed by the State as set forth in the report prepared pursuant to subsection (a) with respect to that fiscal year.

TRANSITION PROVISION

SEC. 1743. (a) In the fiscal year 1982 only, each State shall certify to the responsible Federal agency that it is in compliance with section 1742 and that it is prepared to use all or part of available block grant funds. Such certifications shall be submitted to the responsible Federal agency prior to the beginning of the first quarter of the fiscal year 1982 or at least 30 days before the beginning of any other quarter of that fiscal year. For purposes of this section, the quarters for the fiscal year 1982 shall commence on October 1, January 1, April 1, and July 1 of the fiscal year 1982. 31 USC 1243 note.

(b) Except as otherwise provided in this Act, until such time as the responsible Federal agency receives a certification from a State pursuant to subsection (a), such agency shall distribute the block grant funds involved for programs to which the funds relate and

which are discontinued by this Act as referred to in section 1741(b)(1)(B).

ACCESS TO RECORDS BY COMPTROLLER GENERAL

31 USC 1243 note.

SEC. 1744. For the purpose of evaluating and reviewing the use of block grant funds, consolidated assistance, or other grant programs established or provided for by this Act, the Comptroller General shall have access to any books, accounts, records, correspondence, or other documents that are related to such funds, assistance, or programs, and that are in the possession, custody, or control of States, political subdivisions thereof, or any of the grantees of such States or political subdivisions.

STATE AUDITING REQUIREMENTS

31 USC 1243 note.

SEC. 1745. (a) Each State shall conduct financial and compliance audits of any block grant funds which the State receives under this Act and any funds which the State receives under any consolidated assistance program established or provided for by this Act.

(b) Any audit required by subsection (a) shall be conducted with respect to the 2-year period beginning on October 1, 1981, and with respect to each 2-year period thereafter.

(c) Any audit required by subsection (a) shall, insofar as is practicable, be conducted in accordance with standards established by the Comptroller General for the audit of governmental organizations, programs, activities, and functions.

(d) The audit of funds by a State required by subsection (a) shall be conducted in lieu of any other financial and compliance audit of the same funds which the State is required to conduct under any other provision of this Act, unless such other provision, by explicit reference to this section, otherwise provides.

TITLE XVIII—WATER RESOURCE DEVELOPMENT AND ECONOMIC DEVELOPMENT PROGRAMS

Subtitle A—Water Projects

PART 1—WATER POLLUTION CONTROL

33 USC 1287.

SEC. 1801. (a) Section 207 of the Federal Water Pollution Control Act is amended by striking out "September 30, 1981, and September 30, 1982, not to exceed $5,000,000,000 per fiscal year." and inserting in lieu thereof "not to exceed $5,000,000,000; for the fiscal year ending September 30, 1981, not to exceed $2,548,837,000; and for the fiscal year ending September 30, 1982, not to exceed $0, unless there is enacted legislation establishing an allotment formula for fiscal year 1982 construction grant funds and otherwise reforming the municipal sewage treatment construction grant program under this title, in which case the authorization for fiscal year 1982 shall be an amount not to exceed $2,400,000,000.".

Appropriation authorization.
33 USC 1285 note.
33 USC 1285.

(b) There is authorized to be appropriated to the Administrator of the Environmental Protection Agency for the fiscal year ending September 30, 1982, not to exceed $40,000,000 to carry out section 205(g) of the Federal Water Pollution Control Act. The Administrator shall make such authorization available to the States in accordance with such section 205(g) in the same manner and to the same extent

as would be the case if $2,000,000,000 had been authorized under section 207 of such Act, using the same allotment table as was applicable to the fiscal year ending September 30, 1981. 33 USC 1287.

PART 2—RIVER AND HARBOR, FLOOD CONTROL, AND RELATED PROJECTS

SEC. 1805. Notwithstanding any other provision of law, the total amount authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers, for construction of river and harbor, flood control, shore protection, and related authorized projects (other than the project for the Mississippi River and tributaries) and detailed studies, and plans and specifications, of projects authorized or made eligible for selection by law, shall not exceed $1,546,755,000 for the fiscal year ending September 30, 1982; $1,688,948,000 for the fiscal year ending September 30, 1983; and $1,575,750,000 for the fiscal year ending September 30, 1984. Appropriation authorization. 33 USC 540 note.

SEC. 1806. Notwithstanding any other provision of law, there shall not be appropriated to the Secretary of Defense for special recreational user fees programs of the Corps of Engineers in excess of $5,000,000 for the fiscal year ending September 30, 1981; in excess of $5,200,000 for the fiscal year ending September 30, 1982; in excess of $6,000,000 for the fiscal year ending September 30, 1983; or in excess of $6,000,000 for the fiscal year ending September 30, 1984. 16 USC 460*l*-6a note.

SEC. 1807. (a) Subject to enactment of legislation establishing a National Board on Water Resources Policy, there is hereby authorized to be appropriated to such Board for the purposes of coordination of water resources policy and water resources planning grants to the States the sum of $12,500,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984. Upon establishment of a National Board on Water Resources Policy, all unobligated funds of the Water Resources Council, established by the Water Resources Planning Act, are transferred to such National Board. Funds, transfer.

(b) No funds are authorized to be appropriated to the Secretary of the Interior for the purposes of water resources research and development, saline water research, development and demonstration, and associated activities in excess of $23,650,000 per fiscal year for each of the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984. Limitation. 42 USC 7874 note.

PART 3—TVA PROJECT

SEC. 1811. No amount shall be authorized to be appropriated for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, to the Tennessee Valley Authority to carry out the North Alabama Coal Gasification Project at Murphy Hill, Alabama. The Tennessee Valley Authority shall provide for the repayment out of its proceeds from the project with interest at the rate established in accordance with section 15d(e) of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831n-4(e)) of all Federal funds invested in the North Alabama Coal Gasification Project at Murphy Hill, Alabama. North Alabama Coal Gasification Project.

Subtitle B—Economic Development Programs

PART 1—PUBLIC WORKS AND ECONOMIC DEVELOPMENT

Appropriation authorization.

42 USC 3135.

SEC. 1821. (a) The Public Works and Economic Development Act of 1965 (42 U.S.C. 3121 et seq.) is amended as follows:

(1) Section 105 is amended by striking out "September 30, 1981, and September 30, 1982." at the end of the first sentence and inserting in lieu thereof "and September 30, 1981, and not to exceed $150,000,000 for the fiscal year ending September 30, 1982.".

42 USC 3141.

(2) Section 201(c) is amended by striking out "September 30, 1981, and September 30, 1982." at the end thereof and inserting in lieu thereof "and September 30, 1981, and not to exceed $46,500,000 for the fiscal year ending September 30, 1982.".

42 USC 3144.

(3) Section 204(c) is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981.".

42 USC 3152.

(4) Section 303(a) is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981, and not to exceed $35,500,000 for the fiscal year ending September 30, 1982.".

42 USC 3153.

(5) The first sentence of section 304(a) is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

42 USC 3171.

(6) Section 403(g) is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

42 USC 3172.

(7) Section 404 is amended by striking out "September 30, 1981, and September 30, 1982," and inserting in lieu thereof "and September 30, 1981,".

42 USC 3181.

(8) Effective September 30, 1981, title V is repealed.

42 USC 3219.

(9) Section 709 is amended by inserting ", except that there are hereby authorized to be appropriated to carry out those provisions of the Act for which specific authority for appropriations is not otherwise provided in this Act not to exceed $25,000,000 for the fiscal year ending September 30, 1982" before the period at the end of the first sentence.

42 USC 3236.

(10) Title VIII is amended by striking out section 806.

42 USC 3245.

(11) Section 905 is amended by striking out "September 30, 1981, and September 30, 1982." and inserting in lieu thereof "and September 30, 1981, and not to exceed $33,000,000 for the fiscal year ending September 30, 1982.".

42 USC 3246g.

(12) Section 1007 is amended by striking out "September 30, 1982." and inserting in lieu thereof "September 30, 1981.".

42 USC 3219 note.

(b) The total of all authorizations to carry out the Public Works and Economic Development Act of 1965 for the fiscal year 1982 shall not exceed $290,000,000 and in the obligation of such sum the Secretary shall approve projects in accordance with such Act as follows: (1) highest priority to those projects for which applications have been authorized to be filed as of the date of enactment of this section; (2) next priority to those projects for which preapplications or project profiles have been authorized to be filed as of the date of enactment of this section; and (3) thereafter other projects. The Secretary shall ensure that only technically approvable projects under these priorities will be funded, and that no new projects are approved which cannot be completed with funds obligated in fiscal year 1982.

PART 2—APPALACHIAN REGIONAL DEVELOPMENT

SEC. 1822. (a) The Appalachian Regional Development Act of 1965 is amended as follows:

(1) Section 105(b) is amended by striking out "$3,350,000 for the fiscal year ending September 30, 1982 (of such amount not to exceed $550,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff)." and inserting in lieu thereof "$2,900,000 for the fiscal year ending September 30, 1982 (of such amount not to exceed $400,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff).". 40 USC app. 105.

(2) Section 201(g) is amended by striking out "and $215,000,000 for fiscal year 1982" and inserting in lieu thereof "and $165,000,000 for fiscal year 1982". 40 USC app. 201.

(3) Section 401 is amended by striking out "$140,000,000 for the fiscal year ending September 30, 1982." and inserting in lieu thereof "$50,000,000 for the fiscal year ending September 30, 1982.". 40 USC app. 401.

(4) Section 401 is amended by adding at the end thereof the following: "No part of the sums authorized in this section for the fiscal year ending September 30, 1982, shall be obligated for any project unless such project was undertaken with funds obligated in a previous fiscal year or is a capital project which was originally approved for funding in fiscal year 1981 and can be started and completed with funds authorized for fiscal year 1982."

TITLE XIX—SMALL BUSINESS

Small Business Budget Reconciliation and Loan Consolidation/Improvement Act of 1981.

SEC. 1901. This title may be cited as the "Small Business Budget Reconciliation and Loan Consolidation/Improvement Act of 1981".

SEC. 1902. Subsection (a) of section 7 of the Small Business Act is amended to read as follows: 15 USC 631 note.

"(a) The Administration is empowered to the extent and in such amounts as provided in advance in appropriation Acts to make loans for plant acquisition, construction, conversion, or expansion, including the acquisition of land, material, supplies, equipment, and working capital, and to make loans to any qualified small business concern, including those owned by qualified Indian tribes, for purposes of this Act. Such financings may be made either directly or in cooperation with banks or other financial institutions through agreements to participate on an immediate or deferred (guaranteed) basis. These powers shall be subject, however, to the following restrictions, limitations, and provisions: 15 USC 636. Loan authority limitations.

"(1) No financial assistance shall be extended pursuant to this subsection if the applicant can obtain credit elsewhere. No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no direct financing may be made unless it is shown that a participation is not available.

"(2) In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration, except as provided in paragraph (6), shall be:

"(A) not less than 90 per centum of the balance of the financing outstanding at the time of disbursement if such financing does not exceed $100,000; and

"(B) subject to the limitation in paragraph (3)—

"(i) not less than 70 per centum nor more than 90 per centum of the financing outstanding at the time of disbursement if such financing exceeds $100,000 but is less than $714,285, and

"(ii) less than 70 per centum of the financing outstanding at the time of disbursement if such financing exceeds $714,285;

Provided, That the Administration shall not use the per centum of guarantee requested as a criterion to establish priorities in approving guarantee requests nor shall the Administration reduce the per centum guaranteed to less than 90 per centum pursuant to subparagraph (B) other than by a determination made on each application.

"(3) No loan under this subsection shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower from the business loan and investment fund established by this Act would exceed $500,000: *Provided,* That no such loan made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate basis shall exceed $350,000.

"(4) The rate of interest on financings made on a deferred basis shall be legal and reasonable but shall not exceed a rate prescribed by the Administration, and the rate of interest for the Administration's share of any direct or immediate participation loan shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans and adjusted to the nearest one-eighth of 1 per centum, and an additional amount as determined by the Administration, but not to exceed 1 per centum per annum: *Provided,* That for those loans to assist any public or private organization for the handicapped or to assist any handicapped individual as provided in paragraph (10) of this subsection, the interest rate shall be 3 per centum per annum.

"(5) No such loans including renewals and extensions thereof may be made for a period or periods exceeding twenty-five years, except that such portion of a loan made for the purpose of acquiring real property or constructing, converting, or expanding facilities may have a maturity of twenty-five years plus such additional period as is estimated may be required to complete such construction, conversion, or expansion.

"(6) All loans made under this subsection shall be of such sound value or so secured as reasonably to assure repayment: *Provided, however,* That—

"(A) for loans to assist any public or private organization or to assist any handicapped individual as provided in paragraph (10) of this subsection any reasonable doubt shall be resolved in favor of the applicant;

"(B) recognizing that greater risk may be associated with loans for energy measures as provided in paragraph (12) of this subsection, factors in determining 'sound value' shall include, but not be limited to, quality of the product or service; technical qualifications of the applicant or his employees; sales projections; and the financial status of the business concern: *Provided further,* That such status need

not be as sound as that required for general loans under this subsection; and

"(C) the Administration shall not decline to participate in a loan on a deferred basis under this subsection solely because such loan will be used to refinance all or any part of the existing indebtedness of a small business concern, unless the Administration determines that—

"(i) the holder of such existing indebtedness is in a position likely to sustain a loss if such refinancing is not provided, and

"(ii) if the Administration provides such refinancing through an agreement to participate on a deferred basis, it will be in a position likely to sustain part or all of any loss which would have otherwise been sustained by the holder of the original indebtedness: *Provided further,* That the Administration may decline to approve such refinancing if it determines that the loan will not benefit the small business concern.

On that portion of the loan used to refinance existing indebtedness held by a bank or other lending institution, the Administration shall limit the amount of deferred participation to 80 per centum of the amount of the loan at the time of disbursement: *Provided further,* That any authority conferred by this subparagraph on the Administration shall be exercised solely by the Administration and shall not be delegated to other than Administration personnel.

"(7) The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern.

"(8)(A) Any loan made under the authority of this subsection by the Administration in cooperation with a bank or other lending institution through an agreement to participate on a deferred basis, may, upon the concurrence of the Administration, borrower and such bank or institution, have the term of such loan extended or such loan refinanced with an extension of its term: *Provided,* That the aggregate term of such extended or refinanced loan does not exceed the term permitted pursuant to paragraph (5): *And provided further,* That such extended loans, or refinancings shall be repaid in equal installments of principal and interest.

"(B) An additional service fee not exceeding 1 per centum of the outstanding amount of the principal may be paid by the borrower to the lender in consideration for such lender extending the term or refinancing of such borrower's indebtedness if such extension or refinancing results in the term of such indebtedness exceeding ten years.

"(C) The authority provided in this paragraph shall not be construed to otherwise limit the authority of the Administration to set terms and conditions of the loan.

"(9) The Administration may provide loans under this subsection to finance residential or commerical construction or rehabilitation for sale: *Provided, however,* That such loans shall not be used primarily for the acquisition of land.

"(10) The Administration may provide loans under this subsection to assist any public or private organization for the handicapped or to assist any handicapped individual in establishing, acquiring, or operating a small business concern.

"(11) The Administration may provide loans under this subsection to any small business concern, or to any qualified person seeking to establish such a concern when it determines that such loan will further the policies established in section 2(c) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals.

15 USC 631.

"(12) The Administration may provide loans under this subsection to assist any small business concern, including start up, to enable such concern to design architecturally or engineer, manufacture, distribute, market, install, or service energy measures: *Provided, however,* That such loan proceeds shall not be used primarily for research and development.

"(13) The Administration may provide financings under this subsection to State and local development companies for the purposes of, and subject to the restrictions in, title V of the Small Business Investment Act of 1958.

15 USC 695.

"(14) The Administration under this subsection may provide extensions and revolving lines of credit for export purposes to enable small business concerns to develop foreign markets and for preexport financing: *Provided, however,* That no such extension or revolving line of credit may be made for a period or periods exceeding eighteen months. A bank or participating lending institution may establish the rate of interest on extensions and revolving lines of credit as may be legal and reasonable.

"(15)(A) The Administration may guarantee loans under this subsection to qualified employee trusts with respect to a small business concern for the purpose of purchasing stock of the concern under a plan approved by the Administrator which, when carried out, results in the qualified employee trust owning at least 51 per centum of the stock of the concern.

"(B) The plan requiring the Administrator's approval under subparagraph (A) shall be submitted to the Administration by the trustee of such trust with its application for the guarantee. Such plan shall include an agreement with the Administrator which is binding on such trust and on the small business concern and which provides that—

"(i) not later than the date the loan guaranteed under subparagraph (A) is repaid (or as soon thereafter as is consistent with the requirements of section 401(a) of the Internal Revenue Code of 1954), at least 51 per centum of the total stock of such concern shall be allocated to the accounts of at least 51 per centum of the employees of such concern who are entitled to share in such allocation,

26 USC 401.

"(ii) there will be periodic reviews of the role in the management of such concern of employees to whose accounts stock is allocated, and

"(iii) there will be adequate management to assure management expertise and continuity.

"(C) In determining whether to guarantee any loan under this paragraph, the individual business experience or personal assets of employee-owners shall not be used as criteria, except inasmuch as certain employee-owners may assume managerial responsibilities, in which case business experience may be considered.

"(D) For purposes of this paragraph, a corporation which is controlled by any other person shall be treated as a small business concern if such corporation would, after the plan described in subparagraph (B) is carried out, be treated as a small business concern.

"(E) The Administration shall compile a separate list of applications for assistance under this paragraph, indicating which applications were accepted and which were denied, and shall report periodically to the Congress on the status of employee-owned firms assisted by the Administration.". Report to Congress.

SEC. 1903. Section 3 of the Small Business Act is amended by adding thereto the following subsections: Definitions. 15 USC 632.

"(d) For purposes of section 7 of this Act, the term 'qualified Indian tribe' means an Indian tribe as defined in section 4(a) of the Indian Self-Determination and Education Assistance Act, which owns and controls 100 per centum of a small business concern. 15 USC 636. 25 USC 450b.

"(e) For purposes of section 7 of this Act, the term 'public or private organization for the handicapped' means one—

"(1) which is organized under the laws of the United States or of any State, operated in the interest of handicapped individuals, the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

"(2) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

"(3) which, in the production of commodities and in the provision of services during any fiscal year in which it received financial assistance under this subsection, employs handicapped individuals for not less than 75 per centum of the man-hours required for the production or provision of the commodities or services.

"(f) For purposes of section 7 of this Act, the term 'handicapped individual' means a person who has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable.

"(g) For purposes of section 7 of this Act, the term 'energy measures' includes—

"(1) solar thermal energy equipment which is either of the active type based upon mechanically forced energy transfer or of the passive type based on convective, conductive, or radiant energy transfer or some combination of these types;

"(2) photovoltaic cells and related equipment;

"(3) a product or service the primary purpose of which is conservation of energy through devices or techniques which increase the energy efficiency of existing equipment, methods of operation, or systems which use fossil fuels, and which is on the Energy Conservation Measures list of the Secretary of Energy or which the Administrator determines to be consistent with the intent of this subsection;

"(4) equipment the primary purpose of which is production of energy from wood, biological waste, grain, or other biomass source of energy;

"(5) equipment the primary purpose of which is industrial cogeneration of energy, district heating, or production of energy from industrial waste;

"(6) hydroelectric power equipment;

"(7) wind energy conversion equipment; and

"(8) engineering, architectural, consulting, or other professional services which are necessary or appropriate to aid citizens in using any of the measures described in paragraph (1) through (7).

"(h) For purposes of this Act, the term 'credit elsewhere' means the availability of credit from non-Federal sources on reasonable terms and conditions taking into consideration the prevailing rates and terms in the community in or near where the concern transacts business, or the homeowner resides, for similar purposes and periods of time.

15 USC 636.

"(i) For purposes of section 7 of this Act, the term 'homeowners' includes owners and lessees of residential property and also includes personal property.".

Report to congressional committees.
15 USC 639.

SEC. 1904. Section 10(b) of the Small Business Act is amended by striking out "subsection" and all that follows and by inserting in lieu thereof, "this Act. Such report shall provide such information separately on each type of loan made under paragraphs (10) through (15) of section 7(a) and separately for all other loan programs. In addition, the information on loans shall be supplied on a monthly basis to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives.".

15 USC 631 note.

SEC. 1905. Section 20 of the Small Business Act is amended by striking out all after subsection (j) and inserting the following:

Loan program expenditure levels.

"(k) The following program levels are authorized for fiscal year 1982:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $195,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $10,000,000 in loans as provided in paragraph (12).

15 USC 697.

"(2) For the programs authorized by 7(a) of this Act, and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,140,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $17,000,000 in loans as provided in paragraph (12), and $250,000,000 in loans as proivded in paragraph (13) and guarantees of debentures as proivded in section 503.

15 USC 681.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $35,000,000 in direct purchase of debentures and preferred securities and to make $160,000,000 in guarantees of debentures.

15 USC 694a.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,400,000,000.

15 USC 636.

"(5) For the program authorized by section 7(b)(3) of this Act, the Administration shall not enter into any loans, guarantees, or other obligations or commitments.

15 USC 694-1, 694-2.

"(6) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $250,000,000.

"(7) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7 (b)(2) of this Act; and there are authorized to

be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(l) There are authorized to be appropriated to the Administration for fiscal year 1982, $623,000,000. Of such sum, $362,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (k), paragraphs (1) through (3); $30,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $227,000,000 shall be available for salaries and expenses of the Administration of which amount—

Appropriation authorization.

15 USC 694c.

15 USC 694.

"(1) $12,526,000 shall be available for procurement and technical assistance; of which amount not less than $2,318,000 shall be available for technical assistance, and of this amount not less than $903,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $175,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small business.

"(2) $26,638,000 shall be available for management assistance of which amount not less than $1,214,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $8,000,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,420,000 shall be used to employ at least sixty-nine staff people for the office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than $1,400,000 shall be used to develop an external small business data bank and small business index; not less than $1,350,000 shall be used for research; and not less than $1,000,000 shall be used to pay for development and maintenance of an indicative small business data base comprised of names and addresses and related information.

15 USC 634a.

"(4) $30,250,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $13,655,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

15 USC 636.

"(5) $10,546,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, and to the installation of terminals in Administration field offices.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for carrying out the provisions and purposes of the small business development center program in section 21.

15 USC 648.

Funds, transfer.

"(m) The Administrator may transfer no more than 10 per centum of each of the total levels for salaries and expenses authorized in paragraphs (1) through (5) of section 20(l) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 per centum by any such transfers.

Ante, p. 772.

Program expenditure levels.

"(n) The following program levels are authorized for fiscal year 1983:

Ante, p. 767.

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $195,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $10,000,000 in loans as provided in paragraph (12).

15 USC 697.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,140,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $17,000,000 in loans as provided in paragraph (12), and $350,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

15 USC 681.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $35,000,000 in direct purchases of debentures and preferred securities and to make $160,000,000 in guarantees of debentures.

15 USC 694a.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,400,000,000.

"(5) For the program authorized by section 7(b)(3) of this Act, the Administration shall not enter into any loans, guarantees, or other obligations or commitments.

15 USC 694-1, 694-2.

"(6) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $250,000,000.

"(7) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

Appropriation authorization.

"(o) There are authorized to be appropriated to the Administration for fiscal year 1983, $675,000,000. Of such sum, $408,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (n), paragraphs (1) through (3); $30,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $233,000,000 shall be available for salaries and expenses of the Administration of which amount—

15 USC 694c.

15 USC 694.

"(1) $12,526,000 shall be available for procurement and technical assistance; of which amount not less than $2,318,000 shall be available for technical assistance, and of this amount not less than $903,000 shall be used to pay for the continued development

of a procurement automated source system, and not less than $175,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small business.

"(2) $29,638,000 shall be available for management assistance of which amount not less than $1,214,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $8,000,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,420,000 shall be used to employ at least sixty-nine staff people for the office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than $1,400,000 shall be used to develop an external small business data bank and small business index; not less than $1,350,000 shall be used for research; and not less than $1,000,000 shall be used to pay for development and maintenance of an indicative small business data base comprised of names and addresses and related information.

15 USC 634a.

"(4) $30,250,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $13,655,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

15 USC 636.

"(5) $10,546,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, and to the installation of terminals in Administration field offices.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for carrying out the provisions and purposes of the Small business development center program in section 21.

15 USC 648.

"(p) The Administrator may transfer no more than 10 per centum of each of the total levels for salaries and expenses authorized in paragraphs (1) through (5) of section 20(o) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 per centum by any such transfers.

Funds, transfer.

Ante, p. 772.

"(q) The following program levels are authorized for fiscal year 1984:

Loan program expenditure levels.

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $195,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), $45,000,000 in loans as provided in paragraph (11), and $10,000,000 in loans as provided in paragraph (12).

Ante, p. 767.

"(2) For the programs authorized by 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,140,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as

15 USC 697.

provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $17,000,000 in loans as provided in paragraph (12), and $350,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

15 USC 697.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $35,000,000 in direct purchases of debentures and preferred securities and to make $160,000,000 in guarantees of debentures.

15 USC 681.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,400,000,000.

15 USC 694a.

"(5) For the program authorized by section 7(b)(3) of this Act, the Administration shall not enter into any loans, guarantees, or other obligations or commitments.

15 USC 636.

"(6) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $250,000,000.

15 USC 694-1, 694-2.

"(7) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

Appropriation authorization.

"(r) There are authorized to be appropriated to the Administration for fiscal year 1984, $804,000,000. Of such sum, $531,000,000 shall be available for the purpose of carrying out the programs referred to in subsection (q), paragraphs (1) through (3); $30,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; $4,000,000 shall be available for the purpose of carrying out the provisions of section 403 of the Small Business Investment Act of 1958; and $239,000,000 shall be available for salaries and expenses of the Administration of which amount—

15 USC 694c.

15 USC 694.

"(1) $12,526,000 shall be available for procurement and technical assistance; of which amount not less than $2,318,000 shall be available for technical assistance, and of this amount not less than $903,000 shall be used to pay for the continued development of a procurement automated source system, and not less than $175,000 shall be used to develop and maintain technology assistance centers which shall have direct or indirect access to a minimum of thirty technology data banks to define the technology problems or needs of small businesses by searching technology data banks or other sources to locate, obtain and interpret the appropriate technology for such small business.

"(2) $32,138,000 shall be available for management assistance of which amount not less than $1,214,000 shall be used to sustain the small business export development program and to employ not less than seventeen staff people for the Office of International Trade, ten of whom shall serve as export development specialists with each of the Administration's regional offices being assigned one such specialist.

"(3) $8,000,000 shall be available for economic research and analysis and advocacy, of which amount not less than $2,420,000 shall be used to employ at least sixty-nine staff people for the office of the Chief Counsel for Advocacy to carry out research and those functions prescribed by Public Law 94-305; not less than

15 USC 634a.

$1,400,000 shall be used to develop an external small business data bank and small business index; not less than $1,350,000 shall be used for research; and not less than $1,000,000 shall be used to pay for development and maintenance of an indicative small business data base comprised of names and addresses and related information.

"(4) $30,250,000 shall be available for the Office of Minority Small Business and Capital Ownership Development, $13,655,000 of which shall be used to carry out those functions, including administrative expenses, prescribed by section 7(j) of this Act.

"(5) $10,546,000 shall be available for program evaluation and data management with priority given to the development of an automated internal Administration management data base, to the enhancement of the Administration's document tracking system, and to the installation of terminals in Administration field offices.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for carrying out the provisions and purposes of the small business development center program in section 21.

15 USC 648.

"(s) The Administrator may transfer no more than 10 per centum of each of the total levels for salaries and expenses authorized in paragraphs (1) through (5) of section 20(r) of this Act: *Provided, however,* That no level authorized in such paragraphs may be increased more than 20 per centum by any such transfers.".

Funds, transfer.

Ante, p. 772.
15 USC 631 note.

SEC. 1906. Section 20(h) of the Small Business Act is hereby amended by striking from paragraph (9) the figure "$110,000,000" and by inserting "$180,000,000".

15 USC 631 note.

SEC. 1907. Not later than February 28, 1984, and February 28, 1985, the Small Business Administration shall submit to the Committee on Small Business of the Senate and the Committee on Small Business of the House of Representatives, a report which shall contain—

Report to congressional committees.
15 USC 636 note.

(1) with respect to section 7(a)(5) of the Small Business Act—

Ante, p. 767.

(A) the aggregate number, dollar value, and default rate of all loans (other than for the acquisition of real property or for construction) having a maturity not in excess of ten years, and the aggregate number, dollar value, and default rate of all loans made for the purpose of acquiring real property or for construction having a maturity of between ten years and twenty years plus such additional period as is estimated may be required to complete such construction; and

(B) the aggregate number, dollar value, and default rate of all loans (other than for the acquisition of real property or for construction) made since the effective date of this section, having a maturity in excess of ten years, and the aggregate number, dollar value, and default rate of all loans made for the purpose of acquiring real property or for construction made since the effective date of this section, having a maturity in excess of twenty years plus such additional period as is estimated may be required to complete such construction;

(2) with respect to section 7(a)(8)(A) of the Small Business Act—

(A) the aggregate number, dollar value, and default rate of loans extended or refinanced pursuant to such section; and

(B) the average term of loans before such extension or refinancing and the average term of such loans after such extension or refinancing; and

Ante, p. 767.

(3) with respect to section 7(a)(6)(C) of the Small Business Act, the aggregate number, dollar value, and default rate of all loans refinanced pursuant to such provision.

15 USC 633.

SEC. 1908. Section 4(c)(1)(B) of the Small Business Act is amended by deleting "7(e), 7(h), 7(i), 7(l),".

15 USC 696.

SEC. 1909. Section 502 of the Small Business Investment Act of 1958 is amended by striking paragraphs (1) and (5) and by renumbering paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

Ante, p. 767.

SEC. 1910. Sections 7(a)(6)(C) and 7(a)(8) of the Small Business Act as enacted herein are repealed October 1, 1985.

Disaster loans.
15 USC 636.

SEC. 1911. Sections 7(b)(1) and 7(b)(2) of the Small Business Act are amended to read as follows:

"(b) The Administration also is empowered to the extent and in such amounts as provided in advance in appropriation Acts—

"(1)(A) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis) as the Administration may determine to be necessary or appropriate to repair, rehabilitate or replace property, real or personal, damaged or destroyed by or as a result of floods, riots or civil disorders, or other catastrophes: *Provided*, That such damage or destruction is not compensated for by insurance or otherwise;

"(B) to refinance any mortgage or other lien against a totally destroyed or substantially damaged home or business concern: *Provided*, That no loan or guarantee shall be extended unless the Administration finds that (i) the applicant is not able to obtain credit elsewhere; (ii) such property is to be repaired, rehabilitated, or replaced; (iii) the amount refinanced shall not exceed the amount of physical loss sustained; and (iv) such amount shall be reduced to the extent such mortgage or lien is satisfied by insurance or otherwise;

"(2) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis) as the Administration may determine to be necessary or appropriate to any small business concern located in an area affected by a disaster, if the Administration determines that the concern has suffered a substantial economic injury as a result of such disaster and if such disaster constitutes—

"(A) a major disaster, as determined by the President under the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855–1855g); or

"(B) a natural disaster, as determined by the Secretary of Agriculture pursuant to the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961); or

"(C) a disaster, as determined by the Administrator of the Small Business Administration; or

"(D) if no disaster declaration has been issued pursuant to subparagraph (A), (B), or (C), the Governor of a State in which a disaster has occurred may certify to the Small Business Administration that small business concerns (1) have suffered economic injury as a result of such disaster, and (2) are in need of financial assistance which is not

available on reasonable terms in the disaster stricken area. Upon receipt of such certification, the Administration may then make such loans as would have been available under this paragraph if a disaster declaration had been issued.

Provided, That no loan or guarantee shall be extended pursuant to this paragraph (2) unless the Administration finds that the applicant is not able to obtain credit elsewhere.

Interest rates on Federal loans. 15 USC 636.

SEC. 1912. Section 7(c) of the Small Business Act is amended by adding the following:

"(4) Notwithstanding the provisions of any other law, the interest rate on the Federal share of any loan made under subsection (b) shall be—

"(A) in the case of a homeowner unable to secure credit elsewhere, the rate prescribed by the Administration but not more than one-half the rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans plus an additional charge of not to exceed 1 per centum per annum as determined by the Administrator, and adjusted to the nearest one-eighth of 1 per centum but not to exceed 8 per centum per annum;

"(B) in the case of a homeowner able to secure credit elsewhere, the rate prescribed by the Administration but not more than the rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans plus an additional charge of not to exceed 1 per centum per annum as determined by the Administrator, and adjusted to the nearest one-eighth of 1 per centum;

"(C) in the case of a business concern unable to obtain credit elsewhere, not to exceed 8 per centum per annum;

"(D) in the case of a business concern able to obtain credit elsewhere, the rate prescribed by the Administration but not in excess of the rate prevailing in private market for similar loans and not more than the rate prescribed by the Administration as the maximum interest rate for deferred participation (guaranteed) loans under section 7(a) of this Act. Loans under this subparagraph shall be limited to a maximum term of three years.

Such loans, subject to the reductions required by subparagraphs (A) and (B) of paragraph (1), shall be in amounts equal to 100 percent of loss if the applicant is a homeowner and 85 percent of loss if the applicant is a business or otherwise. The interest rates for loans made under paragraphs (1) and (2), as determined pursuant to this paragraph (4), shall be the rate of interest which is in effect on the date the disaster commenced: *Provided,* That no loan under paragraphs (1) and (2) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis, if the total amount outstanding and committed to the borrower under this subsection would exceed $500,000 for each disaster unless an applicant constitutes a major source of employment in an area suffering a disaster, in which

case the Administration, in its discretion, may waive the $500,000 limitation.".

Disaster loans.
15 USC 636.

SEC. 1913. (a) Section 7(b) of the Small Business Act is amended by striking out paragraphs (3) through (9) and inserting in lieu thereof the following:

"(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in effecting additions to, alterations in, or reestablishment in the same or a new location of its plant, facilities, or methods of operation made necessary by direct action of the Federal Government or as a consequence of Federal Government action or to meet requirements or restrictions imposed on such concern under any Federal law heretofore or hereafter enacted or any State law enacted in conformity therewith, or any regulation or order of a duly authorized Federal, State, regional, or local agency issued in conformity with such Federal law, if the Administration determines that such concern is likely to suffer substantial economic injury or be unable to market a product without assistance under this paragraph: *Provided,* That the maximum loan made to any small business concern under this paragraph shall not exceed $500,000 and the amount thereof shall be based solely on a determination made on each application: *Provided further,* That no loan or guarantee shall be extended unless the Administration finds that the applicant is unable to obtain credit elsewhere.";

15 USC 633.

(b) Section 4(c)(1) of the Small Business Act is amended by striking all of subparagraph (A) after "7(b)(3)," and by inserting in lieu thereof "and 7(c)(2) of this Act; and".

15 USC 636.

(c) Section 7(g) of the Small Business Act is hereby repealed.

SEC. 1914. Section 7(c)(3) of the Small Business Act is amended by striking "to October 1, 1983" and by inserting "the effective date of this Act".

SEC. 1915. Section 4(c)(5)(B)(ii) of the Small Business Act is amended by striking all of the first sentence after "are made" and by inserting "from amounts appropriated for the disaster loan fund after October 1, 1980 or are made from repayments of principal of loans made from funds appropriated to the disaster loan fund, or from amounts appropriated to the business loan and investment fund on or after October 1, 1981 or are made from repayments of principal of loans made from funds appropriated to the business loan and investment fund and received on or after October 1, 1981.".

15 USC 636 note.

SEC. 1916. (a) Notwithstanding section 5(b)(6) of the Small Business Act, or any other provision of law, any business concern applicant for assistance made pursuant to paragraph (1), (2), or (4) of subsection 7(b) of the Small Business Act whose application was received but not approved by the Small Business Administration on or before March 19, 1981, shall be offered loan assistance by the Small Business Administration as provided in this section.

(b) The Small Business Administration is specifically directed to reconsider and act upon any such application and to make, remake, obligate, reobligate, commit or recommit such financing as provided herein.

(c) If the applicant was a business concern able to obtain credit elsewhere, the terms and conditions shall be those specified in section 7(b)(3) of the Small Business Act; but if the Administrator determines that imposition of these provisions would impose a

substantial hardship on the applicant, he may, in his discretion on a case-by-case basis waive these provisions and provide assistance in accord with rules and regulations in effect for the date the disaster commenced for applicants able to secure credit elsewhere. If the applicant was a business concern unable to obtain credit elsewhere, or was an applicant under sections 7(b)(2) or 7(b)(4) of the Small Business Act, the terms and conditions shall be those in effect for such applicants on the date such application was first received. As used herein, the term "credit elsewhere" shall have the meaning prescribed by the Small Business Act as amended herein.

Ante, p. 778.

SEC. 1917. Section 231 of the Disaster Relief Act is hereby repealed.

Repeal.
15 USC 636a.

SEC. 1918. Sections 1908, 1909, and 1913 of this title shall be effective October 1, 1981, and section 1910 of this title shall be effective as provided therein. All other provisions of this title shall be effective immediately but shall not affect any financing made, obligated, or committed under the Small Business Act or the Small Business Investment Act of 1958 prior to the effective date hereof.

Effective dates.
15 USC 631 note.

15 USC 631 note, 661 note.

TITLE XX—VETERANS' PROGRAMS

BURIAL BENEFITS

SEC. 2001. (a)(1) Section 902(a) of title 38, United States Code, is amended by striking out "Where a veteran dies—" and clauses (1) and (2) and inserting in lieu thereof "When a veteran dies who was in receipt of compensation (or but for the receipt of retirement pay would have been entitled to compensation) or in receipt of pension,".

(2) The amendment made by paragraph (1) shall take effect with respect to deaths occurring after September 30, 1981.

Effective date.
38 USC 902 note.

(b) Section 903(b) of such title is amended by inserting "who was discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty, or who is a veteran of any war" after "such subsection,".

OUTPATIENT DENTAL TREATMENT

SEC. 2002. (a) Section 612(b) of title 38, United States Code, is amended—

(1) in clause (2)—

(A) by striking out "and (B)" after "service" and inserting in lieu thereof a comma and the following: "(B) if the veteran had served not less than 180 days of active military, naval, or air service immediately before such discharge or release, (C)";

(B) by striking out "within one year" both places it appears and inserting in lieu thereof "within 90 days"; and

(C) by striking out the semicolon and inserting in lieu thereof a comma and the following: "and (D) if the veteran's certificate of discharge or release from active duty does not bear a certification that the veteran was provided, within the 90-day period immediately before the date of such discharge or release, a complete dental examination (including dental X-rays) and all appropriate dental services and treatment indicated by the examination to be needed;"; and

(2) by inserting before the second sentence the following: "The Secretary concerned shall at the time a member of the Armed Forces is discharged or released from a period of active military, naval, or air service of not less than 180 days provide to such member

a written explanation of the provisions of clause (2) of this subsection and enter in the service records of the member a statement signed by the member acknowledging receipt of such explanation (or, if the member refuses to sign such statement, a certification from an officer designated for such purpose by the Secretary concerned that the member was provided such explanation).".

Effective date. 38 USC 612 note.

(b)(1) The amendments made by clauses (1)(A), (1)(C), and (2) of subsection (a) shall take effect on October 1, 1981.

(2) The amendment made by clause (1)(B) of subsection (a) shall apply only to veterans discharged or released from active military, naval, or air service after September 30, 1981.

TERMINATION OF EDUCATIONAL ASSISTANCE FOR PURSUIT OF FLIGHT TRAINING

SEC. 2003. (a)(1) Section 1631(c) of title 38, United States Code, is amended by striking out "either" and "or a program of flight training".

(2) Section 1641 of such title is amended to read as follows:

"§ 1641. Requirements

38 USC 1770 *et seq.*

"The provisions of sections 1663, 1670, 1671, 1673, 1674, 1676, 1683, and 1691(a)(1) of this title and the provisions of chapter 36 of this title (with the exception of sections 1777, 1780(c), and 1787) shall be applicable to the program.".

38 USC 1662.

(b)(1) Section 1662(c) of such title is amended by striking out "or flight training within the provisions of section 1677 of this chapter,".

(2) Section 1673(b) of such title is amended by striking out "Except as provided in section 1677 of this title, the" and inserting in lieu thereof "The".

(3)(A) Section 1677 of such title, relating to flight training, is repealed.

(B) The table of sections at the beginning of chapter 34 of such title is amended by striking out the item relating to section 1677.

(4) Section 1681 of such title is amended—

(A) in subsection (b), by striking out "or a program of flight training"; and

(B) by striking out subsection (c) (including the center heading preceding such subsection).

(5) Section 1682(a)(1) of such title is amended by striking out "1677 or".

(c) Section 1780(a) of such title is amended by striking out "or a program of flight training".

REDUCTION IN LEVEL OF EDUCATIONAL ASSISTANCE FOR CORRESPONDENCE COURSES

SEC. 2004. (a) Section 1786(a)(1) of title 38, United States Code, is amended by striking out "70 percent" and inserting in lieu thereof "55 percent".

Effective date. 38 USC 1786 note.

(b) The amendment made by subsection (a) shall not apply to correspondence lessons completed and submitted to the educational institution concerned before October 1, 1981.

EDUCATION LOAN PROGRAM

SEC. 2005. (a) Section 1631 of title 38, United States Code, is amended by striking out subsection (d).

(b) Section 1686 of such title is amended by inserting "to whom section 1662(a)(2) of this title is applicable" after "eligible veteran". 38 USC 1686.

(c) Section 1737 of such title is amended by inserting a comma and "before October 1, 1981," after "shall be entitled".

(d) Section 1798(a) of such title is amended—

(1) by striking out "Each" and inserting in lieu thereof "(1) Subject to paragraph (2) of this subsection, each"; and

(2) by adding at the end the following new paragraph:

"(2) Except in the case of a veteran to whom section 1662(a)(2) of this title is applicable, no loan may be made under this subchapter after September 30, 1981.".

EFFECTIVE DATES WITH RESPECT TO FLIGHT TRAINING

SEC. 2006. (a) Except as provided in subsection (b), the amendments made by sections 2003 and 2005 shall take effect on October 1, 1981. 38 USC 1631 note.

(b) The amendments made by such sections shall not apply to any person receiving educational assistance under section 1677 of title 38, United States Code, as such section was in effect on August 31, 1981, for the pursuit of a program of education (as defined in section 1652(b) of such title) in which such person was enrolled on that date, for as long as such person is continuously thereafter so enrolled and meets the requirements of eligibility for such assistance for the pursuit of such program under the provisions of chapters 34 and 36 of such title, as in effect on that date. *Ante*, p. 782. 38 USC 1651 *et seq.*, 1770 *et seq.*

TITLE XXI—MEDICARE, MEDICAID, AND MATERNAL AND CHILD HEALTH

SHORT TITLE OF SUBTITLES A, B, AND C; TABLE OF CONTENTS OF TITLE

SEC. 2100. Subtitles A, B, and C of this title may be cited as the "Medicare and Medicaid Amendments of 1981". Medicare and Medicaid Amendments of 1981. 42 USC 1305 note.

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Subtitle A—Provisions Relating to Medicare and Medicaid

CHAPTER 1—REIMBURSEMENT CHANGES

PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED HOSPITAL FACILITIES

SEC. 2101. (a) Part C of title XVIII of the Social Security Act is amended by adding at the end the following new section:

"PAYMENTS TO PROMOTE CLOSING AND CONVERSION OF UNDERUTILIZED HOSPITAL FACILITIES

"SEC. 1884. (a) Any hospital may file an application with the Secretary (in such form and including such data and information as the Secretary may require) for establishment of a transitional allowance under this title with respect to the closing or conversion of an underutilized hospital facility. The Secretary also may establish procedures, consistent with this section, by which a hospital, before undergoing an actual closure or conversion of a hospital facility, can have a determination made as to whether or not it will be eligible for a transitional allowance under this section with respect to such closure or conversion. 42 USC 1395uu.

"(b) If the Secretary finds, after consideration of an application under subsection (a), that—

"(1) the hospital's closure or conversion—

"(A) is formally initiated after September 30, 1981,

"(B) is expected to benefit the program under this title by (i) eliminating excess bed capacity, (ii) discontinuing an underutilized service for which there are adequate alternative sources, or (iii) substituting for the underutilized service some other service which is needed in the area, and

"(C) is consistent with the findings of an appropriate health planning agency and with any applicable State program for reduction in the number of hospital beds in the State, and

"(2) in the case of a complete closure of a hospital—

"(A) the hospital is a private nonprofit hospital or a local governmental hospital, and

"(B) the closure is not for replacement of the hospital, the Secretary may include as an allowable cost in the hospital's reasonable cost (for the purpose of making payments to the hospital under this title) an amount (in this section referred to as a 'transitional allowance'), as provided in subsection (c).

"(c)(1) Each transitional allowance established shall be reasonably related to the prior or prospective use of the facility involved under this title and shall recognize—

"(A) in the case of a facility conversion or closure (other than a complete closure of a hospital)—

"(i) in the case of a private nonprofit or local governmental hospital, that portion of the hospital's costs attributable to capital assets of the facility which have been taken into account in determining reasonable cost for purposes of determining the amount of payment to the hospital under this title, and

"(ii) in the case of any hospital, transitional operating cost increases related to the conversion or closure to the extent that such operating costs exceed amounts ordinarily reimbursable under this title; and

"(B) in the case of complete closure of a hospital, the outstanding portion of actual debt obligations previously recognized as reasonable for purposes of reimbursement under this title, less any salvage value of the hospital.

"(2) A transitional allowance shall be for a period (not to exceed 20 years) specified by the Secretary, except that, in the case of a complete closure described in paragraph (1)(B), the Secretary may provide for a lump-sum allowance where the Secretary determines that such a one-time allowance is more efficient and economical.

"(3) A transitional allowance shall take effect on a date established by the Secretary, but not earlier than the date of completion of the closure or conversion concerned.

"(4) A transitional allowance shall not be considered in applying the limits to costs recognized as reasonable pursuant to the third sentence of subparagraph (A) and subparagraph (L)(i) of section 1861(v)(1) of this Act, or in determining whether the reasonable cost exceeds the customary charges for a service for purposes of determining the amount to be paid to a provider pursuant to sections 1814(b) and 1833(a)(2) of this Act.

"(c) A hospital dissatisfied with a determination of the Secretary on its application under this section may obtain an informal or formal hearing, at the discretion of the Secretary, by filing (in such form and within such time period as the Secretary establishes) a request for such a hearing. The Secretary shall make a final determination on such application within 30 days after the last day of such hearing.".

42 USC 1396b.

(2) Section 1903 of such Act is amended by inserting after subsection (d) the following new subsection:

"(e) A State plan approved under this title may include, as a cost with respect to hospital services under the plan under this title, periodic expenditures made to reflect transitional allowances established with respect to a hospital closure or conversion under section 1884.".

Ante, p. 785.

42 USC 1395uu note.

(b)(1) Notwithstanding section 1884(a) of the Social Security Act, the Secretary of Health and Human Services may not establish under such section transitional allowances with respect to more than 50 hospitals prior to January 1, 1984.

Report to Congress.

(2) The Secretary of Health and Human Services shall evaluate the effectiveness of the program of transitional allowances established under section 1884 of the Social Security Act and shall, not later than January 1, 1983, report to the Congress on such evaluation and include in such report such recommendations for such legislative changes as he deems appropriate.

(c) The amendment made by subsection (a) shall apply only to services furnished by a hospital during any accounting year beginning on or after October 1, 1981.

Effective date. 42 USC 1395uu note.

ADJUSTMENT IN PAYMENT FOR INAPPROPRIATE HOSPITAL SERVICES

SEC. 2102. (a)(1) Section 1861(v)(1)(G)(i) of the Social Security Act is amended by striking out "the hospital had (during the immediately preceding calendar year) an average daily occupancy rate of 80 percent or more" and inserting in lieu thereof "there is not an excess of hospital beds in such hospital and (subject to clause (iv)) there is not an excess of hospital beds in the area of such hospital".

42 USC 1395x.

(2) Clause (iv) of section 1861(v)(1)(G) of such Act is amended to read as follows:

"(iv) In determining under clause (i), in the case of a public hospital, whether or not there is an excess of hospital beds in the area of such hospital, such determination shall be made on the basis of only the public hospitals (including the hospital) which are in the area of the hospital and which are under common ownership with that hospital.".

(b)(1) The amendments made by subsection (a) shall apply to services provided on or after the first day of the first month beginning after the date of the enactment of this Act.

Effective date. 42 USC 1395x note.

(2) For amendments respecting reimbursement for inappropriate hospital services under medicaid, see section 2173 of this subtitle.

LIMITATION ON MEDICARE AND MEDICAID PAYMENTS FOR CERTAIN DRUGS

SEC. 2103. (a)(1) Section 1862 of the Social Security Act is amended by inserting after subsection (b) the following new subsection:

42 USC 1395y.

"(c) No payment may be made under part B for any expenses incurred for—

"(1) a drug product—

"(A) which is described in section 107(c)(3) of the Drug Amendments of 1962,

21 USC 321 note.

"(B) which may be dispensed only upon prescription,

"(C) for which the Secretary has issued a notice of an opportunity for a hearing under subsection (e) of section 505 of the Federal Food, Drug, and Cosmetic Act on a proposed order of the Secretary to withdraw approval of an application for such drug product under such section because the Secretary has determined that the drug is less than effective for all conditions of use prescribed, recommended, or suggested in its labeling, and

21 USC 355.

"(D) for which the Secretary has not determined there is a compelling justification for its medical need; and

"(2) any other drug product—

"(A) which is identical, related, or similar (as determined in accordance with section 310.6 of title 21 of the Code of Federal Regulations) to a drug product described in paragraph (1), and

"(B) for which the Secretary has not determined there is a compelling justification for its medical need,

until such time as the Secretary withdraws such proposed order.".

(2) The amendment made by paragraph (1) shall apply with respect to expenses incurred on or after October 1, 1981.

Effective date. 42 USC 1395y note.

42 USC 1396b.

(b)(1) Section 1903(i) of such Act is amended by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; or" and by adding after such paragraph the following new paragraph:

"(5) with respect to any amount expended for any drug product for which payment may not be made under part B of title XVIII because of section 1862(c).".

Ante, p. 787.

Effective date.
42 USC 1396b note.

(2) The amendment made by paragraph (1) shall apply to amounts expended on or after October 1, 1981.

WITHHOLDING OF PAYMENTS FOR CERTAIN MEDICAID PROVIDERS

SEC. 2104. Part C of title XVIII of the Social Security Act is amended by adding after section 1884 (added by section 2101 of this subtitle) the following new section:

"WITHHOLDING OF PAYMENTS FOR CERTAIN MEDICAID PROVIDERS

42 USC 1395vv.

"SEC. 1885. (a) The Secretary may adjust, in accordance with this section, payments under parts A and B to any institution which has in effect an agreement with the Secretary under section 1866, and any person who has accepted payment on the basis of an assignment under section 1842(b)(3)(B)(ii), where such institution or person—

42 USC 1395u.

"(1) has (or previously had) in effect an agreement with a State agency to furnish medical care and services under a State plan approved under title XIX, and

42 USC 1396.

"(2) from which (or from whom) such State agency (A) has been unable to recover overpayments made under the State plan, or (B) has been unable to collect the information necessary to enable it to determine the amount (if any) of the overpayments made to such institution or person under the State plan.

"(b) The Secretary shall by regulation provide procedures for implementation of this section, which procedures shall—

"(1) assure that the authority under this section is exercised only on behalf of a State agency which demonstrates to the Secretary's satisfaction that it has provided adequate notice of a determination or of a need for information, and an opportunity to appeal such determination or to provide such information,

"(2) determine the amount of the payment to which the institution or person would otherwise be entitled under this title which shall be treated as a setoff against overpayments under title XIX, and

"(3) assure the restoration to the institution or person of amounts withheld under this section which are ultimately determined to be in excess of overpayments under title XIX and to which the institution or person would otherwise be entitled under this title.

"(c) Notwithstanding any other provision of this Act, from the trust funds established under sections 1817 and 1841, as appropriate, the Secretary shall pay to the appropriate State agency amounts recovered under this section to offset the State agency's overpayment under title XIX. Such payments shall be accounted for by the State agency as recoveries of overpayments under the State plan.".

42 USC 1395i, 1395t.

CHAPTER 2—OTHER ADMINISTRATIVE CHANGES

CIVIL MONETARY PENALTIES

SEC. 2105. (a) Part A of title XI of the Social Security Act is amended by inserting after section 1128 the following new section:

"CIVIL MONETARY PENALTIES

"SEC. 1128A. (a) Any person (including an organization, agency, or other entity) that presents or causes to be presented to an officer, employee, or agent of the United States, or of any department or agency thereof, or of any State agency (as defined in subsection (h)(1)), a claim (as defined in subsection (h)(2)) that the Secretary determines— 42 USC 1320a-7a.

"(1) is for a medical or other item or service—

"(A) that the person knows or has reason to know was not provided as claimed, or

"(B) payment for which may not be made under the program under which such claim was made, pursuant to a determination by the Secretary under section 1128, 1160(b), 1862(d), or 1866(b)(2), or 94 Stat. 2619.

"(2) is submitted in violation of an agreement between the person and the United States or a State agency, 42 USC 1320a-7, 1320c-9, 1395y, 1395cc.

shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not more than $2,000 for each item or service. In addition, such a person shall be subject to an assessment of not more than twice the amount claimed for each such item or service in lieu of damages sustained by the United States or a State agency because of such claim.

"(b)(1) The Secretary may initiate a proceeding to determine whether to impose a civil money penalty or assessment under subsection (a) only as authorized by the Attorney General pursuant to procedures agreed upon by them.

"(2) The Secretary shall not make a determination adverse to any person under subsection (a) until the person has been given written notice and an opportunity for the determination to be made on the record after a hearing at which the person is entitled to be represented by counsel, to present witnesses, and to cross-examine witnesses against the person. Notice and hearing.

"(c) In determining the amount or scope of any penalty or assessment imposed pursuant to subsection (a), the Secretary shall take into account—

"(1) the nature of claims and the circumstances under which they were presented,

"(2) the degree of culpability, history of prior offenses, and financial condition of the person presenting the claims, and

"(3) such other matters as justice may require.

"(d) Any person adversely affected by a determination of the Secretary under this section may obtain a review of such determination in the United States Court of Appeals for the circuit in which the person resides, or in which the claim was presented, by filing in such court (within sixty days following the date the person is notified of the Secretary's determination) a written petition requesting that the determination be modified or set aside. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the Court the record in the proceeding as provided in section 2112 of title 28, United States Code.

Upon such filing, the court shall have jurisdiction of the proceeding and of the question determined therein, and shall have the power to make and enter upon the pleadings, testimony, and proceedings set forth in such record a decree affirming, modifying, remanding for further consideration, or setting aside, in whole or in part, the determination of the Secretary and enforcing the same to the extent that such order is affirmed or modified. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If any party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be made a part of the record. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and he shall file with the court such modified or new findings, which findings with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive, and his recommendations, if any, for the modification or setting aside of his original order. Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the Supreme Court of the United States, as provided in section 1254 of title 28, United States Code.

"(e) Civil money penalties and assessments imposed under this section may be compromised by the Secretary and may be recovered in a civil action in the name of the United States brought in United States district court for the district where the claim was presented, or where the claimant resides, as determined by the Secretary. Amounts recovered under this section shall be paid to the Secretary and disposed of as follows:

42 USC 1396.

"(1)(A) In the case of amounts recovered arising out of a claim under title XIX, there shall be paid to the State agency an amount equal to the State's share of the amount paid by the State agency for such claim.

42 USC 701.

"(B) In the case of amounts recovered arising out of a claim under an allotment to a State under title V, there shall be paid to the State agency an amount equal to three-sevenths of the amount recovered.

42 USC 1395i, 1395t.

"(2) Such portion of the amounts recovered as is determined to have been paid out of the trust funds under sections 1817 and 1841 shall be repaid to such trust funds.

"(3) The remainder of the amounts recovered shall be deposited as miscellaneous receipts of the Treasury of the United States.

The amount of such penalty or assessment, when finally determined, or the amount agreed upon in compromise, may be deducted from any sum then or later owing by the United States or a State agency to the person against whom the penalty or assessment has been assessed.

"(f) A determination by the Secretary to impose a penalty or assessment under subsection (a) shall be final upon the expiration of the sixty-day period referred to in subsection (d). Matters that were raised or that could have been raised in a hearing before the Secretary or in an appeal pursuant to subsection (d) may not be raised

as a defense to a civil action by the United States to collect a penalty or assessment assessed under this section.

"(g) Whenever the Secretary's determination to impose a penalty or assessment under subsection (a) becomes final, he shall notify the appropriate State or local medical or professional organization, and the appropriate Professional Standards Review Organization, and the appropriate State or local licensing agency or organization (including the agency specified in section 1864(a) and 1902(a)(33)) that such a penalty or assessment has become final and the reasons therefor.

42 USC 1395aa, 1396a.

"(h) For the purposes of this subsection:

Definitions.

"(1) The term 'State agency' means the agency established or designated to administer or supervise the administration of the State plan under title XIX of this Act or designated to administer the State's program under title V of this Act.

42 USC 1396.
42 USC 701.

"(2) The term 'claim' means an application submitted by—

"(A) a provider of services or other person, agency, or organization that furnishes an item or service under title XVIII of this Act, or

42 USC 1395.

"(B) a person, agency, or organization that furnishes an item or service for which medical assistance is provided under title XIX of this Act, or

"(C) a person, agency, or organization that provides an item or service for which payment is made under title V of this Act or from an allotment to a State under such title, to the United States or a State agency, or agent thereof, for payment for health care services under title XVIII or XIX of this Act or for any item or service under title V of this Act.

"(3) The term 'item or service' includes (A) any particular item, device, medical supply, or service claimed to have been provided to a patient and listed in an itemized claim for payment, and (B) in the case of a claim based on costs, any entry in the cost report, books of account or other documents supporting such claim.

"(4) The term 'agency of the United States' includes any contractor acting as a fiscal intermediary, carrier, or fiscal agent or any other claims processing agent for a health insurance or medical services program under title XVIII or XIX of this Act.".

(b) Section 1128 of such Act is amended—

94 Stat. 2619.
42 USC 1320a-7.

(1) by striking out ", for such period as he may deem appropriate," in subsection (a)(1),

(2) by striking out "subsection (a)" in subsection (c) and inserting in lieu thereof "subsection (a) or (b)",

(3) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and

(4) by inserting after subsection (a) the following new subsection:

"(b) Whenever the Secretary makes a final determination to impose a civil money penalty or assessment against a person (including an organization, agency, or other entity) under section 1128A relating to a claim under title XVIII or XIX, the Secretary—

"(1) may bar the person from participation in the program under title XVIII, and

"(2)(A) shall promptly notify each appropriate State agency administering or supervising the administration of a State plan approved under title XIX of the fact and circumstances of such determination, and (except as provided in subparagraph (B)) may require each such agency to bar the person from participation in the program established by such plan for such period as he shall

specify, which in the case of an individual shall be the period established pursuant to paragraph (1), and

"(B) may waive the requirement of subparagraph (A) to bar a person from participation in such program where he receives and approves a request for such waiver with respect to that person from the State agency referred to in that subparagraph.".

42 USC 1396a.

(c) Section 1902(a)(39) of such Act is amended by striking out "individual" and inserting in lieu thereof "person" each place it appears.

TECHNICAL CORRECTIONS FOR ERRORS MADE BY THE MEDICARE AND MEDICAID AMENDMENTS OF 1980

SEC. 2106. (a) Section 1833(a)(2) of the Social Security Act (as amended by section 942 of the Medicare and Medicaid Amendments of 1980, P.L. 96-499) is amended by amending subparagraphs (A) and (B) to read as follows:

94 Stat. 2641.
42 USC 1395*l*.

"(A) with respect to home health services and to items and services described in section 1861(s)(10), the lesser of—

42 USC 1395x.

"(i) the reasonable cost of such services, as determined under section 1861(v), or

"(ii) the customary charges with respect to such services, or, if such services are furnished by a public provider of services free of charge or at nominal charges to the public, the amount determined in accordance with section 1814(b)(2);

42 USC 1395f.

"(B) with respect to other services (except those described in subparagraph (C) of this paragraph)—

"(i) the lesser of—

"(I) the reasonable cost of such services, as determined under section 1861(v), or

"(II) the customary charges with respect to such services,

less the amount a provider may charge as described in clause (ii) of section 1866(a)(2)(A), but in no case may the payment for such other services exceed 80 percent of such reasonable cost, or

42 USC 1395cc.

"(ii) if such services are furnished by a public provider of services free of charge or at nominal charges to the public, 80 percent of the amount determined in accordance with section 1814(b)(2), or

"(iii) if (and for so long as) the conditions described in section 1814(b)(3) are met, the amounts determined under the reimbursement system described in such section; and".

42 USC 1395n.

(b)(1) Section 1835(a)(2) of such Act is amended—

(A) by adding "and" at the end of subparagraph (D), and

(B) by striking out "; and" at the end of subparagraph (E) and inserting in lieu thereof a period.

42 USC 1395q.

(2) The paragraph after section 1838(b) of such Act is amended by striking out "and such notice shall not be considered a disenrollment for the purposes of section 1837(b)".

42 USC 1395p.

42 USC 1396b.

(3) Section 1903(n) of such Act is amended by striking out "of this section" after "section 1866".

Effective date.
42 USC 1395*l* note.

(c) The amendment made by subsection (a) is effective as of December 5, 1980, and the amendment made by subsection (b)(2) is effective as of April 1, 1981.

CHAPTER 3—PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS (PSRO'S)

MAKING DELEGATED REVIEW OPTIONAL

SEC. 2111. Section 1155(e) of the Social Security Act is amended by striking out "shall utilize" and inserting in lieu thereof "may utilize". 42 USC 1320c-4.

ASSESSMENT OF PSRO PERFORMANCE

SEC. 2112. (a)(1) Section 1154 of the Social Security Act is amended by adding at the end the following new subsection: 42 USC 1320c-3.

"(g)(1) The Secretary shall, not later than September 30, 1981, identify and specify those requirements imposed by the Secretary with respect to the performance of Professional Standards Review Organizations which the Secretary will use for the assessment of the performance of such Organizations under this subsection. Such requirements shall include requirements relating to the effectiveness of such Organizations in (A) monitoring the quality of patient care, (B) reducing unnecessary utilization, and (C) managing its activities efficiently.

"(2) Based on such requirements, the Secretary shall assess and determine the relative performance of each of such Organizations designated, conditionally or otherwise, as of September 30, 1981.

"(3) If the Secretary determines that such an Organization has a relatively ineffective or inefficient performance, the Secretary may refuse to renew an agreement with the Organization under this part, except that, in exercising the Secretary's authority under this paragraph in fiscal year 1982, the sum of the number of Organizations with respect to which agreements are not renewed under this paragraph and under any other provision of this Act in the fiscal year may not exceed 30 percent of the number of such Organizations with agreements under this part on May 1, 1981.".

(2)(A) Section 1152(d) of such Act is amended— 42 USC 1320c-1.

(i) by striking out "for a term of 12 months" and inserting in lieu thereof "for a term of not longer than 12 months";

(ii) by striking out "at such time and upon such reasonable notice to the organization as may be prescribed in regulations" and inserting in lieu thereof "upon 90 days notice to the organization"; and

(iii) by striking out "(after providing such organization with an opportunity for a formal hearing on the matter)".

(B) Sections 1152(d) and 1154(d) of such Act are each amended by adding at the end the following sentence: "A termination of an agreement by the Secretary under this subsection shall not be subject to judicial review.".

(C) The amendment made by subparagraph (A)(iii) shall apply to agreements entered into on or after the date of the enactment of this Act. Effective date. 42 USC 1320c-1 note.

(D) The Secretary of Health and Human Services shall, not later than September 30, 1982, report to the Congress on his assessment (under section 1154(g) of the Social Security Act) of the relative performance of Professional Standards Review Organizations and on any determinations made not to renew agreements with such Organizations on the basis of such performance. 42 USC 1320c-3 note.

(b)(1) The first sentence of subsection (b) of section 1154 of such Act is amended— 42 USC 1320c-3.

(A) by striking out "(other than ancillary, ambulatory care, and long-term care services)" and

(B) by striking out "under subsection (f)(2) or subsection (f)(4)" and inserting in lieu thereof "under subsection (f)".

(2) Subsection (f) of such section is amended—

(A) by striking out the parenthetical phrase in paragraph (1);

(B) by striking out paragraphs (2) and (3);

(C) by redesignating paragraph (4) as paragraph (2) and amending it to read as follows:

"(2) Where the Secretary finds that the review of particular health care services is cost-effective or yields other significant benefits, the Secretary may require Professional Standards Review Organizations (either generally or under such conditions and circumstances as the Secretary may specify) to review such services under this part."; and

(D) by striking out the parenthetical phrase in paragraph (5) and redesignating such paragraph as paragraph (3).

OPTIONAL USE OF PSRO'S UNDER STATE MEDICAID PLANS

42 USC 1320c.

SEC. 2113. (a) Section 1151 of the Social Security Act is amended—

(1) by striking out "under this Act" and inserting in lieu thereof "under title XVIII of this Act"; and

(2) by striking out "the Social Security Act" and inserting in lieu thereof "title XVIII of this Act".

42 USC 1320c-1.

(b) Section 1152(e) of such Act is amended by inserting "title XVIII of" before "this Act" each place it appears.

42 USC 1320c-3.

(c) Section 1152 of such Act is amended by striking out subsection (h), and section 1154 of such Act is amended by striking out subsection (e).

42 USC 1320c-4.

(d)(1) Section 1155(a) of such Act is amended by inserting "title XVIII of" before "this Act" each place it appears in paragraphs (1) and (2).

(2) Section 1155(a)(1) of such Act is amended by adding after and below subparagraph (C) the following new sentence:

"Each agreement with an Organization under this part shall require the Organization, if requested by a State with a plan approved under title XIX, to enter into a contract with the State, for the performance of review functions in the case of health care services and items provided under such State plan under terms and conditions similar to those contained in the agreement between the Organization and the Secretary under this part.".

(3) Section 1155(a) of such Act is amended by striking out paragraph (7).

(4) Section 1155(e)(1) of such Act is amended by striking out ", or intermediate care facility, as defined in section 1905(c)" and "or intermediate care facility".

42 USC 1320c-7.

(e)(1) Section 1158(a) of such Act is amended by striking out "under any title of this Act (other than title V)" and inserting in lieu thereof "under title XVIII" and by striking out "or any program established pursuant thereto".

(2) Section 1158(c) of such Act is amended—

(A) by striking out "(subject to sections 1159, 1171(a)(1), and 1171(d)(3)) for purposes of payment under this Act" and inserting in lieu thereof "(subject to section 1159) for purposes of payment under title XVIII"; and

(B) by striking out ", or single State agencies" and all that follows through "under title XIX".

(3) Section 1158(d) of such Act is amended by striking out "or section 1902(h)". 42 USC 1320c-7.

(f) Section 1159(a) of such Act is amended by striking out "under this Act (other than title V)" and inserting in lieu thereof "under title XVIII". 42 USC 1320c-8.

(g)(1) Section 1160(a)(1) of such Act is amended by striking out "under this Act" the first place it appears and inserting in lieu thereof "under title XVIII (or under a State plan approved under title XIX, where the services furnished by the person are subject to review under a contract between the State and an Organization under section 1155(a))", and by striking out "under this Act" the second place it appears and inserting in lieu thereof "under such title (or such State plan)". 42 USC 1320c-9.

(2) Section 1160(b)(1) of such Act is amended by striking out "under this Act" and inserting in lieu thereof "under title XVIII".

(h) Section 1162(e)(1) of such Act is amended by striking out "any program established by or pursuant to this Act" and inserting in lieu thereof "title XVIII". 42 USC 1320c-11.

(i) Section 1164 of such Act is repealed. Repeal.

(j) Section 1168 of such Act is amended— 42 USC 1320c-13.

(1) by inserting "and" at the end of paragraph (a); 42 USC 1320c-17.

(2) by striking out "and" at the end of paragraph (b);

(3) by striking out paragraph (c) and redesignating paragraphs (a) and (b) as paragraphs (1) and (2), respectively;

(4) by striking out "subsections (a), (b), and (c)" and inserting in lieu thereof "paragraphs (1) and (2)";

(5) by amending the second sentence to read as follows: "The Secretary shall make such transfers of moneys between such funds as may be appropriate to settle accounts between them."; and

(6) by striking out the second parenthetical phrase in the third sentence.

(k) Section 1171 of such Act is repealed. Repeal.

(l) Section 1172(4) of such Act is amended by striking out "V, XI, XVIII, and XIX" and inserting in lieu thereof "XI and XVIII". 42 USC 1320c-20.

(m) Section 1902 of such Act is amended by inserting after subsection (c) the following new subsection: 42 USC 1320c-21. 42 USC 1396a.

"(d) If a State contracts with a Professional Standards Review Organization designated, conditionally or otherwise, under part B of title XI for the performance of medical or utilization review functions required under this title of a State plan with respect to specific services or providers (or services or providers in a geographic area of the State), such requirements shall be deemed to be met for those services or providers (or services or providers in that area) by delegation to such Organization (or Organizations) under the contract of the State's authority to conduct such review activities if the contract provides for the performance of activities not inconsistent with part B of title XI and provides for such assurances of satisfactory performance by such Organization (or Organizations) as the Secretary may prescribe.". 42 USC 1320c.

(n) Section 1903(a)(3) of such Act is amended— 42 USC 1396b.

(1) by striking out "plus" at the end of subparagraph (B) and inserting in lieu thereof "and", and

(2) by adding after subparagraph (B) the following new subparagraph:

"(C) 75 per centum of the sums expended with respect to costs incurred during such quarter (as found necessary by the Secretary for the proper and efficient administration of

the State plan) as are attributable to the performance of medical and utilization review by a Professional Standards Review Organization under a contract entered into under section 1902(d); plus".

Ante, p. 795.

Effective date. 42 USC 1320c note.

(o) The amendments made by this section apply to agreements with Professional Standards Review Organizations entered into on or after October 1, 1981.

SECRETARIAL DETERMINATION IN LIEU OF PSRO CERTIFICATION

42 USC 1395x.

SEC. 2114. Section 1861(v)(1)(G)(i) of the Social Security Act is amended by striking out "an organization or agency with review responsibility as is otherwise provided for under part A of title XI" and inserting in lieu thereof "the Secretary or such agent as the Secretary may designate".

Subtitle B—Provisions Relating to Medicare

CHAPTER 1—CHANGES IN SERVICES AND BENEFITS

ELIMINATION OF PART A COVERAGE OF ALCOHOL DETOXIFICATION FACILITY SERVICES

42 USC 1395d.

SEC. 2121. (a) Section 1812(a) of the Social Security Act is amended—

(1) by inserting "and" at the end of paragraph (2),

(2) by striking out "; and" at the end of paragraph (3) and inserting in lieu thereof a period, and

(3) by striking out paragraph (4).

42 USC 1395f.

(b) Section 1814(a)(2) of such Act is amended—

(1) by inserting "or" at the end of subparagraph (D),

(2) by striking out "or" at the end of subparagraph (E), and

(3) by striking out subparagraph (F).

42 USC 1395x.

(c) Section 1861(u) of such Act is amended by striking out "detoxification facility,".

(d) Subsection (bb) of section 1861 of such Act is repealed.

42 USC 1320c-3.

(e) The first sentence of section 1154(b) of such Act is amended by striking out "and to review of alcohol detoxification facility services".

42 USC 1320c-4.

(f) Section 1155 of such Act is amended by striking out subsection (i).

42 USC 1320c-7.

(g) Section 1158 of such Act is amended—

(1) by striking out "subsections (d) and (e)" in subsection (a) and inserting in lieu thereof "subsection (d)", and

(2) by striking out subsection (e).

42 USC 1395*ll* note.

(h) Section 931 of the Medicare and Medicaid Amendments of 1980 (P.L. 96-499; 94 Stat. 2634) is amended by striking out subsection (f) (relating to a study of medicare coverage of certain additional detoxification-related services).

Effective date. 42 USC 1320c-3 note.

(i) The amendments made by this section (other than by subsection (h)) shall apply to services furnished in detoxification facilities for inpatient stays beginning on or after the tenth day after the date of the enactment of this Act.

ELIMINATION OF OCCUPATIONAL THERAPY AS A BASIS FOR INITIAL ENTITLEMENT TO HOME HEALTH SERVICES

42 USC 1395f, 1395n.

SEC. 2122. (a)(1) Sections 1814(a)(2)(D) and 1835(a)(2)(A) of the Social Security Act are each amended by striking out "needed skilled

nursing care on an intermittent basis, or physical, occupational, or speech therapy" and inserting in lieu thereof "needs or needed skilled nursing care on an intermittent basis or physical or speech therapy or, in the case of an individual who has been furnished home health services based on such a need and who no longer has such a need for such care or therapy, continues or continued to need occupational therapy".

(b) The amendments made by this section shall apply to services furnished pursuant to plans of treatment implemented after the third month beginning after the date of the enactment of this Act.

Effective date. 42 USC 1395f note.

CHAPTER 2—CHANGES IN COINSURANCE, DEDUCTIBLES, AND COPAYMENTS

MAKING PART A COINSURANCE CURRENT WITH THE YEAR IN WHICH SERVICES FURNISHED

SEC. 2131. (a) The first sentence of section 1813(b)(2) of the Social Security Act is amended by striking out "any spell of illness beginning" and inserting in lieu thereof "any inpatient hospital services or post-hospital extended care services furnished".

42 USC 1395e.

(b) The amendment made by subsection (a) is effective for inpatient hospital services or post-hospital extended care services furnished on or after January 1, 1982.

Effective date. 42 USC 1395e note.

MAKING PART A COINSURANCE AND DEDUCTIBLE MORE CURRENT

SEC. 2132. (a) Section 1813(b)(2) of the Social Security Act is amended by striking out "$40" and inserting in lieu thereof "$45".

(b) The amendment made by subsection (a) shall apply to inpatient hospital services and post-hospital extended care services furnished in calendar years beginning with calendar year 1982.

42 USC 1395e note.

ELIMINATION OF CARRYOVER FROM PREVIOUS YEAR OF INCURRED EXPENSES FOR MEETING THE PART B DEDUCTIBLE

SEC. 2133. (a) The first sentence of section 1833(b) of the Social Security Act is amended by striking out "the amount of the deductible for such calendar year" and all that follows through "(2)", and by redesignating clauses (3) and (4) as clauses (2) and (3), respectively.

42 USC 1395*l*.

(b) The amendments made by subsection (a) first apply to the deductible for calendar year 1982 with respect to expenses incurred on or after October 1, 1981.

Effective date. 42 USC 1395*l* note.

INCREASE IN PART B DEDUCTIBLE

SEC. 2134. (a) Section 1833(b) of the Social Security Act is amended by striking out "$60" and inserting in lieu thereof "$75".

(b) The amendment made by subsection (a) shall take effect on January 1, 1982, and shall apply to the deductible for calendar years beginning with 1982.

Effective date. 42 USC 1395*l* note.

CHAPTER 3—REIMBURSEMENT CHANGES

LIMITATION ON ROUTINE NURSING DIFFERENTIAL

SEC. 2141. (a) Section 1861(v)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

42 USC 1395x.

"(J) Such regulations shall provide that an inpatient routine nursing salary cost differential shall be allowable as a reimbursable cost of hospitals, at a rate not to exceed 5 percent, to be applied under the same methodology used for the nursing salary cost differential for the month of April 1981.".

Study.

(b) The Comptroller General shall conduct a study to determine the extent (if any) to which the average cost of efficiently providing routine inpatient nursing care to individuals entitled to benefits under title XVIII of the Social Security Act exceeds the average cost of providing such care to other patients. The Comptroller General shall submit a final report with respect to the results of such study to the Congress within six months after the date of the enactment of this Act.

42 USC 1395.

Effective date.
42 USC 1395x note.

(c)(1) Subject to paragraph (2), the amendment made by subsection (a) shall apply to cost reporting periods ending after September 30, 1981.

(2) In the case of a cost reporting period beginning before October 1, 1981, any reduction in payments resulting from the amendment made by subsection (a) shall be imposed only in proportion to the part of the period that occurs after September 30, 1981.

LIMITATION ON REASONABLE COST AND REASONABLE CHARGE FOR OUTPATIENT SERVICES

Regulations.
42 USC 1395x.

SEC. 2142. (a) Section 1861(v)(1) of the Social Security Act is further amended by adding after subparagraph (J) (added by section 2141 of this subtitle) the following new subparagraph:

"(K) The Secretary shall issue regulations that provide, to the extent feasible, for the establishment of limitations on the amount of any costs or charges that shall be considered reasonable with respect to services provided on an outpatient basis by hospitals (other than bona fide emergency services provided in an emergency room) or clinics (other than rural health clinics), which are reimbursed on a cost basis or on the basis of cost related charges, and by physicians utilizing such outpatient facilities. Such limitations shall be reasonably related to the charges in the same area for similar services provided in physicians' offices. Such regulations shall provide for exceptions to such limitations in cases where similar services are not generally available in physicians' offices in the area to individuals entitled to benefits under this title.".

42 USC 1395u.

(b) Section 1842(b)(3) of such Act is amended by adding at the end thereof the following new sentence: "The amount of any charges for outpatient services which shall be considered reasonable shall be subject to the limitations established by regulations issued by the Secretary pursuant to section 1861(v)(1)(K).".

LIMITS ON REIMBURSEMENT TO HOSPITALS

Supra.

SEC. 2143. (a) Section 1861(v)(1) of the Social Security Act is further amended by adding after subparagraph (K) (added by section 2142 of this subtitle) the following new subparagraph:

"(L) The Secretary, in determining the amount of the payments that may be made under this title with respect to routine operating costs for the provision of general inpatient hospital services, may not recognize as reasonable (in the efficient delivery of health services) routine operating costs for the provision of general inpatient hospital services by a hospital to the extent these costs exceed 108 percent of the mean of such routine operating costs per diem for hospitals, or, in

the judgment of the Secretary, such lower percentage or such comparable or lower limit as the Secretary may determine. The Secretary may provide for such exemptions and exceptions to such limitation as he deems appropriate.".

(b)(1) Subject to paragraph (2), the amendment made by subsection (a) shall apply to costs reporting periods ending after September 30, 1981.

Effective date. 42 USC 1395x note.

(2) In the case of a cost reporting period beginning before October 1, 1981, any reduction in payments resulting from the amendment made by subsection (a) shall be imposed only in proportion to the part of the period that occurs after September 30, 1981.

LIMITS ON REIMBURSEMENT TO HOME HEALTH AGENCIES

SEC. 2144. (a) Subparagraph (L) of section 1861(v)(1) of the Social Security Act (added by section 2143 of this subtitle) is amended by inserting "(i)" after "(L)" and by adding at the end the following new clause:

42 USC 1395x.

"(ii) The Secretary, in determining the amount of the payments that may be made under this title with respect to services furnished by home health agencies, may not recognize as reasonable (in the efficient delivery of such services) costs for the provision of such services by an agency to the extent these costs exceed (on the aggregate for the agency) the 75th percentile of such costs per visit for home health agencies, or, in the judgment of the Secretary, such lower percentile or such comparable or lower limit (based on or related to the mean of the costs of such agencies or otherwise) as the Secretary may determine. The Secretary may provide for such exemptions and exceptions to such limitation as he deems appropriate.".

(b)(1) Subject to paragraph (2), the amendment made by subsection (a) shall apply to cost reporting periods ending after September 30, 1981.

Effective date. 42 USC 1395x note.

(2) In the case of a cost reporting period beginning before October 1, 1981, any reduction in payments resulting from the amendment made by subsection (a) shall be imposed only in proportion to the part of the period that occurs after September 30, 1981.

INCENTIVE REIMBURSEMENT RATE FOR RENAL DIALYSIS SERVICES

SEC. 2145. (a) Section 1881(b) of the Social Security Act is amended—

42 USC 1395rr.

(1) by inserting "and consistent with any regulations promulgated under paragraph (7)" in paragraph (2)(B) after "section 1861(v))";

(2) by striking out the second sentence of paragraph (2)(B);

(3) by inserting "(which effectively encourages the efficient delivery of dialysis services and provides incentives for the increased use of home dialysis)" in paragraph (3)(B) after "or other basis";

(4) by inserting "or on the basis of a method established under paragraph (7)" before the period at the end of paragraph (4);

(5) by inserting "(except as may be provided in regulations under paragraph (7))" in the second sentence of paragraph (6) after "in no event" and by striking out "70 percent" in such sentence and inserting in lieu thereof "75 percent";

(6) by inserting "(including methods established under paragraph (7))" in the fifth sentence of paragraph (6) after "any other procedure";

(7) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(8) by inserting after paragraph (6) the following new paragraph:

"(7) The Secretary shall provide by regulation for a method (or methods) for determining prospectively the amounts of payments to be made for dialysis services furnished by providers of services and renal dialysis facilities to individuals in a facility and to such individuals at home. Such method (or methods) shall provide for the prospective determination of a rate (or rates) for each mode of care based on a single composite weighted formula (which takes into account the mix of patients who receive dialysis services at a facility or at home and the relative costs of providing such services in such settings) for hospital-based facilities and such a single composite weighted formula for other renal dialysis facilities, or based on such other method or combination of methods which differentiate between hospital-based facilities and other renal dialysis facilities and which the Secretary determines, after detailed analysis, will more effectively encourage the more efficient delivery of dialysis services and will provide greater incentives for increased use of home dialysis than through the single composite weighted formulas. The Secretary shall provide for such exceptions to such methods as may be warranted by unusual circumstances (including the special circumstances of sole facilities located in isolated, rural areas). The Secretary may provide that such method will serve in lieu of any target reimbursement rate that would otherwise be established under paragraph (6).".

Effective date. 42 USC 1395rr note.

(b) The amendments made by subsection (a) apply to services furnished on or after October 1, 1981, and the Secretary of Health and Human Services shall first promulgate regulations to carry out section 1881(b)(7) of the Social Security Act not later than October 1, 1981.

Supra.

MEDICARE PAYMENTS SECONDARY IN CASES OF END STAGE RENAL DISEASE SERVICES COVERED UNDER CERTAIN GROUP HEALTH POLICIES

42 USC 1395y.

SEC. 2146. (a) Section 1862(b) of the Social Security Act is amended by inserting "(1)" after "(b)" and by adding at the end thereof the following new paragraph:

"(2)(A) In the case of an individual who is entitled to benefits under part A or is eligible to enroll under part B solely by reason of section 226A, payment under this title may not be made, except as provided in subparagraph (B), with respect to any item or service furnished during the period described in subparagraph (C) to the extent that payment with respect to expenses for such item or service (i) has been made under any group health plan (as defined in section 162(h)(2) of the Internal Revenue Code of 1954) or (ii) the Secretary determines will be made under such a plan as promptly as would otherwise be the case if payment were made by the Secretary under this title.

Post, p. 801.

"(B) Any payment under this title with respect to any item or service to an individual described in subparagraph (A) during the period described in subparagraph (C) shall be conditioned on reimbursement to the appropriate Trust Fund established by this title when notice or other information is received that payment for such item or service has been made under a plan described in subparagraph (A). The Secretary may waive the provisions of this subpara-

graph in the case of an individual claim if he determines that the probability of recovery or amount involved in such claim does not warrant the pursuing of the claim.

"(C) The provisions of subparagraphs (A) and (B) shall apply to an individual only during the 12-month period which begins with the earlier of—

"(i) the month in which a regular course of renal dialysis is initiated, or

"(ii) in the case of an individual who receives a kidney transplant, the first month in which he would be eligible for benefits under this title (if he had filed an application for such benefits) under the provisions of section 226A(b)(1)(B).

"(D) Where payment for an item or service under such plan is less than the amount of the charge for such item or service, payment may be made under this title (without regard to deductibles and coinsurance under this title) for the remainder of such charge, but—

"(i) such payment under this title may not exceed an amount which would be payable under this title for such item or service in the absence of such group health plan; and

"(ii) such payment under this title, when combined with the amount payable under such plan, may not exceed the combined amount which would have been payable under this title and such plan if this paragraph were not in effect.".

(b) Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection: 26 USC 162.

"(h) GROUP HEALTH PLANS.—

"(1) GENERAL RULE.—The expenses paid or incurred by an employer for a group health plan shall not be allowed as a deduction under this section if the plan differentiates in the benefits it provides between individuals having end stage renal disease and other individuals covered by such plan on the basis of the existence of end stage renal disease, the need for renal dialysis, or in any other manner.

"(2) GROUP HEALTH PLAN.—For purposes of this subsection the term 'group health plan' means any plan of, or contributed to by, an employer to provide medical care (as defined in section 213(e)) to his employees, former employees, or the families of such employees or former employees, directly or through insurance, reimbursement, or otherwise.".

(c)(1) The amendments made by subsection (a) shall become effective on October 1, 1981. Effective date. 42 USC 1395y note.

(2) The amendments made by subsection (b) shall be effective with respect to taxable years beginning on or after January 1, 1982. 26 USC 162 note.

CHAPTER 4—MISCELLANEOUS CHANGES

ELIMINATION OF UNLIMITED OPEN ENROLLMENT

SEC. 2151. (a)(1) Section 1837(e) of the Social Security Act is amended to read as follows: 42 USC 1395p.

"(e) There shall be a general enrollment period during the period beginning on January 1 and ending on March 31 of each year.".

(2) Section 1837(g)(3) of such Act is amended by striking out "the month in which the individual files an application establishing such entitlement" and inserting in lieu thereof "the earlier of the then

current or immediately succeeding general enrollment period (as defined in subsection (e) of this section)".

42 USC 1395q.

(3) Section 1838(a)(2)(E) of such Act is amended by striking out "the first day of the third month" and inserting in lieu thereof "the July 1".

42 USC 1395r.

(4) The second sentence of section 1839(d) of such Act is amended by striking out "the month after the month in which he reenrolled" and inserting in lieu thereof "the close of the enrollment period in which he reenrolled".

Effective date. 42 USC 1395p note.

(b) The amendments made by this section shall not apply to enrollments pursuant to written requests for enrollment filed before October 1, 1981.

UTILIZATION GUIDELINES FOR PROVISION OF HOME HEALTH SERVICES

42 USC 1395y.

SEC. 2152. (a) Section 1862 of the Social Security Act is amended by adding at the end the following new subsection:

"(f) The Secretary shall establish utilization guidelines for the determination of whether or not payment may be made, consistent with paragraph (1) of subsection (a), under part A or part B for expenses incurred with respect to the provision of home health services, and shall provide for the implementation of such guidelines through a process of selective postpayment coverage review by intermediaries or otherwise.".

42 USC 1395y note.

(b) The Secretary of Health and Human Services shall establish, and provide for the implementation of, the guidelines described in section 1862(f) of the Social Security Act not later than October 1, 1981.

REPEAL OF STATUTORY TIME LIMITATION ON AGREEMENT WITH SKILLED NURSING FACILITIES

42 USC 1395cc.

SEC. 2153. Section 1866(a)(1) of the Social Security Act is amended by striking out the second sentence.

REMOVAL OF LIMITATION ON NUMBER OF MEDICARE DEMONSTRATION PROJECTS

42 USC 1395b-1 note.

SEC. 2154. Section 903 of the Medicare and Medicaid Amendments of 1980 (P.L. 96-499; 94 Stat. 2615) is amended by striking out subsection (c).

REPEAL OF TEMPORARY DELAY IN PERIODIC INTERIM PAYMENTS (PIP)

42 USC 1395g note.

SEC. 2155. Section 959 of the Medicare and Medicaid Amendments of 1980 (P.L. 96-499; 94 Stat. 2650) is repealed.

STATUTORY DEADLINES FOR IMPLEMENTING AFDC HOME HEALTH AIDE DEMONSTRATION PROJECTS

42 USC 632a.

SEC. 2156. Section 966 of the Medicare and Medicaid Amendments of 1980 (P.L. 96-499; 94 Stat. 2652) is amended—

(1) by adding at the end of subsection (c)(2) the following new sentence: "The Secretary shall, not later than October 1, 1981, establish such guidelines and establish such regulations as may be necessary to assure that agreements are entered into under this section by not later than January 1, 1982.", and

(2) by striking out "The Secretary" in subsection (h) and inserting in lieu thereof "The Secretary shall, during January

1982, submit to the Congress a report on steps taken by January 1, 1982, to enter into agreements under this section, including a general description of each of such agreements entered into by such date and the timetable under which he anticipates other such agreements will be entered into. Thereafter, the Secretary".

Subtitle C—Provisions Relating to Medicaid

CHAPTER 1 —CHANGES IN PAYMENTS TO STATES

REDUCTION IN MEDICAID PAYMENTS TO STATES AND OFFSET FOR MEETING FEDERAL MEDICAID EXPENDITURE TARGETS

SEC. 2161. (a) Section 1903 of the Social Security Act is amended by adding at the end the following new subsection: 42 USC 1396b.

"(s)(1)(A) Notwithstanding any other provision of this section (except as otherwise provided in this subsection), the amount of payments which a State is otherwise entitled to receive under this title for any quarter in—

"(i) fiscal year 1982, shall be reduced by 3 percent,

"(ii) fiscal year 1983, shall be reduced by 4 percent, and

"(iii) fiscal year 1984, shall be reduced by 4.5 percent,

of the amount to which the State is otherwise entitled (without regard to payments under subsection (t) and without regard to payments for claims relating to expenditures made before fiscal year 1981).

"(B) No reduction may be made under subparagraph (A) for a quarter unless, as of the first day of the quarter, the Secretary has promulgated and has in effect final regulations (on an interim or other basis) implementing paragraphs (10)(C) and (13)(A) of section 1902(a) (as amended by the Medicare and Medicaid Amendments of 1981).

"(C) For purposes of this paragraph, the term 'State' only includes the fifty States and the District of Columbia and does not include any State which did not have a plan approved under this title as of July 1, 1981.

"(2) The percentage reduction imposed by paragraph (1) for a State for a quarter shall be reduced—

"(A) by one percentage point if the State has a qualified hospital cost review program (described in paragraph (3)) for the quarter,

"(B) by one percentage point if the State has a high unemployment rate (as determined under paragraph (4)) for the quarter, and

"(C) by one percentage point if the total amount of the State's third party and fraud and abuse recoveries (as defined in paragraph (5)(A)) for the previous quarter is equal to or exceeds one percent of the amount of Federal payments that the Secretary estimates are due the State under this title for that previous quarter (without regard to payments under subsection (t)).

"(3) For purposes of paragraph (2)(A), a State has a qualified hospital cost review program for a calendar quarter if such program meets the following requirements:

"(A) The program must have been established by statute and in effect on July 1, 1981, and at the beginning of the quarter.

"(B) The program must be operated directly by the State and must apply (i) to substantially all nonfederal acute care hospitals (as defined by the Secretary) in the State and (ii) to review of

42 USC 1395.

either all revenues or expenses for inpatient hospital services (other than revenues under title XVIII of this Act, unless approved by the Secretary) or at least 75 percent of all revenues or expenses for inpatient hospital services (including revenues under title XVIII of this Act).

"(C) The State must provide the Secretary with satisfactory assurances as to the equitable treatment under the program of all entities (including Federal and State programs) that pay hospitals for inpatient hospital services, of hospital employees, and of hospital patients.

"(D) The Secretary determines that the annual rate of increase in aggregate hospital inpatient costs per capita or per admission (as defined by the Secretary) in the State during the most recent calendar year ending at least nine months before such quarter (or, at the State's option, during the 2 or 3 calendar-year period ending with that calendar year) is at least two percentage points less than the annual rate of increase during that calendar year (or that period, as the case may be) in such costs per capita or per admission for hospitals located in the United States (excluding from such computation, with respect to any calendar year in any period, any State which had in existence a qualified hospital cost review program (or, in the case of periods before January 1, 1982, had a hospital cost review program which the Secretary determines met for such periods the provisions of subparagraphs (A), (B), and (C) of this paragraph) during that entire calendar year).

"(4)(A) For purposes of paragraph (2)(B), a State has a high unemployment rate with respect to a quarter if the average of the monthly unemployment rates (as determined by the Bureau of Labor Statistics) for the State for the three months immediately before such quarter is equal to or greater than 150 percent of the average of such rates for the United States for such months.

"United States."

"(B) For purposes of subparagraph (A), the term 'United States' only includes the fifty States and the District of Columbia.

Definition.

"(5)(A) For purposes of paragraph (2)(C), the term 'third party and fraud and abuse recoveries' means, for a State for a previous quarter—

"(i) the total amount that State demonstrates to the Secretary that it has recovered or diverted in the quarter on the basis of (I) third-party payments (described in section 1902(a)(25)), (II) the operation of its State medicaid fraud control unit (defined in subsection (q)), and (III) other fraud or abuse control activities, plus

"(ii) any amount carried forward from the previous quarter under subparagraph (B).

Subclause (I) of clause (i) shall only apply to quarters during fiscal year 1982.

"(B) If the total amount of the State's third party and fraud and abuse recoveries (defined in subparagraph (A)) for a quarter (beginning on or after October 1, 1981) exceeds one percent of the amount of Federal payments that the Secretary estimates are due the State under this title for that quarter (without regard to subsection (t)), the amount of such excess shall be carried forward to the following quarter for purposes of clause (ii) of subparagraph (A).".

42 USC 1396b.

(b) Section 1902 of such Act is further amended by adding after subsection (s) (added by subsection (a) of this section) the following new subsection:

"(t)(1) The Secretary shall determine for each State (as defined in subsection (s)(1)(C)) for each of fiscal years 1982, 1983, and 1984, a

target amount of Federal medicaid expenditures. Such target amount for a State for fiscal year—

"(A) 1982, is equal to 109 percent of the estimate (based upon the last such estimate for such State received by the Secretary before April 1, 1981) of the Federal share of expenditures under this title (other than interest paid under subsection (d)(5), without taking into account reductions in payment under subsection (s) or additional payments under this subsection, and without regard to payments for claims relating to expenditures made prior to October 1, 1980) in fiscal year 1981 for such State;

"(B) 1983, is equal to the target amount determined under subparagraph (A) for the State increased or decreased by a percentage equal to the percentage increase or decrease (as the case may be) in the index of the medical care expenditure category of the consumer price index for all urban consumers (published by the Bureau of Labor Statistics) between September 1982 and September 1983; and

"(C) 1984, is equal to the target amount determined under subparagraph (A) for the State increased or decreased by a percentage equal to the percentage increase or decrease (as the case may be) in the index of the medical care expenditure category of the consumer price index for all urban consumers (published by the Bureau of Labor Statistics) between September 1982 and September 1984.

"(2) Notwithstanding any other provision of this section (except as otherwise provided in this subsection), the amount of payments which a State (with a State plan approved under this title) is otherwise entitled to receive for the first quarter of any fiscal year (beginning with fiscal year 1983 and ending with fiscal year 1985) shall be supplemented by an amount equal to the lesser of—

"(A) the amount by which the Secretary determines or estimates (subject to appropriate subsequent adjustments) the Federal share of expenditures under this title (other than interest paid under subsection (d)(5), without taking into account reductions in payment under subsection (s) or payments under this subsection, without regard to payments for claims relating to expenditures made prior to October 1, 1980, and subject to paragraph (3) of this subsection) under the State's plan for the previous fiscal year was less than the target amount of Federal medicaid expenditures for that State for that fiscal year determined under paragraph (1), or

"(B) the amount of the reductions imposed with respect to the State under subsection (s) for the quarters in the previous fiscal year.

"(3) Only for the purpose of computing under this subsection the Federal share of expenditures for a State for fiscal year 1984 (in the case of the payment which may be made for the first quarter of fiscal year 1985), the Federal medical assistance percentage for fiscal year 1984 shall be the Federal medical assistance percentage for States in effect for fiscal year 1983, disregarding any change in such percentage between fiscal year 1983 and fiscal year 1984.".

(c)(1) Effective for calendar quarters beginning on or after October 1, 1984, subsection (s) of section 1902 of the Social Security Act (added by subsection (a) of this section) is repealed. *Ante*, p. 803.

(2) Effective after payments for the first quarter of fiscal year 1985, subsection (t) of section 1902 of the Social Security Act (added by subsection (b) of this section) is repealed. *Ante*, p. 804.

PAYMENTS TO TERRITORIES

42 USC 1301.

SEC. 2162. (a)(1) Section 1101(a)(1) of the Social Security Act is amended (1) by striking out "American Samoa and" in the third sentence and inserting in lieu thereof "American Samoa, the Northern Mariana Islands, and", and (2) by inserting after the third sentence the following new sentence: "Such term when used in title XIX also includes the Northern Mariana Islands.".

42 USC 1396d.

(2) Clause (2) of section 1905(b) of such Act is amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

42 USC 1308.

(b)(1) Subsection (c) of section 1108 of such Act is amended to read as follows:

42 USC 1396.

"(c) The total amount certified by the Secretary under title XIX with respect to a fiscal year for payment to—

"(1) Puerto Rico shall not exceed $45,000,000,

"(2) the Virgin Islands shall not exceed $1,500,000,

"(3) Guam shall not exceed $1,400,000, and

"(4) the Northern Mariana Islands shall not exceed $350,000.".

Effective date. 42 USC 1308 note.

(2) The amendment made by paragraph (1) shall apply to fiscal years beginning with fiscal year 1982.

ELIMINATING TIME PERIOD LIMITATION ON PAYMENT OF INTEREST ON DISPUTED CLAIMS

42 USC 1396b.

SEC. 2163. Section 1903(d)(5) of the Social Security Act is amended by striking out "(but not to exceed a period of twelve months" and all that follows through "disallowances made thereafter)".

ELIMINATING FEDERAL MATCHING FOR CERTAIN LABORATORY TESTS

SEC. 2164. (a) Section 1903(i) of the Social Security Act, as amended by section 2103 of this subtitle, is further amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; or" and by adding at the end the following new paragraph:

"(6) with respect to any amount expended for inpatient hospital tests (other than in emergency situations) not specifically ordered by the attending physician or other responsible practitioner.".

Effective date. 42 USC 1396b note.

(b) The amendments made by subsection (a) shall apply to tests occurring on or after October 1, 1981.

STUDY OF FEDERAL MEDICAL ASSISTANCE PERCENTAGE FORMULA AND OF ADJUSTMENTS OF TARGET AMOUNTS FOR FEDERAL MEDICAID EXPENDITURES

42 USC 1396d note.

SEC. 2165. (a) The Comptroller General, in consultation with the Advisory Committee for Intergovermental Relations, shall conduct a study of—

42 USC 1396d.

(1) the formula, under section 1905(b) of the Social Security Act, defining the Federal medical assistance percentage, as it applies to distribution of Federal funds to States (as defined for purposes of title XIX of such Act) under that Act, and

Ante, p. 804.

(2) the validity and equity of any adjustment to the target amount of Federal medical expenditures (under section 1903(t) of the Social Security Act, added by section 2161 of this subtitle) for all States or any particular State which ought to be made for fiscal year 1983 or fiscal year 1984 (including methodology for calculating and implementing such adjustments) to reflect eco-

nomic and demographic factors affecting such State which are out of the ordinary sphere of control of such State.

Specifically, pursuant to paragraph (1) the Comptroller General shall examine the feasibility and consequences of revising the medicaid matching formula so as to take into account the relative economic positions and needs of the different States, the different amounts of support and income payments made by different States under the Social Security Act, the relative cost of living and the unemployment rates in the different States, the relative taxable wealth and amount of taxes raised per capita by the different States, and other relevant factors bearing on an equitable distribution of Federal funds to States under that Act.

42 USC 1305.

(b) The Comptroller General shall report to the Congress on the study required under this section not later than October 1, 1982.

CHAPTER 2—INCREASED FLEXIBILITY FOR STATES

COVERAGE OF, AND SERVICES FOR, THE MEDICALLY NEEDY

SEC. 2171. (a) Section 1902(a)(10) of the Social Security Act is amended—

42 USC 1396a.

(1) by amending subparagraph (A) to read as follows:

"(A) for making medical assistance available, including at least the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a), to all individuals receiving aid or assistance under any plan of the State approved under title I, X, XIV, or XVI, or part A or part E of title IV (including pregnant women deemed by the State to be receiving such aid as authorized in section 406(g) and individuals considered by the State to be receiving such aid as authorized under section 414(g)), or with respect to whom supplemental security income benefits are being paid under title XVI;";

42 USC 1396d.

42 USC 301, 1201, 1351, 1381, 601; 94 Stat. 501. 42 USC 670.

(2) by striking out "clause" each place it appears in subparagraph (B) and inserting in lieu thereof "subparagraph" and by striking out "and" at the end of subparagraph (B); and

(3) by striking out paragraph (C) and by inserting in lieu thereof the following:

"(C) that if medical assistance is included for any group of individuals described in section 1905(a) who are not described in subparagraph (A), then—

"(i) the plan must include a description of (I) the criteria for determining eligibility of individuals in the group for such medical assistance and (II) the amount, duration, and scope of medical assistance made available to individuals in the group;

"(ii) the plan must make available medical assistance—

"(I) to individuals described in section 1905(a)(i), and

"(II) to pregnant women, during the course of their pregnancy, who (but for income and resources) would be eligible for medical assistance as an individual described in subparagraph (A);

"(iii) such medical assistance must include (I) with respect to children under 18 and individuals entitled to institutional services, ambulatory services, and (II) with respect to pregnant women, prenatal care and delivery services; and

"(iv) if such medical assistance includes services in institutions for mental diseases or intermediate care facility services for the mentally retarded (or both) for any such group, it also must include for all groups covered at least the care and services listed in paragraphs (1) through (5) and (17) of section 1905(a) or the care and services listed in any 7 of the paragraphs numbered (1) through (17) of such section; and

"(D) for the inclusion of home health services for any individual who, under the State plan, is entitled to skilled nursing facility services;".

42 USC 1396a.

(b) Section 1902(a)(13) of such Act is amended by striking out subparagraphs (A), (B), and (C).

Effective date. 42 USC 1396a note.

(c) The amendments made by this section shall become effective on the date of the enactment of this Act.

FLEXIBILITY IN COVERAGE OF INDIVIDUALS AGED 18-20

SEC. 2172. (a) Paragraph (2) of section 1902(b) of the Social Security Act is amended to read as follows:

"(2) any age requirement which excludes any individual who has not attained the age of 19 and is a dependent child under part A of title IV;".

42 USC 1396d.

(b)(1) Clause (i) of section 1905(a) of such Act is amended to read as follows:

"(i) under the age of 21, or, at the option of the State, under the age of 20, 19, or 18 as the State may choose, or any reasonable category of such individuals,".

(2) Section 1905(a)(ii) of such Act is amended by striking out ", except for section 406(a)(2),".

Effective date. 42 USC 1396a note.

(c) The amendments made by this section shall become effective on the date of the enactment of this Act.

REIMBURSEMENT OF HOSPITALS

42 USC 1396a.

SEC. 2173. (a)(1) Section 1902(a)(13) of the Social Security Act is amended—

(A) by striking out subparagraph (D);

(B) in subparagraph (E)—

(i) by striking out "skilled nursing facility and intermediate care facility" and inserting in lieu thereof "hospital, skilled nursing facility, and intermediate care facility";

(ii) by inserting "and which, in the case of hospitals, take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs and provide, in the case of hospital patients receiving services at an inappropriate level of care (under conditions similar to those described in section 1861(v)(1)(G)), for lower reimbursement rates reflecting the level of care actually received (in a manner consistent with section 1861(v)(1)(G))" after "determined in accordance with methods and standards developed by the State";

42 USC 1395x.

(iii) by inserting before the first semicolon the following: "and to assure that individuals eligible for medical assistance have reasonable access (taking into account geographic location and reasonable travel time) to inpatient hospital services of adequate quality"; and

(iv) by striking out "each skilled nursing or intermediate care facility" and inserting in lieu thereof "each hospital, skilled nursing facility, and intermediate care facility"; and

(C) by redesignating subparagraphs (E) and (F) as subparagraphs (A) and (B), respectively.

(2) Section 1902(a)(20) of such Act is amended— 42 USC 1396a.

(A) by inserting "and" at the end of subparagraph (B);

(B) by striking out "and" at the end of subparagraph (C); and

(C) by striking out subparagraph (D).

(b)(1) Subsection (h) of section 1902 of such Act is repealed.

(2) The amendment made by paragraph (1) shall not apply with respect to services furnished before the date the Secretary of Health and Human Services first promulgates and has in effect final regulations (on an interim or other basis) to carry out section 1902(a)(13)(A) of the Social Security Act (as amended by this subtitle). 42 USC 1396a note.

(c) Part A of title XI of such Act is amended by adding after section 1134 the following new section:

"DEVELOPMENT OF MODEL PROSPECTIVE RATE METHODOLOGY

"SEC. 1135. (a) The Secretary shall develop a model system or systems for the payment of hospitals for inpatient hospital services on a prospective basis which may be applied for reimbursement of hospitals under title XVIII or under a State plan approved under title XIX. 42 USC 1320b-5. 42 USC 1395, 1396.

"(b) The Secretary shall report to the Congress on the development of such system or systems not later than July 31, 1982.".

REMOVAL OF MEDICAID REASONABLE CHARGE LIMITATION

SEC. 2174. (a) Section 1902(a)(30) of the Social Security Act is amended by striking out "(including payments" and all that follows through "reasonable charges" and inserting in lieu thereof "are". 42 USC 1396a.

(b) Section 1903(i) of such Act is amended by striking out paragraph (1). 42 USC 1396b.

(c) The amendments made by this section shall apply to services furnished on or after October 1, 1981. Effective date. 42 USC 1396a note.

INAPPLICABILITY AND WAIVER OF FREEDOM-OF-CHOICE AND OTHER STATE PLAN REQUIREMENTS

SEC. 2175. (a) Paragraph (23) of section 1902(a) of the Social Security Act is amended—

(1) by inserting "except as provided in section 1915 and" after "(23)", and

(2) by striking out all that follows the first semicolon.

(b) Title XIX of the Social Security Act is amended by adding at the end the following new section:

"PROVISIONS RESPECTING INAPPLICABILITY AND WAIVER OF CERTAIN REQUIREMENTS OF THIS TITLE

"SEC. 1915. (a) A State shall not be deemed to be out of compliance with the requirements of paragraphs (1), (10), or (23) of section 1902(a) solely by reason of the fact that the State (or any political subdivision thereof)— 42 USC 1396n.

"(1) has entered into—

"(A) a contract with an organization which has agreed to provide care and services in addition to those offered under

the State plan to individuals eligible for medical assistance who reside in the geographic area served by such organization and who elect to obtain such care and services from such organization, or by reason of the fact that the plan provides for payment for rural health clinic services only if those services are provided by a rural health clinic; or

"(B) arrangements through a competitive bidding process or otherwise for the purchase of laboratory services referred to in section 1905(a)(3) or medical devices if the Secretary has found that—

42 USC 1396d.

"(i) adequate services or devices will be available under such arrangements, and

"(ii) any such laboratory services will be provided only through laboratories—

"(I) which meet the applicable requirements of section 1861(e)(9) or paragraphs (11) and (12) of section 1861(s), and such additional requirements as the Secretary may require, and

42 USC 1395x.

"(II) no more than 75 percent of whose charges for such services are for services provided to individuals who are entitled to benefits under this title or under part A or part B of title XVIII; or

42 USC 1395c, 1395j.

"(2) restricts—

"(A) for a reasonable period of time the provider or providers from which an individual (eligible for medical assistance for items or services under the State plan) can receive such items or services, if the State has found, after notice and opportunity for a hearing (in accordance with procedures established by the State), that the individual has utilized such items or services at a frequency or amount not medically necessary (as determined in accordance with utilization guidelines established by the State), or

"(B) (through suspension or otherwise) for a reasonable period of time the participation of a provider of items or services under the State plan, if the State has found, after notice and opportunity for a hearing (in accordance with procedures established by the State), that the provider has (in a significant number or proportion of cases) provided such items or services either (i) at a frequency or amount not medically necessary (as determined in accordance with utilization guidelines established by the State), or (ii) of a quality which does not meet professionally recognized standards of health care,

if, under such restriction, individuals eligible for medical assistance for such services have reasonable access (taking into account geographic location and reasonable travel time) to such services of adequate quality.

"(b) The Secretary, to the extent he finds it to be cost-effective and efficient and not inconsistent with the purposes of this title, may waive such requirements of section 1902 and section 1903(m) as may be necessary for a State—

42 USC 1396a, 1396b.

"(1) to implement a case-management system or a specialty physician services arrangement which restricts the provider from (or through) whom an individual (eligible for medical assistance under this title) can obtain primary care services (other than in emergency circumstances), if such restriction does not substantially impair access to such services of adequate quality where medically necessary,

"(2) to allow a locality to act as a central broker in assisting individuals (eligible for medical assistance under this title) in selecting among competing health care plans, if such restriction does not substantially impair access to services of adequate quality where medically necessary,

"(3) to share (through provision of additional services) with recipients of medical assistance under the State plan cost savings resulting from use by the recipient of more cost-effective medical care, and

"(4) to restrict the provider from (or through) whom an individual (eligible for medical assistance under this title) can obtain services (other than in emergency circumstances) to providers or practitioners who undertake to provide such services and who meet, accept, and comply with the reimbursement, quality, and utilization standards under the State plan, which standards are consistent with access, quality, and efficient and economic provision of covered care and services, if such restriction does not discriminate among classes of providers on grounds unrelated to their demonstrated effectiveness and efficiency in providing those services.

"(c) No waiver under this section may extend over a period of longer than two years unless the State requests continuation of such waiver, and such request shall be deemed granted unless the Secretary denies such request in writing within 90 days after the date of its submission to the Secretary.

"(d)(1) The Secretary shall monitor the implementation of waivers granted under this section to assure that the requirements for such waiver are being met and shall, after notice and opportunity for a hearing, terminate any such waiver where he finds noncompliance has occurred.

"(2) The Secretary shall report, not later than September 30, 1984, to Congress on waivers granted under this section.". Report to Congress.

(d)(1) Section 1902(a)(9) of such Act is amended— 42 USC 1396a.

(A) by striking out "and" at the end of subparagraph (A),

(B) by striking out the semicolon at the end of subparagraph (B) and inserting in lieu thereof ", and", and

(C) by adding after subparagraph (B) the following new subparagraph:

"(C) that any laboratory services paid for under such plan must be provided by a laboratory which meets the applicable requirements of section 1861(e)(9) or paragraphs (11) and (12) of section 1861(s), or, in the case of a laboratory which is in a rural health clinic, of section 1861(aa)(2)(G);". 42 USC 1395x.

(2)(A) The amendments made by paragraph (1) shall (except as provided under subparagraph (B)) be effective with respect to payments under title XIX of the Social Security Act for calendar quarters beginning on or after October 1, 1981. Effective date. 42 USC 1396a note. 42 USC 1396.

(B) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirement imposed by the amendment made by paragraph (1)(C), the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar year beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

WAIVER TO PROVIDE HOME AND COMMUNITY-BASED SERVICES FOR CERTAIN INDIVIDUALS

Ante, p. 809.

SEC. 2176. Section 1915 of the Social Security Act (added by section 2175 of this subtitle) is amended—

(1) by inserting "(other than a waiver under subsection (c))" in subsection (c) after "No waiver under this section", and

(2) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c)(1) The Secretary may by waiver provide that a State plan approved under this part may include as 'medical assistance' under such plan home or community-based services (other than room and board) approved by the Secretary which are provided pursuant to a written plan of care to individuals with respect to whom there has been a determination that but for the provision of such services the individuals would require the level of care provided in a skilled nursing facility or intermediate care facility the cost of which could be reimbursed under the State plan.

"(2) A waiver shall not be granted under this subsection unless the State provides assurances satisfactory to the Secretary that—

"(A) necessary safeguards (including adequate standards for provider participation) have been taken to protect the health and welfare of individuals provided services under the waiver and to assure financial accountability for funds expended with respect to such services;

"(B) the State will provide, with respect to individuals who are entitled to medical assistance for skilled nursing facility or intermediate care facility services under the State plan and who may require such services, for an evaluation of the need for such services;

"(C) such individuals who are determined to be likely to require the level of care provided in a skilled nursing facility or intermediate care facility are informed of the feasible alternatives, if available under the waiver, at the choice of such individuals, to the provision of skilled nursing facility or intermediate care facility services;

"(D) under such waiver the average per capita expenditure estimated by the State in any fiscal year for medical assistance provided with respect to such individuals does not exceed the average per capita expenditure that the State reasonably estimates would have been made in that fiscal year for expenditures under the State plan for such individuals if the waiver had not been granted; and

"(E) the State will provide to the Secretary annually, consistent with a data collection plan designed by the Secretary, information on the impact of the waiver granted under this subsection on the type and amount of medical assistance provided under the State plan and on the health and welfare of recipients.

"(3) A waiver granted under this subsection may include a waiver of the requirements of subsection (a)(1) (relating to statewideness) and subsection (a)(10) of section 1902. A waiver under this subsection shall be for an initial term of three years and, upon the request of a State, shall be extended for additional three-year periods unless the Secretary determines that for the previous three-year period the assurances provided under paragraph (2) have not been met.

42 USC 1396a.

"(4) A waiver granted under this section may, consistent with paragraph (2)—

"(A) limit the individuals provided benefits under such waiver to individuals with respect to whom the State has determined that there is a reasonable expectation that the amount of medical assistance provided with respect to the individual under such waiver will not exceed the amount of such medical assistance provided for such individual if the waiver did not apply, and

"(B) provide medical assistance to individuals (to the extent consistent with written plans of care, which are subject to the approval of the State) for case management services, homemaker/home health aide services and personal care services, adult day health services, habilitation services, respite care, and such other services requested by the State as the Secretary may approve.".

TIME LIMITATION FOR ACTION ON REQUESTS FOR PLAN AMENDMENTS AND WAIVERS

SEC. 2177. (a) Section 1915 of the Social Security Act (added by section 2175 of this subtitle) is further amended by adding at the end thereof the following new subsection: *Ante*, p. 812.

"(f) A request to the Secretary from a State for a proposed State plan or plan amendment or a waiver of a requirement of this title submitted by the State pursuant to a provision of this title shall be deemed granted unless the Secretary, within 90 days after the date of its submission to the Secretary, either denies such request in writing or informs the State agency in writing with respect to any additional information which is needed in order to make a final determination with respect to the request. After the date the Secretary receives such additional information, the request shall be deemed granted unless the Secretary, within 90 days of such date, denies such request.".

(b) The amendment made by this section shall become effective 90 days after the date of the enactment of this Act. Effective date. 42 USC 1396n note.

FLEXIBILITY IN HMO AND PREPAID PROVIDER PARTICIPATION IN STATE PLANS

SEC. 2178. (a)(1) Paragraph (1)(A) of section 1903(m) of the Social Security Act is amended by striking out "means" and all that follows through the end thereof and inserting in lieu thereof the following: "means a public or private organization, organized under the laws of any State, which is a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) or which— 42 USC 1396b. 42 USC 300e-9.

"(i) makes services it provides to individuals eligible for benefits under this title accessible to such individuals, within the area served by the organization, to the same extent as such services are made accessible to individuals (eligible for medical assistance under the State plan) not enrolled with the organization, and

"(ii) has made adequate provision against the risk of insolvency, which provision is satisfactory to the State and which assures that individuals eligible for benefits under this title are in no case held liable for debts of the organization in case of the organization's insolvency.".

(2) Paragraph (2)(A) of section 1903(m) of such Act is amended— 42 USC 1396b.

(A) by striking out "and" at the end of clause (i),

(B) by striking out "one-half of the membership of the entity" in clause (ii) and inserting in lieu thereof "75 percent of the membership of the entity which is enrolled on a prepaid basis";

(C) by striking out the period at the end of clause (ii) and inserting in lieu thereof a semicolon, and

(D) by adding at the end the following new clauses:

"(iii) such services are provided for the benefit of individuals eligible for benefits under this title in accordance with a contract between the State and the entity under which prepaid payments to the entity are made on an actuarially sound basis;

"(iv) such contract provides that the Secretary and the State (or any person or organization designated by either) shall have the right to audit and inspect any books and records of the entity (and of any subcontractor) that pertain (I) to the ability of the entity to bear the risk of potential financial losses, and (II) to services performed or determinations of amounts payable under the contract;

"(v) such contract provides that in the entity's enrollment, reenrollment, or disenrollment of individuals who are eligible for benefits under this title and eligible to enroll, reenroll, or disenroll with the entity pursuant to the contract, the entity will not discriminate among such individuals on the basis of their health status or requirements for health care services;

"(vi) such contract (I) permits individuals who have elected under the plan to enroll with the entity for provision of such benefits to terminate such enrollment without cause as of the beginning of the first calendar month following a full calendar month after the request is made for such termination, and (II) provides for notification of each such individual, at the time of the individual's enrollment, of such right to terminate such enrollment; and

"(vii) such contract provides that, in the case of medically necessary services which were provided (I) to an individual enrolled with the entity under the contract and entitled to benefits with respect to such services under the State's plan and (II) other than through the organization because the services were immediately required due to an unforseen illness, injury, or condition, either the entity or the State provides for reimbursement with respect to those services.".

(3) Paragraph (2) of such section is further amended by adding after subparagraph (C) the following new subparagraph:

"(D) In the case of a health maintenance organization that is a public entity, the Secretary may modify or waive the requirement described in subparagraph (A)(ii) but only if the Secretary determines that (i) special circumstances warrant such modification or waiver, and (ii) the organization has taken and is taking reasonable efforts to enroll individuals who are not entitled to benefits under the State plan approved under this title or under title XVIII.".

42 USC 1395.

42 USC 1396a.

(b) Section 1902(e) of such Act is amended by inserting "(1)" after "(e)" and by adding at the end the following new paragraph:

"(2)(A) In the case of an individual who is enrolled with a qualified health maintenance organization (as defined in title XIII of the Public Health Service Act) under a contract described in section 1903(m)(2)(A) and who would (but for this paragraph) lose eligibility for benefits under this title before the end of the minimum enrollment period (defined in subparagraph (B)), the State plan may provide, notwithstanding any other provision of this title, that the individual shall be deemed to continue to be eligible for such benefits

42 USC 300e.

42 USC 1396b.

until the end of such minimum period, but only with respect to such benefits provided to the individual as an enrollee of such organization.

"(B) For purposes of subparagraph (A), the term 'minimum enrollment period' means, with respect to an individual's enrollment with a health maintenance organization under a State plan, a period, established by the State, of not more than six months beginning on the date the individual's enrollment with the organization becomes effective.". "Minimum enrollment period."

(c) The amendments made by this section shall apply with respect to services furnished, under a State plan approved under title XIX of the Social Security Act, on or after October 1, 1981; except that such amendments shall not apply with respect to services furnished by a health maintenance organization under a contract with a State entered into under such title before October 1, 1981 unless the organization requests that such amendments apply and the Secretary of Health and Human Services and the single State agency (administering or supervising the administration of the State plan under such title) agree to such request. 42 USC 1396a note. 42 USC 1396.

(d) The Secretary of Health and Human Services shall conduct a study evaluating the extent of, and reasons for, the termination by medicaid beneficiaries of their memberships in health maintenance organizations. In conducting such study, the Secretary shall place special emphasis on the quantity and quality of medical care provided in health maintenance organizations and the quality of such care when provided on a fee-for-service basis. The Secretary shall submit an interim report to the Congress, within two years after the date of the enactment of this Act, and a final report within five years from such date containing, respectively, the interim and final findings and conclusions made as a result of such study. 42 USC 1396a note. Report to Congress.

CHAPTER 3—MISCELLANEOUS CHANGES

REPEAL OF EPSDT PENALTY

SEC. 2181. (a)(1) Subsection (g) of section 403 of the Social Security Act is repealed. 42 USC 603.

(2) Section 1902(a) of such Act is amended— 42 USC 1396a.

(A) by striking out "and" at the end of paragraph (42),

(B) by striking out the period at the end of paragraph (43) and inserting in lieu thereof "; and", and

(C) by inserting after paragraph (43) the following new paragraph:

"(44) provide for—

"(A) informing all persons in the State who are under the age of 21 and who have been determined to be eligible for medical assistance including services described in section 1905(a)(4)(B), of the availability of early and periodic screening, diagnostic, and treatment services as described in section 1905(a)(4)(B), 42 USC 1396d.

"(B) providing or arranging for the provision of such screening services in all cases where they are requested, and

"(C) arranging for (directly or through referral to appropriate agencies, organizations, or individuals) corrective treatment the need for which is disclosed by such child health screening services.".

(b) The amendment made by subsection (a)(1) shall apply to reductions for calendar quarters beginning on or after June 30, 1974, and Effective date. 42 USC 603 note.

the amendments made by subsection (a)(2) shall take effect on October 1, 1981.

FLEXIBILITY IN REQUIRING COLLECTION OF THIRD-PARTY PAYMENTS

42 USC 1396a.

SEC. 2182. Section 1902(a)(25)(C) of the Social Security Act is amended by inserting "and where the amount of reimbursement the State can reasonably expect to recover exceeds the costs of such recovery" after "of the individual".

PERMITTING PHYSICIAN ASSISTANTS AND NURSE PRACTITIONERS TO PROVIDE CERTAIN RECERTIFICATIONS

42 USC 1396b.

SEC. 2183. (a) Section 1903(g)(1)(A) of the Social Security Act is amended—

(1) by striking out "(and recertifies" and inserting in lieu thereof "(and the physician, or a physician assistant or nurse practitioner under the supervision of a physician, recertifies", and

(2) by inserting "(or, in the case of services that are intermediate care facility services described in section 1905(d), every year)" after "every 60 days".

Effective date. 42 USC 1396b note.

(b) The amendments made by subsection (a) shall apply to payments made to States for calendar quarters beginning on or after October 1, 1981.

REPEAL OF OBSOLETE AUTHORITY FOR MEDICAL ASSISTANCE

SEC. 2184. (a)(1) The heading of title I of the Social Security Act is amended by striking out "AND MEDICAL ASSISTANCE".

42 USC 301.

(2) Section 1 of such Act is amended—

(A) by striking out "(a)" the first place it appears in the first sentence,

(B) by striking out ", (b) of enabling" and all that follows through "for self-care" in the first sentence, and

(C) by striking out ", or for medical assistance for the aged, or for old-age assistance and medical assistance for the aged" in the second sentence.

42 USC 302.

(3) Section 2 of such Act is amended—

(A) by striking out "AND MEDICAL ASSISTANCE" in the heading;

(B) by striking out ", or for medical assistance for the aged, or for old-age assistance and medical assistance for the aged" in subsection (a) before paragraph (1);

(C) by striking out "; and" at the end of subsection (a)(10) and inserting in lieu thereof a period; and

(D) by striking out paragraphs (11), (12), and (13) of subsection (a).

42 USC 303.

(4) Section 3 of such Act is amended—

(A) by striking out paragraphs (1) and (3) of subsection (a);

(B) by amending paragraph (2) of subsection (a) to read as follows:

"(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of any expenditure with respect to any month as exceeds $37.50 multiplied by the total number of recipients of old-age assistance for such month; plus"; and

(C) by striking out subsection (d).

(5) Section 6 of such Act is amended by striking out subsections (b) and (c). 42 USC 306.

(b)(1) Section 403 of such Act is amended— 42 USC 603.

(A) by striking out "(including expenditures for premiums" and all that follows through "the cost thereof)" in subsection (a)(1) in the matter before subparagraph (A);

(B) by striking out "plus (ii)" and all that follows through "clause (i) or (ii)" in subsection (a)(1)(A) and inserting in lieu thereof "plus (ii) the number of individuals, not counted under clause (i)"; and

(C) by striking out "(including expenditures" and all that follows through "the cost thereof)" in subsection (a)(2).

(2) Section 406 of such Act is amended— 42 USC 606.

(A) by striking out ", or (if provided" and all that follows through "under State law in behalf of," and "or medical care or any type of remedial care recognized under State law" in subsection (b) in the matter preceding subparagraph (A), and

(B) by inserting "(for which such individual is not entitled to medical assistance under the State plan under title XIX)" in subsection (e)(1)(A) after "recognized under State law".

(c)(1) Sections 1001 and 1401 of such Act are each amended by striking out "and of encouraging each State" and all that follows through "self-care". 42 USC 1201, 1351

(2) Sections 1003(a) and 1403(a) of such Act are each amended— 42 USC 1203, 1353.

(A) by striking out paragraph (1), and

(B) by striking out "(including expenditures for" and all that follows through "the cost thereof)" in paragraph (2).

(3) Sections 1006 and 1405 of such Act are each amended by striking out ", or (if provided" and all that follows through "under State law in behalf of," in the matter before paragraph (1). 42 USC 1206, 1355.

(d)(1) The amendments made by this subsection are to the title XVI of the Social Security Act which only applies in the case of Puerto Rico, Guam, and the Virgin Islands under section 303(b) of the Social Security Amendments of 1972 (Public Law 92-603). 42 USC 1381. 42 USC 301 note.

(2) The heading of such title is amended by striking out "AND MEDICAL ASSISTANCE".

(3) Section 1601 of such title is amended— 42 USC 1381 note.

(A) by striking out "(a)" the first place it appears in the first sentence,

(B) by striking out ", (b) of enabling" and all that follows through "or self-care" in the first sentence, and

(C) by striking out ", or for aid to the aged, blind, or disabled and medical assistance for the aged" in the second sentence.

(4) Section 1602 of such title is amended— 42 USC 1382 note.

(A) by striking out ", OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED" in the heading;

(B) by striking out ", or for aid to the aged, blind, or disabled and medical assistance for the aged" in subsection (a) in the matter before paragraph (1);

(C) by inserting "and" at the end of paragraph (13) of subsection (a);

(D) by striking out the semicolon at the end of paragraph (14) of subsection (a) and inserting in lieu thereof a period;

(E) by striking out paragraphs (15), (16), and (17) of subsection (a);

(F) by striking out "(or for aid to the aged, blind, or disabled and medical assistance for the aged)" in the second sentence of subsection (a);

(G) by striking out "(A) in the case of applicants for aid to the aged, blind, or disabled" in subsection (b)(2);

(H) by striking out "and (B)" and all that follows through "who resides in the State" in subsection (b)(2); and

(I) by striking out "(or for aid to the aged, blind, or disabled and medical assistance for the aged)" each place it appears in the third sentence of subsection (b).

42 USC 1383 note.

(5) Section 1603 of such title is amended—

(A) by striking out paragraphs (1) and (3) of subsection (a);

(B) by striking out "(including expenditures for premiums" and all that follows through "cost thereof)" in paragraph (2)(A);

(C) by striking out "the larger of the following amounts: (i)", "(I)", and ", or (II)" and all that follows before the semicolon, in paragraph (2)(B); and

(D) by striking out subsection (d).

42 USC 1385 note.

(6) Section 1605 of such title is amended—

(A) by striking out ", or (if provided" and all that follows through "under State law in behalf of," in subsection (a) in the matter before paragraph (1), and

(B) by striking out subsection (b).

Maternal and Child Health Services Block Grant Act.

Subtitle D—Maternal and Child Health Services Block Grant

SHORT TITLE OF SUBTITLE

42 USC 1305 note.

SEC. 2191. This subtitle may be cited as the "Maternal and Child Health Services Block Grant Act".

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

SEC. 2192. (a) Title V of the Social Security Act is amended to read as follows:

"TITLE V—MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

"AUTHORIZATION OF APPROPRIATIONS

42 USC 701.

"SEC. 501. (a) For the purpose of enabling each State—

"(1) to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services,

"(2) to reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children, to reduce the need for inpatient and long-term care services, to increase the number of children (especially preschool children) appropriately immunized against disease and the number of low income children receiving health assessments and follow-up diagnostic and treatment services, and otherwise to promote the health of mothers and children (especially by providing preventive and primary care services for low income children, and prenatal, delivery, and postpartum care for low income mothers),

"(3) to provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under title XVI of this Act, and

42 USC 1381.

"(4) to provide services for locating, and for medical, surgical, corrective, and other services, and care for, and facilities for

diagnosis, hospitalization, and aftercare for, children who are crippled or who are suffering from conditions leading to crippling;

and for the purpose of enabling the Secretary to provide for special projects of regional and national significance, research, and training with respect to maternal and child health and crippled children, for genetic disease testing, counseling, and information development and dissemination programs, and for grants relating to hemophilia (without regard to age), there are authorized to be appropriated $373,000,000 for fiscal year 1982 and for each fiscal year thereafter.

"(b) For purposes of this title:

"(1) The term 'consolidated health programs' means the programs administered under the provisions of—

"(A) this title (relating to maternal and child health and crippled children's services),

"(B) section 1615(c) of this Act (relating to supplemental security income for disabled children), 42 USC 1382d.

"(C) sections 316 (relating to lead-based paint poisoning prevention programs), 1101 (relating to genetic disease programs), 1121 (relating to sudden infant death syndrome programs) and 1131 (relating to hemophilia treatment centers) of the Public Health Service Act, and 42 USC 247a, 1301, 1320a, 1320b-1.

"(D) title IV of the Health Services and Centers Amendments of 1978 (Public Law 95-626; relating to adolescent pregnancy grants), 42 USC 247b-1.

as such provisions were in effect before the date of the enactment of the Maternal and Child Health Services Block Grant Act.

"(2) The term 'low income' means, with respect to an individual or family, such an individual or family with an income determined to be below the nonfarm income official poverty line defined by the Office of Management and Budget and revised annually in accordance with section 624 of the Economic Opportunity Act of 1964. "Low income." 42 USC 2971d.

"ALLOTMENTS TO STATES AND FEDERAL SET-ASIDE

"SEC. 502. (a)(1) Of the amount appropriated under section 501(a), the Secretary shall retain an amount equal to 15 percent thereof in the case of fiscal year 1982, and an amount equal to not less than 10, nor more than 15, percent thereof in the case of each fiscal year thereafter, for the purpose of carrying out (through grants, contracts, or otherwise) special projects of regional and national significance, training, and research and for the funding of genetic disease testing, counseling, and information development and dissemination programs and of comprehensive hemophilia diagnostic and treatment centers. The authority of the Secretary to enter into any contracts under this title is effective for any fiscal year only to such extent or in such amounts as are provided in appropriations Acts. 42 USC 702.

"(2) For purposes of paragraph (1)—

"(A) amounts retained by the Secretary for training shall be used to make grants to public or nonprofit private institutions of higher learning for training personnel for health care and related services for mothers and children; and

"(B) amounts retained by the Secretary for research shall be used to make grants to, contracts with, or jointly financed cooperative agreements with, public or nonprofit institutions of higher learning and public or nonprofit private agencies and organizations engaged in research or in maternal and child

health or crippled children's programs for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof.

"(3) No funds may be made available by the Secretary under this subsection unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, be submitted in such manner, and contain and be accompanied by such information as the Secretary may specify. No such application may be approved unless it contains assurances that the applicant will use the funds provided only for the purposes specified in the approved application and will establish such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement and accounting of Federal funds paid to the applicant under this title.

"(b) From the remaining amounts appropriated under section 501(a) for any fiscal year, the Secretary shall allot to each State which has transmitted a description of intended activities and statement of assurances for the fiscal year under section 505, an amount determined as follows:

"(1) The Secretary shall determine, for each State—

"(A)(i) the amount provided or allotted by the Secretary to the State and to entities in the State under the provisions of the consolidated health programs (as defined in section 501(b)(1)), other than for any of the projects or programs described in subsection (a), from appropriations for fiscal year 1981,

"(ii) the proportion that such amount for that State bears to the total of such amounts for all the States, and

"(B)(i) the number of low income children in the State, and

"(ii) the proportion that such number of children for that State bears to the total of such numbers of children for all the States.

"(2)(A) For each of fiscal years 1982 and 1983, each such State shall be allotted for that fiscal year an amount equal to the State's proportion (determined under paragraph (1)(A)(ii)) of the amounts available for allotment to all the States under this subsection for that fiscal year.

"(B) For fiscal years beginning with fiscal year 1984, if the amount available for allotment under this subsection for that fiscal year—

"(i) does not exceed the amount available under this subsection for allotment for fiscal year 1983, each such State shall be allotted for that fiscal year an amount equal to the State's proportion (determined under paragraph (1)(A)(ii)) of the amounts available for allotment to all the States under this subsection for that fiscal year, or

"(ii) exceeds the amounts available under this subsection for allotment for fiscal year 1983, each such State shall be allotted for that fiscal year an amount equal to the sum of—

"(I) the amount of the allotment to the State under this subsection in fiscal year 1983 (without regard to paragraph (3) of this subsection), and

"(II) the State's proportion (determined under paragraph (1)(B)(ii)) of the amount by which the allotment available under this subsection for all the States for that fiscal year exceeds the amount that was available under this subsection for allotment for all the States for fiscal year 1983.

"(3)(A) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States either because all the States have not qualified for such allotments under section 505 for the fiscal year or because some States have indicated in their descriptions of activities under section 505 that they do not intend to use the full amount of such allotments, such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph.

"(B) To the extent that all the funds appropriated under this title for a fiscal year are not otherwise allotted to States because some State allotments are offset under section 506(b)(2), such excess shall be allotted among the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subparagraph.

"PAYMENTS TO STATES

"SEC. 503. (a) From the sums appropriated therefor and the allotments available under section 502(b), the Secretary shall make payments as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213) to each State provided such an allotment under section 502(b), for each quarter, of an amount equal to four-sevenths of the total of the sums expended by the State during such quarter in carrying out the provisions of this title. 42 USC 703.

"(b) Any amount payable to a State under this title from allotments for a fiscal year which remains unobligated at the end of such year shall remain available to such State for obligation during the next fiscal year. No payment may be made to a State under this title from allotments for a fiscal year for expenditures made after the following fiscal year.

"(c) The Secretary, at the request of a State, may reduce the amount of payments under subsection (a) by—

"(1) the fair market value of any supplies or equipment furnished the State, and

"(2) the amount of the pay, allowances, and travel expenses of any officer or employee of the Government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee,

when the furnishing of supplies or equipment or the detail of an officer or employee is for the convenience of and at the request of the State and for the purpose of conducting activities described in section 505 on a temporary basis. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to be part of the payment and shall be deemed to have been paid to the State.

"USE OF ALLOTMENT FUNDS

"SEC. 504. (a) Except as otherwise provided under this section, a State may use amounts paid to it under section 503 for the provision of health services and related activities (including planning, administration, education, and evaluation) consistent with its description of intended expenditures and statement of assurances transmitted under section 505. 42 USC 704.

"(b) Amounts described in subsection (a) may not be used for—

"(1) inpatient services, other than inpatient services provided to crippled children or to high-risk pregnant women and infants and such other inpatient services as the Secretary may approve;

"(2) cash payments to intended recipients of health services;

"(3) the purchase or improvement of land, the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility, or the purchase of major medical equipment;

"(4) satisfying any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) providing funds for research or training to any entity other than a public or nonprofit private entity.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this title.

"(c) A State may use a portion of the amounts described in subsection (a) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, and administering programs funded under this title.

"DESCRIPTION OF INTENDED EXPENDITURES AND STATEMENT OF ASSURANCES

42 USC 705.

"SEC. 505. In order to be entitled to payments for allotments under section 502 for a fiscal year, a State must prepare and transmit to the Secretary—

"(1) a report describing the intended use of payments the State is to receive under this title for the fiscal year, including (A) a description of those populations, areas, and localities in the State which the State has identified as needing maternal and child health services, (B) a statement of goals and objectives for meeting those needs, (C) information on the types of services to be provided and the categories or characteristics of individuals to be served, and (D) data the State intends to collect respecting activities conducted with such payments; and

"(2) a statement of assurances that represents to the Secretary that—

"(A) the State will provide a fair method (as determined by the State) for allocating funds allotted to the State under this title among such individuals, areas, and localities identified under paragraph (1)(A) as needing maternal and child health services, and the State will identify and apply guidelines for the appropriate frequency and content of, and appropriate referral and followup with respect to, health care assessments and services financially assisted by the State under this title and methods for assuring quality assessments and services;

"(B) funds allotted to the State under this title will only be used, consistent with section 508, to carry out the purposes of this title or to continue activities previously conducted under the consolidated health programs (described in section 502(b)(1));

"(C) the State will use—

"(i) a substantial proportion of the sums expended by the State for carrying out this title for the provision of health services to mothers and children, with special

consideration given (where appropriate) to the continuation of the funding of special projects in the State previously funded under this title (as in effect before the date of the enactment of the Maternal and Child Health Services Block Grant Act), and

"(ii) a reasonable proportion (based upon the State's previous use of funds under this title) of such sums to carry out the purposes described in paragraphs (1) through (3) of section 501(a);

"(D) if the State imposes any charges for the provision of health services assisted by the State under this title, such charges (i) will be pursuant to a public schedule of charges, (ii) will not be imposed with respect to services provided to low income mothers or children, and (iii) will be adjusted to reflect the income, resources, and family size of the individual provided the services; and

"(E) the State agency (or agencies) administering the State's program under this title will participate—

"(i) in the coordination of activities between such program and the early and periodic screening, diagnosis, and treatment program under title XIX, to ensure that such programs are carried out without duplication of effort,

"(ii) in the arrangement and carrying out of coordination agreements described in section 1902(a)(11) (relating to coordination of care and services available under this title and title XIX), and

"(iii) in the coordination of activities within the State with programs carried out under this title and related Federal grant programs (including supplemental food programs for mothers, infants, and children, related education programs, and other health, developmental disability, and family planning programs).

The description and statement shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and statement and after its transmittal. The description and statement shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in any element of such description or statement, and any revision shall be subject to the requirements of the preceding sentence.

"REPORTS AND AUDITS

"SEC. 506. (a)(1) Each State shall prepare and submit to the Secretary annual reports on its activities under this title. In order properly to evaluate and to compare the performance of different States assisted under this title and to assure the proper expenditure of funds under this title, such reports shall be in such form and contain such information as the Secretary determines (after consultation with the States and the Comptroller General) to be necessary (A) to secure an accurate description of those activities, (B) to secure a complete record of the purposes for which funds were spent, of the recipients of such funds, and of the progress made toward achieving the purposes of this title, and (C) to determine the extent to which funds were expended consistent with the State's description and statement transmitted under section 505. Copies of the report shall be 42 USC 706.

provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

"(2) The Secretary shall annually report to the Congress on activities funded under section 502(a) and shall provide for transmittal of a copy of such report to each State.

"(b)(1) Each State shall, not less often than once every two years, audit its expenditures from amounts received under this title. Such State audits shall be conducted by an entity independent of the State agency administering a program funded under this title in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions and generally accepted auditing standards. Within 30 days following the completion of each audit report, the State shall submit a copy of that audit report to the Secretary.

"(2) Each State shall repay to the United States amounts found by the Secretary, after notice and opportunity for a hearing to the State, not to have been expended in accordance with this title and, if such repayment is not made, the Secretary may offset such amounts against the amount of any allotment to which the State is or may become entitled under this title or may otherwise recover such amounts.

"(3) The Secretary may, after notice and opportunity for a hearing, withhold payment of funds to any State which is not using its allotment under this title in accordance with this title. The Secretary may withhold such funds until the Secretary finds that the reason for the withholding has been removed and there is reasonable assurance that it will not recur.

"(c) The State shall make copies of the reports and audits required by this section available for public inspection within the State.

"(d)(1) For the purpose of evaluating and reviewing the block grant established under this title, the Secretary and the Comptroller General shall have access to any books, accounts, records, correspondence, or other documents that are related to such block grant, and that are in the possession, custody, or control of States, political subdivisions thereof, or any of their grantees.

"(2) In conjunction with an evaluation or review under paragraph (1), no State or political subdivision thereof (or grantee of either) shall be required to create or prepare new records to comply with paragraph (1).

"(3) For other provisions relating to deposit, accounting, reports, and auditing with respect to Federal grants to States, see section 202 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4212).

"CRIMINAL PENALTY FOR FALSE STATEMENTS

42 USC 707.

"SEC. 507. (a) Whoever—

"(1) knowingly and willfully makes or causes to be made any false statement or representation of a material fact in connection with the furnishing of items or services for which payment may be made by a State from funds allotted to the State under this title, or

"(2) having knowledge of the occurrence of any event affecting his initial or continued right to any such payment conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount than is due or when no such payment is authorized,

shall be fined not more than $25,000 or imprisoned for not more than five years, or both.

"(b) For civil monetary penalties for certain submissions of false claims, see section 1128A of this Act. *Ante*, p. 789.

"NONDISCRIMINATION

"SEC. 508. (a)(1) For the purpose of applying the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under title IX of the Education Amendments of 1972, or on the basis of race, color, or national origin under title VI of the Civil Rights Act of 1964, programs and activities funded in whole or in part with funds made available under this title are considered to be programs and activities receiving Federal financial assistance. 42 USC 708. 42 USC 6101 note. 29 USC 794. 20 USC 1681. 42 USC 2000d.

"(2) No person shall on the ground of sex or religion be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title.

"(b) Whenever the Secretary finds that a State, or an entity that has received a payment from an allotment to a State under section 502(b), has failed to comply with a provision of law referred to in subsection (a)(1), with subsection (a)(2), or with an applicable regulation (including one prescribed to carry out subsection (a)(2)), he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the Secretary may—

"(1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted,

"(2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable, or

"(3) take such other action as may be provided by law.

"(c) When a matter is referred to the Attorney General pursuant to subsection (b)(1), or whenever he has reason to believe that the entity is engaged in a pattern or practice in violation of a provision of law referred to in subsection (a)(1) or in violation of subsection (a)(2), the Attorney General may bring a civil action in any appropriate district court of the United States for such relief as may be appropriate, including injunctive relief.

"ADMINISTRATION OF TITLE AND STATE PROGRAMS

"SEC. 509. (a) The Secretary shall designate an identifiable administrative unit with expertise in maternal and child health within the Department of Health and Human Services, which unit shall be responsible for— 42 USC 709.

"(1) the Federal program described in section 502(a);

"(2) promoting coordination at the Federal level of the activities authorized under this title and under title XIX of this Act, especially early and periodic screening, diagnosis and treatment, related activities funded by the Departments of Agriculture and Education, and under health block grants and categorical health programs, such as immunizations, administered by the Secretary; 42 USC 1396.

"(3) disseminating information to the States in such areas as preventive health services and advances in the care and treatment of mothers and children;

"(4) providing technical assistance, upon request, to the States in such areas as program planning, establishment of goals and objectives, standards of care, and evaluation;

"(5) in cooperation with the National Center for Health Statistics and in a manner that avoids duplication of data collection, collection, maintenance, and dissemination of information relating to the health status and health service needs of mothers and children in the United States; and

"(6) assisting in the preparation of reports to the Congress on the activities funded and accomplishments achieved under this title from the information required to be reported by the States under sections 505 and 506.

"(b) The State health agency of each State shall be responsible for the administration (or supervision of the administration) of programs carried out with allotments made to the State under this title, except that, in the case of a State which on July 1, 1967, provided for administration (or supervision thereof) of the State plan under this title (as in effect on such date) by a State agency other than the State health agency, that State shall be considered to comply the requirement of this subsection if it would otherwise comply but for the fact that such other State agency administers (or supervises the administration of) any such program providing services for crippled children.".

42 USC 706 note.

(b)(1) The Secretary of Health and Human Services shall, no later than October 1, 1984, report to the Congress on the activities of States receiving allotments under title V of the Social Security Act (as amended by this section) and include in such report any recommendations for appropriate changes in legislation.

(2) The Secretary of Health and Human Services, in consultation with the Comptroller General, shall examine alternative formulas, for the allotment of funds to States under section 502(b) of the Social Security Act (as amended by this section) which might be used as a substitute for the method of allotting funds described in such section, which provide for the equitable distribution of such funds to States (as defined for purposes of such section), and which take into account—

(A) the populations of the States,

(B) the number of live births in the States,

(C) the number of crippled children in the States,

(D) the number of low income mothers and children in the States,

(E) the financial resources of the various States, and

(F) such other factors as the Secretary deems appropriate, and shall report to the Congress thereon not later than June 30, 1982.

REPEALS AND CONFORMING AMENDMENTS

42 USC 247a.

SEC. 2193. (a)(1)(A) Section 316(g) of the Public Health Service Act is amended by inserting ", and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $8,300,000 for the fiscal year ending September 30, 1982" before the period.

42 USC 300b.

(B) Section 1101(b) of such Act is amended by inserting "and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $9,680,000 for the fiscal year ending September 30, 1982" before the period.

Post, p. 828.

(C) Section 1121(d)(1) of such Act is amended by inserting "; and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $2,075,000 for fiscal year 1982" before the period. 42 USC 300c-11. *Post*, p. 828.

(D) Section 1131(f) of such Act is amended by inserting ", and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $2,765,000 for the fiscal year ending September 30, 1982" before the period. 42 USC 300c-21.

(2) Section 607 of the Health Services and Centers Amendments of 1978 (Public Law 95-626) is amended by inserting ", and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $8,530,000 for the fiscal year ending September 30, 1982" before the period. 42 USC 300a-27.

(3) Section 501 of the Social Security Act (as in effect before the date the amendment made by section 2192(a) becomes effective) is amended by striking out "for each fiscal year thereafter" and inserting in lieu thereof "and for each of the next three fiscal years, and, subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act, $317,580,000 for the fiscal year ending September 30, 1982". 42 USC 701.

(4)(A) Section 1615(e)(1) of the Social Security Act is amended by inserting "and subject to section 2194(b)(3) of the Maternal and Child Health Services Block Grant Act" after "paragraphs (2) and (3)". 42 USC 1382d.

(B) Effective for fiscal year 1982, section 1615(e)(3) of such Act is amended by striking out "$30,000,000" and inserting in lieu thereof "$24,070,000".

(b)(1) Sections 316, 1101, 1121 and 1131 of the Public Health Service Act are repealed. 42 USC 247a, 300b, 300c-11, 300c-21.

(2) Section 1104(a) of such Act is amended by inserting "and" at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4). 42 USC 300b-3.

(3) Section 1104 of such Act is further amended (A) by striking out subsections (b) and (d), (B) by striking out "or under section 1101" in subsection (c), and (C) by redesignating subsection (c) as subsection (b).

(4) Sections 1106 and 227 of such Act are repealed. 42 USC 300b-5, 236.

(5) Section 1107 of such Act is amended by striking out "appropriated under section 1101(b)" and inserting in lieu thereof "allotted for use under section 502(a) of the Social Security Act". 42 USC 300b-6.

(c)(1) Section 1108(d) of the Social Security Act is amended by striking out "section 502(a)" and all that follows through "1967" and inserting in lieu thereof "section 421". 42 USC 1308.

(2) Section 1101(a)(9)(D) of such Act is amended by striking out "V, XVIII, and XIX" and inserting in lieu thereof "XVIII and XIX". 42 USC 1301.

(3) Section 1122 of such Act is amended— 42 USC 1320a-1.

(A) by striking out "V, XVIII, and XIX" and inserting in lieu thereof "XVIII and XIX" each place it appears, and

(B) by striking out "V, XVIII, or X" in subsection (d)(2) and inserting in lieu thereof "XVIII or XIX".

(4) Section 1129 of such Act is amended— 42 USC 1320a-8.

(A) by striking out "V or" each place it appears in subsection (a), and

(B) by striking out "V, XVIII, or" in subsection (b)(2) and inserting in lieu thereof "XVIII or".

(5) Section 1132(a)(1) of such Act is amended by striking out "V,". 42 USC 1320b-2.

(6) Section 1134 of such Act is amended by striking out "V, XVIII," and inserting in lieu thereof "XVIII". 42 USC 1320b-4.

(7) Section 1172(4) of such Act is amended by striking out "V,". 42 USC 1320c-21.

42 USC 1382d.

(8)(A) Subsection (a) of section 1615 of such Act is amended by striking out "appropriate State agency administering the State plan under subsection (b) of this section, and (except in such cases" and inserting in lieu thereof "State agency administering the State program under title V, and (except for individuals who have not attained age 16 and except in such other cases".

Ante, p. 818.

(B) Subsections (b) and (e) of such section are repealed.

42 USC 1395x.

(9) Section 1861(w)(2) of such Act is amended by striking out "V or".

42 USC 1396a.

(9) Section 1902(a)(11)(B) of such Act is amended—

(A) by striking out "for part or all of the cost of plans or projects under" and inserting in lieu thereof "under (or through an allotment under)", and

(B) by striking out "such plan or project under title V" and inserting in lieu thereof "such title or allotment".

42 USC 1395b-1.

(d)(1) The second sentence of section 402(a)(1) of the Social Security Amendments of 1967 (P.L. 90-248) is amended—

(A) by striking out "title XVIII of such Act," and inserting in lieu thereof "title XVIII of such Act and", and

(B) by striking out the ", and a program established by a plan of a State approved under title V of such Act".

(2) Section 402(a)(2) of such Act is amended by striking out "titles V and XIX" and inserting in lieu thereof "title XIX" both places it occurs.

(3) Section 402(b) of such Act is amended by striking out ", XIX, and V" and inserting in lieu thereof "and XIX".

42 USC 1395b-1 note.

(e)(1) Section 222(a)(1) of the Social Security Amendments of 1972 (P.L. 92-603) is amended by striking out "titles XIX and V" and inserting in lieu thereof "title XIX".

(2) The first sentence of section 222(a)(3) of such Act is amended by striking out ", XIX, and V" and inserting in lieu thereof "and XIX".

(3) Section 222(a)(4) of such Act is amended by striking out "titles V and XIX" and inserting in lieu thereof "title XIX" both places it appears.

42 USC 300a-21, 300a-41.

(f) Titles VI and VII of the Health Services and Centers Amendments of 1978 (P.L. 95-626) are repealed.

42 USC 1320a-8 note.

(g) Section 914(d) of the Omnibus Reconciliation Act of 1980 (P.L. 96-499; 94 Stat. 2622) is amended by striking out "V, XVIII," and inserting in lieu thereof "XVIII".

EFFECTIVE DATE; TRANSITION

42 USC 701 note.

SEC. 2194. (a) Except as otherwise provided in this section, the amendments made by sections 2192 and 2193 of this subtitle do not apply to any grant made, or contract entered into, or amounts payable to States under State plans before the earlier of—

(1) October 1, 1982, or

(2)(A) in the case of such grants, contracts, or payments under consolidated State programs (as defined in subsection (c)(2)(C)) to a State (or entities in the State), the date the State is first entitled to an allotment under title V of the Social Security Act (as amended by this subtitle), or

(B) in the case of grants and contracts under consolidated Federal programs (as defined in subsection (c)(2)(B)), October 1, 1981, or such later date (before October 1, 1982) as the Secretary determines to be appropriate.

(b)(1) The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") may not provide for any allotment to a State under title V of the Social Security Act (as

amended by this subtitle) for a calendar quarter in fiscal year 1982 unless the State has notified the Secretary, at least 30 days (or 15 days in the case of the first calendar quarter of the fiscal year) before the beginning of the calendar quarter, that the State requests an allotment for that calendar quarter (and subsequent calendar quarters).

(2)(A) Any grants or contracts entered into under the authorities of the consolidated State programs (as defined in subsection (c)(2)(C)) after the date of the enactment of this subtitle shall permit the termination of such grant or contract upon three months notice by the State in which the grantee or contractor is located.

(B) The Secretary shall not make or renew any grants or contracts under the provisions of the consolidated State programs (as defined in subsection (c)(2)(C)) to a State (or an entity in the State) after the date the State becomes entitled to an allotment of funds under title V of the Social Security Act (as amended by this subtitle).

(3)(A) In the case of funds appropriated for fiscal year 1982 for consolidated health programs (as defined in subsection (c)(2)(A)), such funds shall (notwithstanding any other provision of law) be available for use under title V of the Social Security Act (as amended by this subtitle), subject to subparagraphs (B) and (C).

(B) Notwithstanding any other provision of law—

(i) the amount that may be made available for expenditures for the consolidated Federal programs for fiscal year 1982 and for projects and programs under section 502(a) of the Social Security Act (as amended by this subtitle) may not exceed the amount provided for projects and programs under such section 502(a) for that fiscal year, and

(ii) the amount that may be made available to a State (or entities in the State) for carrying out the consolidated State programs for fiscal year 1982 and for allotments to the State under section 502(b) of the Social Security Act (as amended by this subtitle) may not exceed the amount which is allotted to the State for that fiscal year under such section (without regard to paragraphs (3) and (4) thereof).

(C) For fiscal year 1982, the Secretary shall reduce the amount which would otherwise be available—

(i) for expenditures by the Secretary under section 502(a) of the Social Security Act (as amended by this subtitle) by the amounts which the Secretary determines or estimates are payable for consolidated Federal programs (as defined in subsection (c)(2)(B)) from funds for fiscal year 1982, and

(ii) for allotment to each of the States under section 502(b) of such Act (as so amended) by the amounts which the Secretary determines or estimates are payable to that State (or entities in the State) under the consolidated State programs (as defined in subsection (c)(2)(C)) from funds for fiscal year 1982.

(c) For purposes of this section: Definitions.

(1) The term "State" has the meaning given such term for purposes of title V of the Social Security Act.

(2)(A) The term "consolidated health programs" has the meaning given such term in section 501(b) of the Social Security Act (as amended by this subtitle).

(B) The term "consolidated Federal programs" means the consolidated health programs—

(i) of special projects grants under sections 503 and 504, and training grants under section 511, of the Social Security Act,

(ii) of grants and contracts for genetic disease projects and programs under section 1101 of the Public Health Service Act, and

42 USC 300b.

(iii) of grants or contracts for comprehensive hemophilia diagnostic and treatment centers under section 1131 of the Public Health Service Act,

42 USC 300c-21.

as such sections are in effect before the date of the enactment of this subtitle.

(C) The term "consolidated State programs" means the consolidated health programs, other than the consolidated Federal programs.

Ante, p. 762.

(d) The provisions of chapter 2 of subtitle C of title XVII of this Act shall not apply to this subtitle (or the programs under the amendments made by this title) and, specifically, section 1745 of this Act shall not apply to financial and compliance audits conducted under section 506(b) of the Social Security Act (as amended by this subtitle).

Ante, p. 764.

42 USC 706.

TITLE XXII—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

TABLE OF CONTENTS OF TITLE

Sec. 2201. Repeal of minimum benefit provisions.
Sec. 2202. Restrictions on the lump-sum death payment.
Sec. 2203. Payment of certain benefits only for months after month in which entitlement conditions are fulfilled.
Sec. 2204. Temporary extension of earnings limitation to include all persons aged less than seventy-two.
Sec. 2205. Termination of mother's and father's benefits when child attains age sixteen.
Sec. 2206. Rounding of benefits.
Sec. 2207. Requests for information; cost reimbursement.
Sec. 2208. Reduction in disability benefits on account of other related payments; extension of offset to disabled worker beneficiaries aged 62 through 64 and their families; change in month in which payments are offset.
Sec. 2209. Reimbursement of States for successful rehabilitation services.
Sec. 2210. Elimination of child's insurance benefits in the case of children aged 18 through 22 who attend postsecondary schools.

REPEAL OF MINIMUM BENEFIT PROVISIONS

42 USC 415.

SEC. 2201. (a) Section 215(a)(1)(C)(i) of the Social Security Act is amended to read as follows:

"(C)(i) No primary insurance amount computed under subparagraph (A) may be less than an amount equal to $11.50 multiplied by the individual's years of coverage in excess of 10, or the increased amount determined for purposes of this clause under subsection (i).".

(b)(1) Section 215(a)(1)(C)(ii) of such Act is amended by striking out "For purposes of clause (i)(II)" and inserting in lieu thereof "For purposes of clause (i)".

(2) Section 215(a)(3)(A) of such Act is amended by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)".

(3) Section 215(a)(4) of such Act is amended—

(A) by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)"; and

(B) in subclause (I) thereof, by striking out "but without regard to clauses (iv) and (v) thereof".

(4) Section 215(f)(8) of such Act is amended by striking out "subsection (a)(1)(C)(i)(II)" and inserting in lieu thereof "subsection (a)(1)(C)(i)". 42 USC 415.

(5) Section 215(i)(2)(A)(ii)(II) of such Act is amended by striking out "(including a primary insurance amount determined under subsection (a)(1)(C)(i)(I), but subject to the provisions of such subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph)".

(6) Section 215(i)(2)(A)(ii) of such Act is amended in the matter following subclause (III) by striking out "subparagraph (C)(i)(II)" and inserting in lieu thereof "subparagraph (C)(i)".

(7) Section 215(i)(2)(A)(iii) of such Act is amended by striking out "and, with respect to a primary insurance amount determined under subsection (a)(1)(C)(i)(I), subject to the provisions of subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph".

(8) Section 215(i)(2)(A) of such Act is amended by striking out clauses (iv) and (v) thereof.

(9) Section 215(i)(2)(D) of such Act is amended by striking out "subparagraph (C)(i)(II)" each place it appears and inserting in lieu thereof in each instance "subparagraph (C)(i)".

(10) Section 202(m) of such Act is repealed. 42 USC 402.

(11) Paragraphs (1) and (5) of section 202(w) of such Act are each amended by striking out "section 215(a)(1)(C)(i)(II)" and inserting in lieu thereof in each instance "section 215(a)(1)(C)(i)".

(12) Section 233(c)(2) of such Act is amended to read as follows: 42 USC 433.

"(2) Any such agreement may provide that an individual who is entitled to cash benefits under this title shall, notwithstanding the provisions of section 202(t), receive such benefits while he resides in a foreign country which is a party to such agreement.".

(c)(1) Section 215(a) of such Act is amended by adding at the end thereof the following new paragraph: 42 USC 415.

"(6)(A) The table of benefits in effect in December 1978 under this section, referred to in paragraph (4) in the matter following subparagraph (B) and in paragraph (5), revised as provided by subsection (i), as applicable, shall be extended for average monthly wages of less than $76.00 and primary insurance benefits (as determined under subsection (d)) of less than $16.20.

"(B) The Secretary shall determine and promulgate in regulations the methodology for extending the table under subparagraph (A).".

(2) Section 215(a)(4) of such Act is amended, in the matter following subparagraph (B), by inserting ", as modified by paragraph (6)," after "table of benefits in effect in December 1978".

(3) Section 215(a)(5) of such Act is amended—

(A) by inserting before the period at the end of the first sentence the following: ", and the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be modified as specified in paragraph (6)"; and

(B) in the last sentence by inserting ", modified by the application of paragraph (6)," after "December 1978".

(4) Section 215(f)(7) of such Act is amended by adding at the end thereof the following new sentence: "The recomputation shall be modified by the application of section 215(a)(6), where applicable.".

(5) Section 215(i)(4) of such Act is amended by inserting ", modified by the application of subsection (a)(6)," after "December 1978" each place it appears.

(6) Section 203(a)(8) of such Act is amended by inserting ", modified by the application of section 215(a)(6)" before ", except that". 42 USC 403.

42 USC 417.

(7) Section 217(b)(1) of such Act is amended by inserting before the period at the end of the first sentence the following: ", and as modified by the application of section 215(a)(6)".

42 USC 402.

(d)(1) Section 202(q)(4) of such Act is amended by striking out "increased" and "increase" each place they appear and inserting in lieu thereof "changed" and "change", respectively.

(2) Section 202(q)(10) of such Act is amended in the matter preceding subparagraph (A) by striking out "increased", "increase", and "increases" each place they appear and inserting in lieu thereof "changed", "change", and "changes", respectively.

Primary insurance amounts, recalculation.
42 USC 415 note.
42 USC 415.

(e)(1) The Secretary of Health and Human Services shall recalculate the primary insurance amounts applicable to—

(A) beneficiaries whose benefits are based on a primary insurance amount that was computed under section 215(a)(1)(C)(i)(I) of the Social Security Act, and

(B) beneficiaries with average monthly wages of less than $76.00 and primary insurance benefits of less than $16.20 whose benefits are based on primary insurance amounts computed under section 215(a)(4) or section 215(a)(5) of such Act.

(2) In the case of individuals to whom sections 215(a)(1) and 215(a)(4) of such Act as in effect after December 1978 do not apply, the Secretary shall recalculate the primary insurance amount computed under section 215 as in effect in December 1978 as though the individual had first become entitled in December 1978; except that—

(A) the table in, or deemed to be in, the law as the result of the amendments made by subsection (c)(1) of this section shall be used in lieu of the table in effect in December 1978;

(B) in the case of individuals who were born after January 1, 1913, the first sentence of section 215(b)(3) of the law as so in effect shall be deemed to read: "For purposes of paragraph (2), the number of an individual's elapsed years is the number of calendar years after 1950 (or, if later, after the year of attainment of age 21) and before 1961 or, if later, the earlier of the year in which such individual died or attained age 62.";

(C) in the case of individuals who were born prior to January 2, 1913, the first sentence of section 215(b)(3) of the law as so in effect shall be deemed to read: "For purposes of paragraph (2), the number of an individual's elapsed years is the number of calendar years after 1950 and before 1961 or, if later, the earlier of the year in which such individual died or attained, in the case of a man (except as provided by section 104(j) of Public Law 92-603) age 65, or in the case of a woman, age 62.";

42 USC 414 note.

(D) section 215(b)(4) of the law as so in effect shall be disregarded;

(E) section 215(d)(2)(C) of the law as so in effect shall be disregarded;

(F) section 215(d)(4) of the law as so in effect shall be deemed, for purposes of such recalculation, to read:

"(4) The provisions of this subsection as in effect in December 1977 (but without regard to paragraph (2)(C)) shall be applicable to individuals who became eligible for old-age or disability insurance benefits or died prior to 1978.";

(G) in the case of individuals who became disabled, died, or attained age 65 prior to 1951, the Secretary shall by regulations provide an alternative computation in lieu of the computation provided by the law as so in effect (and modified by this paragraph); and

(H) in no event may the recalculated primary insurance amount exceed the primary insurance amount that is based on an average monthly wage of $76.00 or the primary insurance amount that is based on a primary insurance benefit of $16.20.

(3) In the case of individuals to whom either section 215(a) (1) or (4) of such Act apply, the primary insurance amount shall be recalculated under section 215 as in effect after December 1978; except that the table in or deemed to be in the law as a result of the amendments made by subsection (c)(1) of this section shall be used (where appropriate) in lieu of the table in effect in December 1978. 42 USC 415.

(f) The first sentence of section 202(i) of such Act is amended by inserting after "primary insurance amount" the following: "(as determined without regard to the amendments made by section 2201 of the Omnibus Budget Reconciliation Act of 1981, relating to the repeal of the minimum benefit provisions)". *Post*, p. 834. *Ante*, p. 830.

(g) Part A of title XVI of the Social Security Act is amended by adding at the end thereof the following new section:

"BENEFITS FOR INDIVIDUALS FORMERLY RECEIVING MINIMUM BENEFITS UNDER TITLE II

"SEC. 1622. (a) Any individual who— 42 USC 1382k.

"(1) is 60 years of age or older but has not attained the age of 65;

"(2) would be an eligible individual or eligible spouse under section 1611 if such individual were 65 years of age; 42 USC 1382.

"(3) is not otherwise eligible for a benefit under section 1611;

"(4) for the month of February 1982 was entitled to a monthly benefit under title II of this Act for which he made application prior to March 1, 1982, as determined without regard to any deductions on account of work required by section 203, which entitlement amount (as so determined) was reduced for any month by reason of the amendments made by section 2201 of the Omnibus Budget Reconciliation Act of 1981 (relating to the repeal of the minimum benefit provisions); and 42 USC 401. 42 USC 403.

"(5) is not entitled under title II to a monthly benefit, as determined without regard to any deductions on account of work required by section 203, in an amount equal to or greater than such entitlement amount (as so determined) for February 1982;

shall be eligible for a benefit for each month in which he meets the requirements of this subsection in an amount determined under subsection (b) or (c).

"(b) The amount of the monthly benefit payable under subsection (a) shall be the amount of the monthly benefit which would otherwise be payable to such individual under this title if he were 65 years of age; except that—

"(1) the amount of such monthly benefit shall not exceed—

"(A) in the case of an individual described in subsection (a) who does not have an eligible spouse, an amount equal to the amount by which such individual's monthly benefit entitlement under title II for such month as determined without regard to any deductions on account of work required by section 203, is less than the amount of such individual's monthly benefit entitlement under title II for February 1982 (as so determined); or

"(B) in the case of an individual and his spouse, both of whom are individuals described in subsection (a), an amount equal to the amount by which the combined amount of their monthly benefit entitlements under title II for such month

42 USC 401.

(as so determined), is less than the combined amount of their monthly benefit entitlements under title II for February 1982 (as so determined);

"(2) the benefit amount shall be determined on the basis of the dollar amounts applicable under this title for February 1982 (without regard to cost-of-living adjustments made after February 1982 under section 1617) in the case of any individuals described in paragraph (1); and

42 USC 1382f.

"(3) in the case of an individual described in subsection (a) who has a spouse eligible for benefits under this title, other than by reason of this section, the amount of such monthly benefit for such individual (described in subsection (a)) shall be determined under subsection (c), and the amount of the monthly benefit for such spouse shall be determined in the same manner as for an individual who does not have an eligible spouse.

"(c) The amount of the monthly benefit for an individual described in subsection (b)(3) shall be an amount equal to the amount by which—

"(1) the monthly benefit amount for which such individual and his spouse would be eligible for such month under this title if both he and his spouse were 65 years of age, determined on the basis of the dollar amounts applicable under this title for February 1982 (without regard to cost-of-living adjustments made after February 1982 under section 1617); exceeds

"(2) the monthly benefit amount under this title for which his spouse is eligible for such month;

except that the amount of such monthly benefit shall not exceed the amount by which such individual's monthly benefit entitlement under title II for such month, as determined without regard to deductions on account of work under section 203, is less than his monthly benefit entitlement under title II (as so determined) for February 1982.

42 USC 403.

"(d) An individual who is entitled to a benefit under this section shall not be considered to be an individual receiving supplemental security income benefits under this title for purposes of section 1616 of this title or of any provision of law other than this title.".

42 USC 1382e.

Effective dates.
42 USC 1382k note.

(h)(1) This section and the amendments made thereby shall be effective with respect to—

(A) benefits payable for months after October 1981 in the case of individuals who initially become eligible for benefits under title II of the Social Security Act after October 1981; and

42 USC 401.

(B) benefits payable for months after February 1982 in the case of all other individuals.

(2) For purposes of this subsection, eligibility shall be determined in accordance with paragraphs (2)(A) and (3)(B) of section 215(a) of the Social Security Act.

42 USC 415.

RESTRICTIONS ON THE LUMP-SUM DEATH PAYMENT

42 USC 402.

SEC. 2202. (a)(1) Section 202(i) of the Social Security Act is amended—

(A) in the second sentence, by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

42 USC 416.

"(1) to a widow (as defined in section 216(c)) or widower (as defined in section 216(g)) who is entitled (or would have been so entitled had a timely application been filed), on the basis of the wages and self-employment income of such insured individual, to

benefits under subsection (e), (f), or (g) of this section for the month in which occurred such individual's death; or

"(2) if no person qualifies for payment under paragraph (1), or if such person dies before receiving payment, in equal shares to each person who is entitled (or would have been so entitled had a timely application been filed), on the basis of the wages and self-employment income of such insured individual, to benefits under subsection (d) of this section for the month in which occurred such individual's death."; and

(B) in the third sentence, by striking out "(except a payment as authorized pursuant to clause (1)(A) of the preceding sentence)".

(2)(A) Section 216(c) of such Act is amended by inserting "the first sentence of" before "section 202(i)". 42 USC 416.

(B) Section 216(g) of such Act is amended by inserting "the first sentence of" before "section 202(i)".

(b) The amendments made by subsection (a) shall apply only with respect to deaths occurring after August 1981. Effective date. 42 USC 402 note.

PAYMENT OF CERTAIN BENEFITS ONLY FOR MONTHS AFTER MONTH IN WHICH ENTITLEMENT CONDITIONS ARE FULFILLED

SEC. 2203. (a) Section 202(a) of the Social Security Act is amended by striking out so much of the first sentence as follows paragraph (3) and inserting in lieu thereof the following: 42 USC 402.

"shall be entitled to an old-age insurance benefit for each month, beginning with—

"(A) in the case of an individual who has attained age 65, the first month in which such individual meets the criteria specified in paragraphs (1), (2), and (3), or

"(B) in the case of an individual who has attained age 62, but has not attained age 65, the first month throughout which such individual meets the criteria specified in paragraphs (1) and (2) (if in that month he meets the criterion specified in paragraph (3)),

and ending with the month preceding the month in which he dies.".

(b)(1) Section 202(b)(1) of such Act is amended by striking out the matter that follows subparagraph (D) and precedes subparagraph (E) and inserting in lieu thereof the following:

"shall (subject to subsection (s)) be entitled to a wife's insurance benefit for each month, beginning with—

"(i) in the case of a wife or divorced wife (as so defined) of an individual entitled to old-age benefits, if such wife or divorced wife has attained age 65, the first month in which she meets the criteria specified in subparagraphs (A), (B), (C), and (D), or

"(ii) in the case of a wife or divorced wife (as so defined) of—

"(I) an individual entitled to old-age insurance benefits, if such wife or divorced wife has not attained age 65, or

"(II) an individual entitled to disability insurance benefits, the first month throughout which she is such a wife or divorced wife and meets the criteria specified in subparagraphs (B), (C), and (D) (if in such month she meets the criterion specified in subparagraph (A)),

whichever is earlier, and ending with the month preceding the month in which any of the following occurs—".

(2) Section 216(b) of such Act is amended by adding at the end thereof the following new sentences: "For purposes of clause (2), a wife shall be deemed to have been married to an individual for a period of one year throughout the month in which occurs the first anniversary of her marriage to such individual. For purposes of 42 USC 416.

42 USC 402.

subparagraph (C) of section 202(b)(1), a divorced wife shall be deemed not to be married throughout the month in which she becomes divorced.".

(c)(1) Section 202(c)(1) of such Act is amended by striking out the matter that follows subparagraph (C) and precedes the colon and inserting in lieu thereof the following:

"shall be entitled to a husband's insurance benefit for each month, beginning with—

"(i) in the case of a husband (as so defined) of an individual who is entitled to an old-age insurance benefit, if such husband has attained age 65, the first month in which he meets the criteria specified in subparagraphs (A), (B), and (C), or

"(ii) in the case of a husband (as so defined) of—

"(I) an individual entitled to old-age insurance benefits, if such husband has not attained age 65, or

"(II) an individual entitled to disability benefits,

the first month throughout which he is such a husband and meets the criteria specified in subparagraphs (B) and (C) (if in such month he meets the criterion specified in subparagraph (A)),

whichever is earlier, and ending with the month preceding the month in which any of the following occurs".

42 USC 416.

(2) Section 216(f) of such Act is amended by adding at the end thereof the following new sentence: "For purposes of clause (2), a husband shall be deemed to have been married to an individual for a period of one year throughout the month in which occurs the first anniversary of his marriage to her.".

42 USC 402.

(d)(1) Section 202(d)(1) of such Act is amended by striking out so much of the first sentence as follows subparagraph (C) and precedes subparagraph (D) and inserting in lieu thereof the following:

"shall be entitled to a child's insurance benefit for each month, beginning with—

"(i) in the case of a child (as so defined) of such an individual who has died, the first month in which such child meets the criteria specified in subparagraphs (A), (B), and (C), or

"(ii) in the case of a child (as so defined) of an individual entitled to an old-age insurance benefit or to a disability insurance benefit, the first month throughout which such child is a child (as so defined) and meets the criteria specified in paragraphs (B) and (C) (if in such month he meets the criterion specified in paragraph (A)),

whichever is earlier, and ending with the month preceding whichever of the following first occurs—".

(2) Section 202(d)(7) of such Act is amended by adding at the end of subparagraph (A) the following new sentence: "An individual who is determined to be a full-time elementary or secondary school student shall be deemed to be such a student throughout the month with respect to which such determination is made.".

42 USC 416.

(3) Section 216(e) of such Act is amended by adding at the end thereof the following new sentences: "For purposes of clause (2), a child shall be deemed to have been the stepchild of an individual for a period of one year throughout the month in which occurs the expiration of such one year. For purposes of clause (3), a person shall be deemed to have no natural or adoptive parent living (other than a parent who was under a disability) throughout the most recent month in which a natural or adoptive parent (not under a disability) dies.".

(4) Section 216(h) of such Act is amended by adding at the end of paragraph (3) the following new sentence: "For purposes of subparagraph (A)(i), an acknowledgement, court decree, or court order shall be deemed to have occurred on the first day of the month in which it actually occurred.". 42 USC 416.

(e) Section 226(a)(2) of such Act is amended— 94 Stat. 2263. 42 USC 426.

(1) by striking out "or" after "section 202,"; and

(2) by inserting, immediately after "therefor)" the following: ", or would be entitled to such benefits but for the failure of another individual, who meets all the criteria of entitlement to monthly insurance benefits, to meet such criteria throughout a month,".

(f)(1) The amendments made by subsections (a), (b), and (c) of this section shall apply only to monthly insurance benefits payable to individuals who attain age 62 after August 1981. Effective dates. 42 USC 402 note.

(2) The amendments made by subsection (d) of this section shall apply to monthly insurance benefits for months after August 1981, and only in the case of individuals who were not entitled to such insurance benefits for August 1981 or any preceding month.

(3) The amendments made by subsection (e) of this section shall apply only to individuals aged 65 and over whose insured spouse attains age 62 after August 1982. 42 USC 426 note.

TEMPORARY EXTENSION OF EARNINGS LIMITATION TO INCLUDE ALL PERSONS AGED LESS THAN SEVENTY-TWO

SEC. 2204. (a) Notwithstanding subsection (e) of section 302 of the Social Security Amendments of 1977 (91 Stat. 1531; Public Law 95-216), the amendments made to section 203 of the Social Security Act by subsections (a) through (d) of such section 302 shall, except as provided in subsection (b) of this section, apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after December 1982. 42 USC 403 note. 42 USC 403 note. 42 USC 403. 42 USC 401.

(b) In the case of any individual whose first taxable year (as in effect on the date of the enactment of this Act) ending after December 31, 1981, begins before January 1, 1982, the amendments made by section 302 of the Social Security Amendments of 1977 shall apply with respect to taxable years beginning with such taxable year.

TERMINATION OF MOTHER'S AND FATHER'S BENEFITS WHEN CHILD ATTAINS AGE SIXTEEN

SEC. 2205. (a)(1) Section 202(s)(1) of the Social Security Act is amended by striking out "the age of 18" and inserting in lieu thereof "the age of 16". 42 USC 402.

(2) The heading of section 202(s) of such Act is amended by striking out "Child Aged 18 or Over Attending School" and inserting in lieu thereof "Child Over Specified Age to be Disregarded for Certain Benefit Purposes Unless Disabled".

(b) The amendments made by subsection (a) shall apply with respect to wife's and mother's insurance benefits for months after the month in which this Act is enacted; except that, in the case of an individual who is entitled to such a benefit (on the basis of having a child in her care) for the month in which this Act is enacted, such amendments shall not take effect until the first day of the first month which begins 2 years or more after the date of the enactment of this Act. Effective date. 42 USC 402 note.

ROUNDING OF BENEFITS

42 USC 415.

SEC. 2206. (a) The text of section 215(g) of the Social Security Act is amended to read as follows:

42 USC 402, 423, 403, 424a.
42 USC 1395s.

"(g) The amount of any monthly benefit computed under section 202 or 223 which (after any reduction under sections 203(a) and 224 and any deduction under section 203(b), and after any deduction under section 1840(a)(1)) is not a multiple of $1 shall be rounded to the next lower multiple of $1.".

42 USC 402.

(b)(1) Section 202(q)(8) of such Act is amended—

(A) in the first sentence, by striking out "after application of section 215(g)" and inserting in lieu thereof "before application of section 215(g)"; and

(B) in the last sentence, by striking out "reduced to the next lower" and inserting in lieu thereof "increased to the next higher".

42 USC 403.

(2) Section 203(a)(1) of such Act is amended in the last sentence by striking out "increased to the next higher" and inserting in lieu thereof "decreased to the next lower".

(3) Section 203(a)(3)(B)(iii) of such Act is amended in the parenthetical phrase immediately preceding the semicolon at the end thereof by striking out "higher" and inserting in lieu thereof "lower".

(4) Section 203(a)(8) of such Act is amended by inserting at the end the following new sentence: "For purposes of the preceding sentence, the phrase 'rounded to the next higher multiple of $0.10', as it appeared in subsection (a)(2)(C) of this section as in effect in December 1978, shall be deemed to read 'rounded to the next lower multiple of $0.10' ".

42 USC 415.

(5) Section 215(a)(1)(A) of such Act is amended by striking out "rounded in accordance with subsection (g)," and inserting in lieu thereof "rounded, if not a multiple of $0.10, to the next lower multiple of $0.10,".

(6) Section 215(i)(2)(A)(ii) of such Act is amended in the sentence immediately following subclause (III) by striking out "increased to the next higher" and inserting in lieu thereof "decreased to the next lower".

(7) Section 215(i)(4) of such Act is amended by inserting before the period at the end of the first sentence the following: ", except that for this purpose, in applying paragraphs (2)(A)(ii), (2)(D)(iv), and (2)(D)(v) of this subsection as in effect in December 1978, the phrase 'increased to the next higher multiple of $0.10' shall be deemed to read 'decreased to the next lower multiple of $0.10' ".

Effective date.
42 USC 402 note.

(c) The amendments made by this section shall apply only with respect to initial calculations and adjustments of primary insurance amounts and benefit amounts which are attributable to periods after August 1981.

REQUESTS FOR INFORMATION; COST REIMBURSEMENT

42 USC 1306.

SEC. 2207. Section 1106 of the Social Security Act is amended—

(1) by striking out "as provided in part D of title IV of this Act" in the first sentence of subsection (a) and inserting in lieu thereof "as otherwise provided by Federal law"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding sections 552 and 552a of title 5, United States Code, or any other provision of law, whenever the Secretary determines that a request for information is made in order to assist a party

in interest (as defined in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002)) with respect to the administration of an employee benefit plan (as so defined), or is made for any other purpose not directly related to the administration of the program or programs under this Act to which such information relates, the Secretary may require the requester to pay the full cost, as determined by the Secretary, of providing such information.".

REDUCTION IN DISABILITY BENEFITS ON ACCOUNT OF OTHER RELATED PAYMENTS; EXTENSION OF OFFSET TO DISABLED WORKER BENEFICIARIES AGED 62 THROUGH 64 AND THEIR FAMILIES; CHANGE IN MONTH IN WHICH PAYMENTS ARE OFFSET

SEC. 2208. (a) Section 224 of the Social Security Act is amended— 42 USC 424a.

(1) in the caption, by striking out "ON ACCOUNT OF RECEIPT OF WORKMEN'S COMPENSATION";

(2) in subsection (a), in the matter preceding paragraph (1), by striking out "age of 62" and inserting in lieu thereof "age of 65";

(3) by amending subsection (a)(2) to read as follows:

"(2) such individual is entitled for such month to periodic benefits on account of such individual's total or partial disability (whether or not permanent) under—

"(A) a workmen's compensation law or plan of the United States or a State, or

"(B) any other law or plan of the United States, a State, a political subdivision (as that term is used in section 218(b)(2)), or an instrumentality of two or more States (as that term is used in section 218(k)), 42 USC 418.

other than benefits payable under title 38, United States Code, benefits payable under a program of assistance which is based on need, benefits based on service all, or substantially all, of which was included under an agreement entered into by a State and the Secretary under section 218, and benefits under a law or plan of the United States based on service all or part of which is employment as defined in section 210,"; 42 USC 410.

(4) in subsection (a)(4), by striking out "the workmen's compensation law or plan" and inserting in lieu thereof "such laws or plans";

(5) in subsection (b), by striking out "under a workmen's compensation law or plan" and inserting in lieu thereof "for a total or partial disability under a law or plan described in subsection (a)(2)";

(6) in subsection (d), by—

(A) striking out "workmen's compensation law or plan" and inserting in lieu thereof "law or plan described in subsection (a)(2)", and

(B) inserting before the period at the end thereof the following: ", and such law or plan so provided on February 18, 1981";

(7) in subsection (e), by striking out "workmen's compensation"; and

(8) by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of law, the head of any Federal agency shall provide such information within its possession as the Secretary may require for purposes of making a timely determination of the amount of the reduction, if any, required by this section in benefits payable under this title, or verifying other information necessary in carrying out the provisions of this section.

"(2) The Secretary is authorized to enter into agreements with States, political subdivisions, and other organizations that administer a law or plan subject to the provisions of this section, in order to obtain such information as he may require to carry out the provisions of this section.".

Effective date. 42 USC 424a note. 42 USC 423.

(b) The amendments made by subsection (a) shall be effective with respect to individuals who first become entitled to benefits under section 223(a) of the Social Security Act for months beginning after the month in which this Act is enacted, but only in the case of an individual who became disabled within the meaning of section 223(d) of such Act after the sixth month preceding the month in which this Act is enacted.

REIMBURSEMENT OF STATES FOR SUCCESSFUL REHABILITATION SERVICES

42 USC 422.

SEC. 2209. (a) Section 222(d) of the Social Security Act is amended to read as follows:

"Costs of Rehabilitation Services From Trust Funds

"(d)(1) For purposes of making vocational rehabilitation services more readily available to disabled individuals who are—

"(A) entitled to disability insurance benefits under section 223,

42 USC 402.

"(B) entitled to child's insurance benefits under section 202(d) after having attained age 18 (and are under a disability),

"(C) entitled to widow's insurance benefits under section 202(e) prior to attaining age 60, or

"(D) entitled to widower's insurance benefits under section 202(f) prior to attaining age 60,

to the end that savings will accrue to the Trust Funds as a result of rehabilitating such individuals into substantial gainful activity, there are authorized to be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund each fiscal year such sums as may be necessary to enable the Secretary to reimburse the State for the reasonable and necessary costs of vocational rehabilitation services furnished such individuals (including services during their waiting periods), under a State plan for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), which result in their performance of substantial gainful activity which lasts for a continuous period of nine months. The determination that the vocational rehabilitation services contributed to the successful return of such individuals to substantial gainful activity and the determination of the amount of costs to be reimbursed under this subsection shall be made by the Commissioner of Social Security in accordance with criteria formulated by him.

"(2) In the case of any State which is unwilling to participate or does not have a plan which meets the requirements of paragraph (1), the Commissioner of Social Security may provide such services in such State by agreement or contract with other public or private agencies, organizations, institutions, or individuals. The provision of such services shall be subject to the same conditions as otherwise apply under paragraph (1).

Payments.

"(3) Payments under this subsection shall be made in advance or by way of reimbursement, with necessary adjustments for overpayments and underpayments.

"(4) Money paid from the Trust Funds under this subsection for the reimbursement of the costs of providing services to individuals who

are entitled to benefits under section 223 (including services during their waiting periods), or who are entitled to benefits under section 202(d) on the basis of the wages and self-employment income of such individuals, shall be charged to the Federal Disability Insurance Trust Fund, and all other money paid from the Trust Funds under this subsection shall be charged to the Federal Old-Age and Survivors Insurance Trust Fund. The Secretary shall determine according to such methods and procedures as he may deem appropriate— 42 USC 423. 42 USC 402.

"(A) the total amount to be reimbursed for the cost of services under this subsection, and

"(B) subject to the provisions of the preceding sentence, the amount which should be charged to each of the Trust Funds.

"(5) For purposes of this subsection the term 'vocational rehabilitation services' shall have the meaning assigned to it in title I of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), except that such services may be limited in type, scope, or amount in accordance with regulations of the Secretary designed to achieve the purpose of this subsection.". "Vocational rehabilitation services."

(b) The amendment made by subsection (a) shall apply with respect to services rendered on or after October 1, 1981. Effective date. 42 USC 422 note.

ELIMINATION OF CHILD'S INSURANCE BENEFITS IN THE CASE OF CHILDREN AGE 18 THROUGH 22 WHO ATTEND POSTSECONDARY SCHOOLS

SEC. 2210. (a)(1) Section 202(d) of the Social Security Act is amended in paragraphs (1)(B), (1)(E)(ii), (1)(F)(i), (1)(G)(III), (6)(D)(i), (6)(E)(i), (7)(A) (three places), (7)(B), and (7)(D), by striking out "full-time student" each place it appears and inserting in lieu thereof "full-time elementary or secondary school student". 42 USC 402.

(2)(A) Section 202(d) of such Act is further amended in paragraphs (7)(A) (two places), (7)(B) (three places), and (7)(D), by striking out "educational institution" each place it appears and inserting in lieu thereof "elementary or secondary school".

(B) Section 202(d)(7)(A) of such Act is further amended by striking out "institutions involved" and inserting in lieu thereof "schools involved".

(3) Subparagraph (C) of section 202(d)(7) of such Act is amended to read as follows: Definitions.

"(C)(i) An 'elementary or secondary school' is a school which provides elementary or secondary education, respectively, as determined under the law of the State or other jurisdiction in which it is located.

"(ii) For the purpose of determining whether a child is a 'full-time elementary or secondary school student' or 'intends to continue to be in full-time attendance at an elementary or secondary school', within the meaning of this subsection, there shall be disregarded any education provided, or to be provided, beyond grade 12.".

(4) Section 202(d)(7)(D) of such Act is further amended by striking out "degree from a four-year college or university" and inserting in lieu thereof "diploma or equivalent certificate from a secondary school (as defined in subparagraph (C)(i))".

(5)(A) Section 202(d) of such Act is further amended in paragraphs (1)(B)(i), (1)(F)(ii), (1)(G)(IV), (6)(D)(ii), (6)(E)(ii), and (7)(D) by striking out "22" each place it appears in each of those paragraphs and inserting in lieu thereof "19".

(B) Section 202(d)(6)(A) of such Act is amended to read as follows:

"(A)(i) is a full-time elementary or secondary school student and has not attained the age of 19, or (ii) is under a disability (as defined in section 223(d)) and has not attained the age of 22, or".

42 USC 423.

Effective date.
42 USC 402 note.

(b) Except as provided in subsection (c), the amendments made by subsection (a) shall apply to child's insurance benefits under section 202(d) of the Social Security Act for months after July 1982.

42 USC 402.

42 USC 402 note.

(c)(1) Notwithstanding the provisions of section 202(d) of the Social Security Act (as in effect prior to or after the amendments made by subsection (a)), any individual who—

(A) has attained the age of 18;

(B) is not under a disability (as defined in section 223(d) of such Act);

(C) is entitled to a child's insurance benefit under such section 202(d) for August 1981; and

(D) is a full-time student at a postsecondary school, college, or university that is an educational institution (as such terms are defined in section 202(d)(7) (A) and (C) of such Act as in effect prior to the amendments made by subsection (a)) for any month prior to May 1982;

shall be entitled to a child's benefit under section 202(d) of such Act in accordance with the provisions of such section as in effect prior to the amendments made by subsection (a) for any month after July 1981 and prior to August 1985 if such individual would be entitled to such child's benefit for such month under such section 202(d) if subsections (a) and (b) of this section had not been enacted, but such benefits shall be subject to the limitations set forth in this subsection.

(2) No benefit described in paragraph (1) shall be paid to an individual to whom paragraph (1) applies for the months of May, June, July, and August, beginning with benefits otherwise payable for May 1982.

(3) The amount of the monthly benefit payable under paragraph (1) to an individual to whom paragraph (1) applies for any month after July 1982 (prior to deductions on account of work required by section 203 of such Act) shall not exceed the amount of the benefit to which such individual was entitled for August 1981 (prior to deductions on account of work required by section 203 of such Act), less an amount—

42 USC 403.

(A) during the months after July 1982 and before August 1983, equal to 25 percent of such benefit for August 1981;

(B) during the months after July 1983 and before August 1984, equal to 50 percent of such benefit for August 1981; and

(C) during the months after July 1984 and before August 1985, equal to 75 percent of such benefit for August 1981.

(4) Any individual to whom the provisions of paragraph (1) apply and whose entitlement to benefits under paragraph (1) ends after July 1982 shall not subsequently become entitled, or reentitled, to benefits under paragraph (1) or under section 202(d) of the Social Security Act as in effect after the amendments made by subsection (a) unless he meets the requirements of section 202(d)(1)(B)(ii) of that Act as so in effect.

TITLE XXIII—PUBLIC ASSISTANCE PROGRAMS

Subtitle A—Aid to Families With Dependent Children; Child Support Enforcement

CHAPTER 1—AID TO FAMILIES WITH DEPENDENT CHILDREN

DISREGARDS FROM EARNED INCOME FOR AFDC

SEC. 2301. Section 402(a)(8) of the Social Security Act is amended to read as follows: 42 USC 602.

"(8)(A) provide that, with respect to any month, in making the determination under paragraph (7), the State agency— *Post*, p. 844.

"(i) shall disregard all of the earned income of each dependent child receiving aid to families with dependent children who is (as determined by the State in accordance with standards prescribed by the Secretary) a full-time student or a part-time student who is not a full-time employee attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment;

"(ii) shall disregard from the earned income of any child or relative applying for or receiving aid to families with dependent children, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first $75 of the total of such earned income for such month (or such lesser amount as the Secretary may prescribe in the case of an individual not engaged in full-time employment or not employed throughout the month);

"(iii) shall disregard from the earned income of any child, relative, or other individual specified in clause (ii), an amount equal to expenditures for care in such month for a dependent child, or an incapacitated individual living in the same home as the dependent child, receiving aid to families with dependent children and requiring such care for such month, to the extent that such amount (for each such dependent child or incapacitated individual) does not exceed $160 (or such lesser amount as the Secretary may prescribe in the case of an individual not engaged in full-time employment or not employed throughout the month); and

"(iv) shall disregard from the earned income of any child or relative receiving aid to families with dependent children, or of any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, an amount equal to the first $30 of the total of such earned income not already disregarded under the preceding provisions of this paragraph plus one-third of the remainder thereof (but excluding, for purposes of this subparagraph, earned income derived from participation on a project maintained under the programs established by section 432(b)(2) and (3)); and 42 USC 632.

"(B) provide that (with respect to any month) the State agency—

"(i) shall not disregard, under clause (ii), (iii), or (iv) of subparagraph (A), any earned income of any one of the persons specified in subparagraph (A)(ii) if such person—

"(I) terminated his employment or reduced his earned income without good cause within such period (of not less than thirty days) preceding such month as may be prescribed by the Secretary;

"(II) refused without good cause, within such period preceding such month as may be prescribed by the Secretary, to accept employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the State or local agency administering the State plan, after notification by the employer, to be a bona fide offer of employment; or

"(III) failed without good cause to make a timely report (as prescribed by the State plan pursuant to paragraph (14)) to the State agency of earned income received in such month; and

"(ii)(I) shall not disregard, under subparagraph (A)(iv), any earned income of any of the persons specified in subparagraph (A)(ii), if, with respect to such month, the income of the persons so specified was in excess of their need, as determined by the State agency pursuant to paragraph (7) (without regard to subparagraph (A)(iv) of this paragraph), unless the persons received aid under the plan in one or more of the four months preceding such month and subparagraph (A)(iv) has not already been applied to their income for four consecutive months while they were receiving aid under the plan; and

"(II) in the case of the earned income of a person with respect to whom subparagraph (A)(iv) has been applied for four consecutive months, shall not apply the provisions of subparagraph (A)(iv) for so long as he continues to receive aid under the plan and shall not apply such provisions to any month thereafter until the expiration of an additional period of twelve consecutive months during which he is not a recipient of such aid;".

DETERMINATION OF INCOME AND RESOURCES FOR AFDC

42 USC 602.

SEC. 2302. Section 402(a)(7) of the Social Security Act is amended to read as follows:

"(7) except as may be otherwise provided in paragraph (8) or (31), provide that the State agency—

"(A) shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, or of any other individual (living in the same home as such child and relative) whose needs the State determines should be considered in determining the need of the child or relative claiming such aid;

"(B) shall determine ineligible for aid any family the combined value of whose resources (reduced by any obligations or debts with respect to such resources) exceeds $1,000 or such lower amount as the State may determine, but not including as a resource for purposes of this subparagraph a

home owned and occupied by such child, relative, or other individual and so much of the family member's ownership interest in one automobile as does not exceed such amount as the Secretary may prescribe; and

"(C) may, in the case of a family claiming or receiving aid under this part for any month, take into consideration as income (to the extent the State determines appropriate, as specified in such plan, and notwithstanding any other provision of law)—

"(i) an amount not to exceed the value of the family's monthly allotment of food stamp coupons, to the extent such value duplicates the amount for food included in the maximum amount that would be payable under the State plan to a family of the same composition with no other income; and

"(ii) an amount not to exceed the value of any rent or housing subsidy provided to such family, to the extent such value duplicates the amount for housing included in the maximum amount that would be payable under the State plan to a family of the same composition with no other income;".

INCOME LIMIT FOR AFDC ELIGIBILITY

SEC. 2303. Section 402(a) of the Social Security Act is amended by inserting before paragraph (19) the following new paragraph: 42 USC 602.

"(18) provide that no family shall be eligible for aid under the plan for any month if, for that month, the total income of the family (other than payments under the plan), without application of paragraph (8), exceeds 150 percent of the State's standard of need for a family of the same composition;". *Ante*, p. 843.

TREATMENT OF INCOME IN EXCESS OF THE STANDARD OF NEED; LUMP SUM PAYMENTS

SEC. 2304. Section 402(a) of the Social Security Act is amended by inserting after paragraph (16) the following new paragraph:

"(17) provide that if a person specified in paragraph (8)(A) (i) or (ii) receives in any month an amount of income which, together with all other income for that month not excluded under paragraph (8), exceeds the State's standard of need applicable to the family of which he is a member—

"(A) such amount of income shall be considered income to such individual in the month received, and the family of which such person is a member shall be ineligible for aid under the plan for the whole number of months that equals (i) the sum of such amount and all other income received in such month, not excluded under paragraph (8), divided by (ii) the standard of need applicable to such family, and

"(B) any income remaining (which amount is less than the applicable monthly standard) shall be treated as income received in the first month following the period of ineligibility specified in subparagraph (A);".

TREATMENT OF EARNED INCOME ADVANCE AMOUNT UNDER AFDC

SEC. 2305. Section 402(d)(1) of the Social Security Act is amended to read as follows:

"(1) For purposes of this part, an individual's 'income' shall also include, to the extent and under the circumstances prescribed by the Secretary, an amount (which shall be treated as earned income for purposes of this part) equal to the earned income advance amount (under section 3507(a) of the Internal Revenue Code of 1954) that is (or, upon the filing of an earned income eligibility certificate, would be) payable to such individual.".

26 USC 3507.

INCOME OF STEPPARENTS LIVING WITH DEPENDENT CHILD

42 USC 602.

SEC. 2306. (a) Section 402(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (29);

(2) by striking out the period at the end of paragraph (30) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (30) the following new paragraph:

"(31) provide that, in making the determination for any month under paragraph (7), the State agency shall take into consideration so much of the income of the dependent child's stepparent living in the same home as such child as exceeds the sum of (A) the first $75 of the total of such stepparent's earned income for such month (or such lesser amount as the Secretary may prescribe in the case of an individual not engaged in fulltime employment or not employed throughout the month), (B) the State's standard of need under such plan for a family of the same composition as the stepparent and those other individuals living in the same household as the dependent child and claimed by such stepparent as dependents for purposes of determining his Federal personal income tax liability but whose needs are not taken into account in making the determination under paragraph (7), (C) amounts paid by the stepparent to individuals not living in such household and claimed by him as dependents for purposes of determining his Federal personal income tax liability, and (D) payments by such stepparent of alimony or child support with respect to individuals not living in such household.".

Ante, p. 844.

42 USC 612.

(b) Section 412(b) of the Social Security Act is amended by striking out "does not include any such relative" and inserting in lieu thereof "does not include a stepparent whose income is taken into consideration under section 402(a)(31) (regardless of whether such income exceeds the sum specified in such section) or any other such relative".

Supra.

COMMUNITY WORK EXPERIENCE PROGRAMS

42 USC 609.

SEC. 2307. (a) Section 409 of the Social Security Act is amended to read as follows:

"COMMUNITY WORK EXPERIENCE PROGRAMS

"SEC. 409. (a)(1) Any State which chooses to do so may establish a community work experience program in accordance with this section. The purpose of the community work experience program is to provide experience and training for individuals not otherwise able to obtain employment, in order to assist them to move into regular employment. Community work experience programs shall be designed to improve the employability of participants through actual work experience and training and to enable individuals employed under community work experience programs to move promptly into regular

public or private employment. The facilities of the State public employment offices may be utilized to find employment opportunities for recipients under this program. Community work experience programs shall be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care. To the extent possible, the prior training, experience, and skills of a recipient shall be utilized in making appropriate work experience assignments. A community work experience program established under this section shall provide—

"(A) appropriate standards for health, safety, and other conditions applicable to the performance of work;

"(B) that the program does not result in displacement of persons currently employed, or the filling of established unfilled position vacanies;

"(C) reasonable conditions of work, taking into account the geographic region, the residence of the participants, and the proficiency of the participants;

"(D) that participants will not be required, without their consent, to travel an unreasonable distance from their homes or remain away from their homes overnight;

"(E) that the maximum number of hours in any month that a participant may be required to work is that number which equals the amount of aid payable with respect to the family of which such individual is a member under the State plan approved under this part, divided by the greater of the Federal or the applicable State minimum wage; and

"(F) that provision will be made for transportation and other costs, not in excess of an amount established by the Secretary, reasonably necessary and directly related to participation in the program.

"(2) Nothing contained in this section shall be construed as authorizing the payment of aid under this part as compensation for work performed, nor shall a participant be entitled to a salary or to any other work or training expense provided under any other provision of law by reason of his participation in a program under this section.

"(3) Nothing in this part or part C, or in any State plan approved under this part, shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with section 402(a)(19) or part (C)) a community work experience program in accordance with this section. 42 USC 630. 42 USC 602.

"(b)(1) Each recipient of aid under the plan who is registered under section 402(a)(19) shall participate, upon referral by the State agency, in a community work experience program unless such recipient is currently employed for no fewer than 80 hours a month and is earning an amount not less than the applicable minimum wage for such employment. Aid recipients.

"(2) In addition to an individual described in paragraph (1), the State agency may also refer, for participation in programs under this section, an individual who would be required to register under section 402(a)(19)(A) but for the exception contained in clause (v) of such section (but only if the child for whom the parent or relative is caring is not under the age of three and child care is available for such child), or in clause (iii) of such section. *Post*, p. 854.

"(3) The chief executive officer of the State shall provide coordination between a community work experience program operated pursu-

ant to this section and the work incentive program operated pursuant to part C so as to insure that job placement will have priority over participation in the community work experience program, and that individuals eligible to participate in both such programs are not denied aid under the State plan on the grounds of failure to participate in one such program if they are actively and satisfactorily participating in the other. The chief executive officer of the State may provide that part-time participation in both such programs may be required where appropriate.

42 USC 630.

"(c) The provisions of section 402(a)(19)(F) shall apply to any individual referred to a community work experience program who fails to participate in such program in the same manner as they apply to an individual to whom section 402(a)(19) applies.

Post, p. 854.

"(d) In the case of any State which makes expenditures in the form described in subsection (a) under its State plan approved under section 402, expenditures for the proper and efficient administration of the State plan, for purposes of section 403(a)(3), may not include the cost of making or acquiring materials or equipment in connection with the work performed under a program referred to in subsection (a) or the cost of supervision of work under such program, and may include only such other costs attributable to such programs as are permitted by the Secretary.".

42 USC 603.

(b) Section 403(a)(3) of such Act is amended by inserting before the semicolon at the end thereof the following: ", or which is a service provided in connection with a community work experience program or work supplementation program under section 409 or 414".

Ante, p. 846, *infra*.

Repeal.
42 USC 609 note.

(c) Section 204(c)(2) of the Social Security Amendments of 1967 (Public Law 90-248) is repealed.

PROVIDING JOBS AS ALTERNATIVE TO AFDC

SEC. 2308. Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"WORK SUPPLEMENTATION PROGRAM

42 USC 614.

"SEC. 414. (a) It is the purpose of this section to allow a State to institute a work supplementation program under which such State, to the extent such State determines to be appropriate, may make jobs available, on a voluntary basis, as an alternative to aid otherwise provided under the State plan approved under this part.

42 USC 606.

"(b)(1) Notwithstanding the provisions of section 406 or any other provision of law, Federal funds may be paid to a State under this part, subject to the provisions of this section, with respect to expenditures incurred in operating a work supplementation program under this section.

42 USC 630.

"(2) Nothing in this part or part C, or in any State plan approved under this part, shall be construed to prevent a State from operating (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with section 402(a)(19) or part C) a work supplementation program in accordance with this section.

42 USC 602.

"(3) Notwithstanding section 402(a)(23) or any other provision of law, a State may adjust the levels of the standards of need under the State plan as the State determines to be necessary and appropriate for carrying out a work supplementation program under this section.

"(4) Notwithstanding section 402(a)(1) or any other provision of law, a State operating a work supplementation program under this

section may provide that the needs standards in effect in those areas of the State in which such program is in operation may be different from the needs standards in effect in the areas in which such program is not in operation, and such State may provide that the needs standards for categories of recipients of aid may vary among such categories as the State determines to be appropriate on the basis of ability to participate in the work supplementation program.

"(5) Notwithstanding any other provision of law, a State may make further adjustments in the amounts of aid paid under the plan to different categories of receipients (as determined under paragraph (4)) in order to offset increases in benefits from needs related programs (other than the State plan approved under this part) as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

"(6) Notwithstanding section 402(a)(8) or any other provision of law, a State operating a work supplementation program under this section may reduce or eliminate the amount of earned income to be disregarded under the State plan as the State determines to be necessary and appropriate to further the purposes of the work supplementation program.

Ante, p. 843.

"(c)(1) A work supplementation program operated by a State under this section shall provide that any individual who is an eligible individual (as determined under paragraph (2)) may choose to take a supplemented job (as defined in paragraph (3)) to the extent supplemented jobs are available under the program. Payments by the State to individuals or to employers under the program shall be expenditures incurred by the State for aid to families with dependent children, except as limited by subsection (d).

Work supplementation program.

"(2) For purposes of this section, an eligible individual is an individual who is in a category which the State determines shall be eligible to participate in the work supplementation program, and who would, at the time of his placement in such job, be eligible for assistance under the State plan if such State did not have a work supplementation program in effect and had not altered its State plan accordingly, as such State plan was in effect in May 1981, or as modified thereafter as required by Federal law.

"(3) For purposes of this section, a supplemented job is—

"(A) a job position provided to an eligible individual by the State or local agency administering the State plan under this part;

"(B) a job position provided to an eligible individual by a public or nonprofit entity for which all or part of the wages are paid by such State or local agency; or

"(C) a job position provided to an eligible individual by a proprietary entity involving the provision of child day care services for which all or part of the wages are paid by such State or local agency, but only if such entity does not claim a credit for any part of the wages paid to such eligible individual under section 40 of the Internal Revenue Code of 1954 (relating to credit for expenses of the work incentive program) or section 44B of such Code (relating to credit for employment of certain new employees).

26 USC 40.

26 USC 44B.

A State may provide or subsidize any job position under the program as such State determines to be appropriate, but acceptance of any such position shall be voluntary.

"(d) The amount of the Federal payment to a State under section 403 for any quarter for expenditures incurred in operating a work

42 USC 603.

supplementation program shall not exceed an amount equal to the difference between—

42 USC 603.

"(1) the amount which would have been paid under section 403 to such State for such quarter under the State plan if it did not have a work supplementation program in effect and had not altered its State plan accordingly, as such State plan was in effect in May 1981, or as modified thereafter as required by Federal law; and

"(2) the amount paid to such State under section 403 for such quarter exclusive of the amount so paid for such quarter for the work supplementation program.

"(e)(1) Nothing in this section shall be construed as requiring a State or local agency administering the State plan to provide employee status to any eligible individual to whom it provides a job position under the work supplementation program, or with respect to whom it provides all or part of the wages paid to such individual by another entity under such program.

"(2) Nothing in this section shall be construed as requiring such State or local agency to provide that eligible individuals filling job positions provided by other entities under such program be provided employee status by such entity during the first 13 weeks during which they fill such position.

"(3) Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

"(f) Any work supplementation program operated by a State shall be administered by—

"(1) the agency designated to administer or supervise the administration of the State plan under section 402(a)(3); or

42 USC 602.

"(2) the agency (if any) designated to administer the community work experience program under section 409.

Ante, p. 846.

"(g) Any State which chooses to operate a work supplementation program under this section may choose to provide that any individual who participates in such program, and any child or relative of such individual (or other individual living in the same household as such individual) who would be eligible for aid under the State plan approved under this part if such State did not have a work supplementation program, shall be considered individuals receiving aid under the State plan approved under this part for purposes of eligibility for medical assistance under the State plan approved under title XIX.

42 USC 1396.

"(h) No individual receiving a grant under the State plan shall be excused, by reason of the fact that such State has a work supplementation program, from any requirement of this part or part C relating to work requirements.".

42 USC 630.

WORK INCENTIVE DEMONSTRATION PROGRAM

SEC. 2309. Part C of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"WORK INCENTIVE DEMONSTRATION PROGRAM

42 USC 645.
42 USC 601.

"SEC. 445. (a) Notwithstanding any other provision of this part and part A of this title, any State may elect as an alternative to the work incentive program otherwise provided in this part, and subject to the provisions of this section, to operate a work incentive demonstration program for the purpose of demonstrating single agency administra-

tion of the work-related objectives of this Act, and to receive payments under the provisions of this section.

"(b)(1) Not later than sixty days following the date of the enactment of this section, the Governor of a State which desires to operate a work incentive demonstration program under this section shall submit to the Secretary of Health and Human Services a letter of application stating such intent. Accompanying the letter of application shall be a State program plan which must—

State program plan.

"(A) provide that the agency conducting the demonstration program within the State shall be the single State agency which administers or supervises the administration of the State plan under part A of this title;

"(B) provide that all persons eligible for or receiving assistance under the aid to families with dependent children program shall be eligible to participate in, and shall be required to participate in, the work incentive demonstration program, subject to the same criteria for participation in such demonstration program as are in effect under this part and part A during the month before the month in which the demonstration program commences;

42 USC 601.

"(C) provide that the criteria for participation in the work incentive demonstration program shall be uniform throughout the State;

"(D) provide a statement of the objectives which the State expects to meet through operation of a work incentive demonstration program, with emphasis on how the State expects to maximize client placement in nonsubsidized private sector employment;

"(E) describe the techniques to be used to achieve the objectives of the work incentive demonstration program, which may include but shall not be limited to: maximum periods of participation, job training, job find clubs, grant diversion to either public or private sector employers, services contracts with State employment services, prime sponsors under the Comprehensive Employment and Training Act of 1973, or private placement agencies, targeted jobs tax credit outreach campaigns, and performance-based placement incentives; and

29 USC 801 note.

"(F) set forth the format and frequency of reporting of information regarding operation of the work incentive demonstration program.

"(2) A State's application to participate in the work incentive demonstration program shall be deemed approved unless the Secretary of Health and Human Services notifies the State in writing of disapproval within forty-five days of the date of application. The Secretary of Health and Human Services shall set forth the reasons for disapproval and provide an opportunity for resubmission of the plan within forty-five days of the receipt of the notice of disapproval. An application shall not be finally disapproved unless the Secretary of Health and Human Services determines that the State's program plan would be less effective than the requirements set forth in this title, other than this section.

Disapproval notification.

"(3) The Secretary of Health and Human Services shall furnish copies of approved plans, statistical reports, and evaluation reports to the Secretary of Labor.

Copies to Labor Secretary.

"(c) Subject to the statement of objectives and description of techniques to be used in implementing its work incentive demonstration program, as set forth in its program plan, a State shall be free to design a program which best addresses its individual needs, makes best use of its available resources, and recognizes its labor market

conditions. Other than criteria for participation in the State's work incentive demonstration project, which shall be uniform throughout the State, the components of the program may vary by geographic area or by political subdivision.

Program duration.

"(d) A State's work incentive demonstration program, if initially approved, shall be in force for a three-year period. During this period, the State may elect to use up to six months for planning purposes. During such planning period, all requirements of part A and this part C shall remain in full force and effect.

42 USC 601, 630.

Evaluations by HHS Secretary.

"(e) The Secretary of Health and Human Services shall conduct two evaluations of a State's work incentive demonstration program. The first evaluation shall be conducted at the conclusion of the first twelve months of operation of the demonstration program. The second evaluation shall be conducted at the conclusion of the demonstration program. Both evaluations shall compare placement rates during the demonstration program with placement rates achieved during a number of previous years, to be determined by the Secretary of Health and Human Services.

Funding.

"(f)(1) For each year of its demonstration program, a State which is operating such program shall be funded in an amount equal to its initial annual 1981 allocation under the work incentive program set forth in this part, plus any other Federal funds which the State may properly receive under any statute for establishing work programs for recipients of aid to families with dependent children.

"(2) Such funds shall only be used by the State for administering and operating its work incentive demonstration program. These funds shall not be used for direct grants of assistance under the aid to families with dependent children program.

"(g) Earnings derived from participation in a State's work incentive demonstration program shall not result in a determination of financial ineligibility for assistance under the aid to families with dependent children program.".

EFFECT OF PARTICIPATION IN A STRIKE ON ELIGIBILITY FOR AFDC

42 USC 602.

SEC. 2310. Section 402(a) of the Social Security Act is amended by inserting after paragraph (20) the following new paragraph:

"(21) provide—

"(A) that, for purposes of this part, participation in a strike shall not constitute good cause to leave, or to refuse to seek or accept employment; and

"(B)(i) that aid to families with dependent children is not payable to a family for any month in which any caretaker relative with whom the child is living is, on the last day of such month, participating in a strike, and (ii) that no individual's needs shall be included in determining the amount of aid payable for any month to a family under the plan if, on the last day of such month, such individual is participating in a strike;".

AGE LIMIT OF DEPENDENT CHILD

42 USC 606.

SEC. 2311. Section 406(a)(2) of the Social Security Act is amended to read as follows: "(2) who is (A) under the age of eighteen, or (B) at the option of the State, under the age of nineteen and a full-time student in a secondary school (or in the equivalent level of vocational or technical training), if, before he attains age nineteen, he may reason-

ably be expected to complete the program of such secondary school (or such training);".

LIMITATION ON AFDC TO PREGNANT WOMEN

SEC. 2312. (a) Section 406(b) of the Social Security Act is amended by striking out "dependent children" the second place it appears in the matter that precedes clause (1) and inserting in lieu thereof "dependent children, or, at the option of the State, a pregnant woman but only if it has been medically verified that the child is expected to be born in the month such payments are made or within the three-month period following such month of payment, and who, if such child had been born and was living with her in the month of payment, would be eligible for aid to families with dependent children". 42 USC 606.

(b) Section 406 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) Notwithstanding the provisions of subsection (b), the term 'aid to families with dependent children' does not mean any— "Aid to families with dependent children."

"(A) amount paid to meet the needs of an unborn child; or

"(B) amount paid (or by which a payment is increased) to meet the needs of a woman occasioned by or resulting from her pregnancy, unless, as has been medically verified, the woman's child is expected to be born in the month such payments are made (or increased) or within the three-month period following such month of payment.

"(2) Notwithstanding paragraph (1), a State may provide that for purposes of title XIX a pregnant woman shall be deemed to be a recipient of aid to families with dependent children under this part if she would be eligible for such aid if such child had been born and was living with her in the month of payment, and such pregnancy has been medically verified.". 42 USC 1396.

AID TO FAMILIES WITH DEPENDENT CHILDREN BY REASON OF UNEMPLOYMENT OF A PARENT

SEC. 2313. (a) Section 407 of the Social Security Act is amended as follows: 42 USC 607.

(1) the heading is amended to read "DEPENDENT CHILDREN OF UNEMPLOYED PARENTS";

(2) subsection (a) is amended by striking out "his father" and inserting in lieu thereof "the parent who is the principal earner";

(3) subsection (b)(1) is amended—

(A) by striking out "such child's father" in subparagraph (A) and inserting in lieu thereof "whichever of such child's parents is the principal earner", and

(B) by striking out "father" in subparagraph (B) and inserting in lieu thereof "parent";

(4) subsection (b)(2) is amended—

(A) by striking out "fathers" in subparagraph (A) and inserting in lieu thereof "unemployed parents", and

(B) by striking out "father" in subparagraph (C) (i) and (ii) and in subparagraph (D) and inserting in lieu thereof "parent described in paragraph (1)(A)";

(5) subsection (c) is amended by striking out "father" both times it appears and inserting in lieu thereof "parent";

(6) subsection (d) is amended—

(A) by striking out "and" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

Definition.

"(4) the phrase 'whichever of such child's parents is the principal earner', in the case of any child, means whichever parent, in a home in which both parents of such child are living, earned the greater amount of income in the 24-month period the last month of which immediately precedes the month in which an application is filed for aid under this part on the basis of the unemployment of a parent, for each consecutive month for which the family receives such aid on that basis."; and

(7) subsection (e) is amended by striking out "fathers" and inserting in lieu thereof "parents".

94 Stat. 460.
42 USC 602.

(b) Section 402(a)(19)(A) of such Act is amended—

(1) by striking out "mother" in clause (v) and inserting in lieu thereof "parent";

(2) by striking out "mother or other female caretaker of a child, if the father or another adult male relative" in clause (vi) and inserting in lieu thereof "parent or other caretaker of a child who is deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, if another adult relative";

(3)(A) by striking out "or" at the end of clause (vi);

(B) by striking out the semicolon at the end of clause (vii) and inserting in lieu thereof "; or"; and

(C) by adding at the end thereof the following new clause:

"(viii) the parent of a child who is deprived of parental support or care by reason of the unemployment of a parent, if the other parent (who is the principal earner, as defined in section 407(d)) is not excluded by the preceding clauses of this subparagraph;"; and

42 USC 607.

(4) in the matter following the numbered clauses—

(A) by striking out "her option" and inserting in lieu thereof "his or her option";

(B) by striking out "if she so desires" and inserting in lieu thereof "if he or she so desires";

(C) by striking out "to her" and inserting in lieu thereof "to him or her"; and

(D) by striking out "she should decide" and inserting in lieu thereof "he or she should decide".

94 Stat. 461.
42 USC 602.

(c)(1) Section 402(a)(19)(F) of such Act is amended by redesignating clauses (ii) through (iv) as clauses (iii) through (v), respectively, and by inserting after clause (i) the following new clause:

"(ii) if the parent who has been designated as the principal earner, for purposes of section 407, makes such refusal, aid will be denied to all members of the family;".

42 USC 607.

(2) Section 407(b)(2)(C)(i) of such Act is amended by striking out "not registered" and inserting in lieu thereof "not currently registered".

WORK REQUIREMENTS FOR AFDC RECIPIENTS

42 USC 602.

SEC. 2314. (a) Section 402(a)(19)(A)(i) of the Social Security Act is amended to read as follows:

"(i) a child who is under age 16 or attending, full-time, an elementary, secondary, or vocational (or technical) school;".

(b) Section 402(a)(19)(A)(v) of such Act (as amended by section 2313(b)(1) of this Act) is amended to read as follows:

"(v) the parent or other relative of a child under the age of six who is personally providing care for the child with only very brief and infrequent absences from the child;".

RETROSPECTIVE BUDGETING AND MONTHLY REPORTING

SEC. 2315. (a) Section 402(a) of the Social Security Act is amended by inserting after paragraph (12) the following new paragraphs: 42 USC 602.

"(13) provide that—

"(A) except as provided in subparagraph (B), the State agency (i) will determine a family's eligibility for aid for a month on the basis of the family's income, composition, resources, and other similar relevant circumstances during such month, and (ii) will determine the amount of such aid on the basis of the income and other relevant circumstances in the first or, at the option of the State but only where the Secretary determines it to be appropriate, second month preceding such month; and

"(B) in the case of the first month, or at the option of the State but only where the Secretary determines it to be appropriate, the first and second months, in a period of consecutive months for which aid is payable, the State agency will determine the amount of aid on the basis of the family's income and other relevant circumstances in such first or second month;

"(14)(A) provide that the State agency will require each family to which it furnishes aid to families with dependent children (or to which it would provide such aid but for paragraph (22) or (32)) to report, as a condition to the continued receipt of such aid (or to continuing to be deemed to be a recipient of such aid), each month to the State agency on—

"(i) the income received, family composition, and other relevant circumstances during the prior month; and

"(ii) the income and resources it expects to receive, or any changes in circumstances affecting continued eligibility or benefit amount, that it expects to occur, in that month (or in future months);

except that with the prior approval of the Secretary the State may select categories of recipients who may report at specified less frequent intervals upon the State's showing to the satisfaction of the Secretary that to require individuals in such categories to report monthly would result in unwarranted expenditures for administration of this paragraph; and

"(B) that, in addition to whatever action may be appropriate based on other reports or information received by the State agency, the State agency will take prompt action to adjust the amount of assistance payable, as may be appropriate, on the basis of the information contained in the report (or upon the failure of the family to furnish a timely report), and will give an appropriate explanatory notice, concurrent with its action, to the family;".

(b) Section 403(a) of such Act is amended by adding at the end thereof the following sentence: "No payment shall be made under this subsection with respect to amounts paid to supplement or otherwise increase the amount of aid to families with dependent children found payable in accordance with section 402(a)(13) if such amount is determined to have been paid by the State in recognition of 42 USC 603. *Supra.*

the current or anticipated needs of a family (other than with respect to the first or first and second months of eligibility).".

PROHIBITION AGAINST PAYMENT OF AID IN AMOUNTS BELOW TEN DOLLARS

SEC. 2316. Section 402(a) of the Social Security Act (as amended by section 2306 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (30);

(2) by striking out the period at the end of paragraph (31) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32) provide that no payment of aid shall be made under the plan for any month if the amount of such payment, as determined in accordance with the applicable provisions of the plan and of this part, would be less than $10, but an individual with respect to whom a payment of aid under the plan is denied solely by reason of this paragraph is deemed to be a recipient of aid but shall not be eligible to participate in a community work experience program.".

REMOVAL OF LIMIT ON RESTRICTED PAYMENTS IN A STATE'S AFDC PROGRAM

42 USC 603.

SEC. 2317. (a) Section 403(a) of the Social Security Act is amended by striking out the first unnumbered paragraph following paragraph (5).

42 USC 606.

(b) Section 406(b) of such Act is amended by adding at the end thereof the following new sentence: "Payments of the type described in clause (2) shall not be subject to the requirements of clauses (A) through (E) of such clause (2), when they are made in the manner described in clause (2) at the request of the family member to whom payment would otherwise be made in an unrestricted manner.".

ADJUSTMENT FOR INCORRECT PAYMENTS

42 USC 602.
Ante, p. 852.

SEC. 2318. Section 402(a) of the Social Security Act is amended by inserting after paragraph (21) the following new paragraph:

"(22) provide that the State agency will promptly take all necessary steps to correct any overpayment or underpayment of aid under the State plan, and, in the case of—

"(A) an overpayment to an individual who is a current recipient of such aid, recovery will be made by repayment by the individual or by reducing the amount of any future aid payable to the family of which he is a member, except that such recovery shall not result in the reduction of aid payable for any month, such that the aid, when added to such family's liquid resources and to its income (without application of paragraph (8)), is less than 90 percent of the amount payable under the State plan to a family of the same composition with no other income (and, in the case of an individual to whom no payment is made for a month solely by reason of recovery of an overpayment, such individual shall be deemed to be a recipient of aid for such month);

"(B) an overpayment to any individual who is no longer receiving aid under the plan, recovery shall be made by

appropriate action under State law against the income or resources of the individual or the family; and

"(C) an underpayment, the corrective payment shall be disregarded in determining the income of the family, and shall be disregarded in determining its resources in the month the corrective payment is made and in the following month;".

REDUCED FEDERAL MATCHING OF STATE AND LOCAL AFDC TRAINING COSTS

SEC. 2319. (a) Section 403(a)(3)(A) of the Social Security Act, as in effect in the fifty States and the District of Columbia, is repealed. 42 USC 603.

(b) Section 403(a)(3)(A)(iii) of such Act, as in effect in Puerto Rico, Guam, and the Virgin Islands, is repealed. 42 USC 603 note.

(c) The first sentence of section 403(d)(1) of such Act is amended by striking out all that precedes "with respect to" and inserting in lieu thereof "Notwithstanding any provision of subsection (a)(3), the applicable rate under such subsection shall be 90 per centum". 94 Stat. 462.

(d) The repeals made by this section shall apply to expenditures made after September 30, 1981. 42 USC 603 note.

ELIGIBILITY OF ALIENS FOR AFDC

SEC. 2320. (a) Section 402(a) of the Social Security Act (as amended by section 2316 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (31) ;

(2) by striking out the period at the end of paragraph (32) and inserting in lieu thereof "; and"; and

(3) by adding immediately after paragraph (32) the following new paragraph:

"(33) provide that in order for any individual to be considered a dependent child, a caretaker relative whose needs are to be taken into account in making the determination under paragraph (7), or any other person whose needs should be taken into account in making such a determination with respect to the child or relative, such individual must be either (A) a citizen, or (B) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 207(c) of the Immigration and Nationality Act (or of section 203(a)(7) of such Act prior to April 1, 1980), or as a result of the application of the provisions of section 208 or 212(d)(5) of such Act).". 94 Stat. 103. 8 USC 1157. 8 USC 1153.

(b)(1) Section 402(a)(7) of such Act (as amended by section 2302 of this Act) is further amended by inserting "and section 415" after "paragraph (31)". 94 Stat. 105, 107. 8 USC 1158, 1182.

(2) Part A of title IV of such Act (as amended by section 2308 of this Act) is further amended by adding at the end thereof the following new section:

"ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN

"SEC. 415. (a) For purposes of determining eligibility for and the amount of benefits under a State plan approved under this part for an individual who is an alien described in clause (B) of section 402(a)(33), the income and resources of any person who (as a sponsor of such individual's entry into the United States) executed an affidavit of 42 USC 615. *Supra.*

support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse, shall be deemed to be the unearned income and resources of such individual (in accordance with subsections (b) and (c)) for a period of three years after the individual's entry into the United States, except that this section is not applicable if such individual is a dependent child and such sponsor (or such sponsor's spouse) is the parent of such child.

"(b)(1) The amount of income of a sponsor (and his spouse) which shall be deemed to be the unearned income of an alien for any month shall be determined as follows:

"(A) the total amount of earned and unearned income of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined for such month;

"(B) the amount determined under subparagraph (A) shall be reduced by an amount equal to the sum of—

"(i) the lesser of (I) 20 percent of the total of any amounts received by the sponsor and his spouse in such month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by them in producing self-employment income in such month, or (II) $175;

"(ii) the cash needs standard established by the State under its plan for a family of the same size and composition as the sponsor and those other individuals living in the same household as the sponsor who are claimed by him as dependents for purposes of determinig his Federal personal income tax liability but whose needs are not taken into account in making a determination under section 402(a)(7);

Ante, p. 844.

"(iii) any amounts paid by the sponsor (or his spouse) to individuals not living in such household who are claimed by him as dependents for purposes of determining his Federal personal income tax liability; and

"(iv) any payments of alimony or child support with respect to individuals not living in such household.

"(2) The amount of resources of a sponsor (and his spouse) which shall be deemed to be the resources of an alien for any month shall be determined as follows:

"(A) the total amount of the resources (determined as if the sponsor were applying for aid under the State plan approved under this part) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined; and

"(B) the amount determined under subparagraph (A) shall be reduced by $1,500.

Sponsor information and documentation.

"(c)(1) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be eligible for aid under a State plan approved under this part, be required to provide to the State agency administering such plan such information and documentation with respect to his sponsor as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide to the State agency such information and documentation as it may request and which such alien or his sponsor provided in support of such alien's immigration application.

"(2) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to them and required in order to make any determination under this section will be provided by them to the Secretary (who may, in

turn, make such information available, upon request, to a concerned State agency), and whereby the Secretary of State and Attorney General will inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(d) Any sponsor of an alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment of aid under the State plan made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause of such failure existed. Any such overpayment which is not repaid to the State or recovered in accordance with the procedures generally applicable under the State plan to the recoupment of overpayments shall be withheld from any subsequent payment to which such alien or such sponsor is entitled under any provision of this Act.

Overpayment liability.

"(e)(1) In any case where a person is the sponsor of two or more alien individuals who are living in the same home, the income and resources of such sponsor (and his spouse), to the extent they would be deemed the income and resources of any one of such individuals under the preceding provisions of this section, shall be divided into two or more equal shares (the number of shares being the same as the number of such alien individuals) and the income and resources of each such individual shall be deemed to include one such share.

"(2) Income and resources of a sponsor (and his spouse) which are deemed under this section to be the income and resources of any alien individual in a family shall not be considered in determining the need of other family members except to the extent such income or resources are actually available to such other members.

"(f) The provisions of this section shall not apply with respect to any alien who is—

"(1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act;

8 USC 1153.

"(2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c) of such Act;

94 Stat. 103.
8 USC 1157.

"(3) paroled into the United States as a refugee under section 212(d)(5) of such Act;

94 Stat. 107.
8 USC 1182.

"(4) granted political asylum by the Attorney General under section 208 of such Act; or

94 Stat. 105.
8 USC 1158.

"(5) a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).".

94 Stat. 1809.
8 USC 1522 note.

(c) The amendments made by subsection (a) shall be effective on the date of the enactment of this Act. The amendments made by subsection (b) shall be effective with respect to individuals applying for aid to families with dependent children under any approved State plan for the first time after September 30, 1981.

Effective dates.
42 USC 615 note.

EFFECTIVE DATE

SEC. 2321. (a) Except as otherwise specifically provided in the preceding sections of this chapter or in subsection (b), the provisions of this chapter and the amendments and repeals made by this chapter shall become effective on October 1, 1981.

42 USC 602 note.

42 USC 601.

(b) If a State agency administering a plan approved under part A of title IV of the Social Security Act demonstrates, to the satisfaction of the Secretary of Health and Human Services, that it cannot, by reason of State law, comply with the requirements of an amendment made by this chapter to which the effective date specified in subsection (a) applies, the Secretary may prescribe that, in the case of such State, the amendment will become effective beginning with the first month beginning after the close of the first session of such State's legislature ending on or after October 1, 1981. For purposes of the preceding sentence, the term "session of a State's legislature" includes any regular, special, budget, or other session of a State legislature.

"Session of a State's legislature."

CHAPTER 2—CHILD SUPPORT ENFORCEMENT

COLLECTION OF PAST-DUE CHILD AND SPOUSAL SUPPORT FROM FEDERAL TAX REFUNDS

SEC. 2331. (a) Part D of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"COLLECTION OF PAST-DUE SUPPORT FROM FEDERAL TAX REFUNDS

42 USC 664.

"SEC. 464. (a) Upon receiving notice from a State agency administering a plan approved under this part that a named individual owes past-due support which has been assigned to such State pursuant to section 402(a)(26), the Secretary of the Treasury shall determine whether any amounts, as refunds of Federal taxes paid, are payable to such individual (regardless of whether such individual filed a tax return as a married or unmarried individual). If the Secretary of the Treasury finds that any such amount is payable, he shall withhold from such refunds an amount equal to the past-due support, and pay such amount to the State agency (together with notice of the individual's home address) for distribution in accordance with section 457(b)(3).

42 USC 602.

42 USC 657.

Regulations.

"(b) The Secretary of the Treasury shall issue regulations, approved by the Secretary of Health and Human Services, prescribing the time or times at which States must submit notices of past-due support, the manner in which such notices must be submitted, and the necessary information that must be contained in or accompany the notices. The regulations shall specify the minimum amount of past-due support to which the offset procedure established by subsection (a) may be applied, and the fee that a State must pay to reimburse the Secretary of the Treasury for the full cost of applying the offset procedure, and provide that the Secretary of the Treasury will advise the Secretary of Health and Human Services, not less frequently than annually, of the States which have furnished notices of past-due support under subsection (a), the number of cases in each State with respect to which such notices have been furnished, the amount of support sought to be collected under this subsection by each State, and the amount of such collections actually made in the case of each State.

"Past-due support."

"(c) As used in this part the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

42 USC 654.

(b) Section 454 of such Act is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(18) provide that the State has in effect procedures necessary to obtain payment of past-due support from overpayments made to the Secretary of the Treasury as set forth in section 464, and take all steps necessary to implement and utilize such procedures.". *Antè*, p. 860.

(c) Section 6402 of the Internal Revenue Code of 1954 is amended— 26 USC 6402.

(1) by striking out in subsection (a) thereof "shall refund" and inserting in lieu thereof "shall, subject to subsection (c), refund"; and

(2) by adding at the end thereof the following new subsection:

"(c) OFFSET OF PAST-DUE SUPPORT AGAINST OVERPAYMENTS.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced by the amount of any past-due support (as defined in section 464(c) of the Social Security Act) owed by that person of which the Secretary has been notified by a State in accordance with section 464 of the Social Security Act. The Secretary shall remit the amount by which the overpayment is so reduced to the State to which such support has been assigned and notify the person making the overpayment that so much of the overpayment as was necessary to satisfy his obligation for past-due support has been paid to the State. This subsection shall be applied to an overpayment prior to its being credited to a person's future liability for an internal revenue tax.".

COLLECTION OF SUPPORT FOR CERTAIN ADULTS

SEC. 2332. (a) Section 451 of the Social Security Act is amended by striking out "children" and inserting in lieu thereof "children and the spouse (or former spouse) with whom such children are living" and by striking out "child support" and inserting in lieu thereof "child and spousal support". 42 USC 651.

(b)(1) Section 452(a) of such Act is amended— 42 USC 652.

(A) in paragraph (1), by inserting "and support for the spouse (or former spouse) with whom the absent parent's child is living" after "child support";

(B) in paragraph (7), by inserting "and spousal" after "child"; and

(C) in paragraph (10)(C), by inserting "(with separate identification of the number in which collection of spousal support was involved)" after "child support cases".

(2) Section 452(b) of such Act is amended—

(A) by inserting ", including any support obligation with respect to the parent who is living with the child and receiving aid under the State plan approved under part A," after "assigned to the State" in the first sentence; 42 USC 601.

(B) by striking out "court order" in the second sentence and inserting in lieu thereof "court or administrative order"; and

(C) by striking out "United States" in the second sentence and inserting in lieu thereof "Secretary of the Treasury"; and

(D) by inserting immediately after the second sentence the following new sentence: "All reimbursements shall be credited to the appropriation accounts which bore all or part of the costs involved in making the collections.".

42 USC 653.

(c) Section 453(c)(1) of such Act is amended by striking out "child support" and inserting in lieu thereof "child and spousal support".

42 USC 654.

(d) Section 454 of such Act is amended—

(1) by striking out "CHILD SUPPORT" in the heading and inserting in lieu thereof "CHILD AND SPOUSAL SUPPORT";

(2) by striking out "child support" in the matter preceding paragraph (1) and inserting in lieu thereof "child and spousal support";

(3) in paragraph (4)(B), by striking out the comma immediately following the first parenthetical phrase and inserting in lieu thereof "and, at the option of the State, from such parent for his spouse (or former spouse) receiving aid to families with dependent children (but only if a support obligation has been established with respect to such spouse),";

(4) in paragraph (5), by striking out "child support payments" and inserting in lieu thereof "support payments" and by striking out "collected for a child" and inserting in lieu thereof "collected for an individual";

(5) in paragraph (9)(C), by striking out "of a child or children" and inserting in lieu thereof "of the child or children or the parent of such child or children";

(6) in paragraph (11), by striking out "child"; and

(7) in paragraph (16), by striking out "child" each place it appears.

42 USC 657.

(e) Section 457 of such Act is amended—

(1) by striking out "child" in the portion of subsection (b) that precedes paragraph (1); and

(2) by striking out "child" each place it appears in subsection (c).

42 USC 660.

(f) The heading of section 460 of such Act is amended by striking out "CHILD".

26 USC 6305.

(g) Section 6305(a)(4) of the Internal Revenue Code of 1954, (relating to collection of certain liability) is amended by striking out "court order" and inserting in lieu thereof "court or administrative order".

COST OF COLLECTION AND OTHER SERVICES FOR NON-AFDC FAMILIES

42 USC 654.

SEC. 2333. (a) Section 454(6) of the Social Security Act is amended—

(1) by striking out "such services" in clause (B) and inserting in lieu thereof "services under the State plan (other than collection of support)"; and

(2) by amending clause (C) to read as follows: "(C) the State will retain, but only if it is the State which makes the collection, the fee imposed under State law as required under paragraph (19);".

(b) Section 454 of such Act (as amended by section 2331(b) of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by striking out the period at the end of paragraph (18) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph: "(19) provide that a fee shall be imposed on the individual who owes a child or spousal support obligation, in accordance with State law, with respect to all such child and spousal support obligations for which collection is made by the State agency under this part on behalf of an individual not otherwise eligible for collection services (as determined for purposes of paragraph (6)) in an amount equal to 10 percent of the amount so owed (and for purposes of this part, no part of the amount collected shall be

considered to be a fee collected except amounts which exceed the actual amount of support owed).".

(c) Section 453(a) of such Act is amended by adding at the end thereof the following new sentence: "In determining the total amounts expended by any State during a quarter, for purposes of this subsection, there shall be excluded an amount equal to the total of any fees collected or other income resulting from services provided under the plan approved under this part.". 42 USC 653.

CHILD SUPPORT OBLIGATIONS NOT DISCHARGED BY BANKRUPTCY

SEC. 2334. (a) Section 456 of the Social Security Act is amended by adding at the end thereof the following new subsection: 42 USC 656.

"(b) A debt which is a child support obligation assigned to a State under section 402(a)(26) is not released by a discharge in bankruptcy under title 11, United States Code.". 42 USC 602.

(b) Section 523(a)(5)(A) of title 11, United States Code, is amended by inserting before the semicolon the following: "(other than debts assigned pursuant to section 402(a)(26) of the Social Security Act)".

(c) The amendments made by this section shall become effective on the date of the enactment of this Act. Effective date. 42 USC 656 note.

CHILD SUPPORT INTERCEPT OF UNEMPLOYMENT BENEFITS

SEC. 2335. (a) Section 454 of the Social Security Act (as amended by section 2333(b) of this Act) is amended by striking out "and" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(20) provide that the agency administering the plan—

"(A) shall determine on a periodic basis, from information supplied pursuant to section 508 of the Unemployment Compensation Amendments of 1976, whether any individuals receiving compensation under the State's unemployment compensation law (including amounts payable pursuant to any agreement under any Federal unemployment compensation law) owe child support obligations which are being enforced by such agency, and 29 USC 49b. 42 USC 603a.

"(B) shall enforce any such child support obligations which are owed by such an individual but are not being met—

"(i) through an agreement with such individual to have specified amounts withheld from compensation otherwise payable to such individual and by submitting a copy of any such agreement to the State agency administering the unemployment compensation law, or

"(ii) in the absence of such an agreement, by bringing legal process (as defined in section 462(e) of this Act) to require the withholding of amounts from such compensation.". 42 USC 662.

(b)(1) Subsection (e) of section 303 of the Social Security Act is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph: 42 USC 503.

"(2)(A) The State agency charged with the administration of the State law—

"(i) shall require each new applicant for unemployment compensation to disclose whether or not such applicant owes child

support obligatons (as defined in the last sentence of this subsection),

"(ii) shall notify the State or local child support enforcement agency enforcing such obligations, if any applicant discloses under clause (i) that he owes child support obligations and he is determined to be eligible for unemployment compensation, that such applicant has been so determined to be eligible,

"(iii) shall deduct and withhold from any unemployment compensation otherwise payable to an individual—

"(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

"(II) the amount (if any) determined pursuant to an agreement submitted to the State agency under section 454(20)(B)(i) of this Act, or

Ante, p. 863.

"(III) any amount otherwise required to be so deducted and withheld from such unemployment compensation through legal process (as defined in section 462(e)), and

42 USC 662.

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State or local child support enforcement agency.

Any amount deducted and withheld under clause (iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by such individual to the State or local child support enforcement agency in satisfaction of his child support obligations.

"Unemployment compensation."

"(B) For purposes of this paragraph, the term 'unemployment compensation' means any compensation payable under the State law (including amounts payable pursuant to agreements under any Federal unemployment compensation law).

"(C) Each State or local child support enforcement agency shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by such State agency under this paragraph which are attributable to child support obligations being enforced by the State or local child support enforcement agency.".

(2) Paragraph (3) of section 303(e) of such Act (as redesignated by paragraph (1)) is amended by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1) or (2)".

Ante, p. 863.

(3) The last sentence of paragraph (1) of such section 303(e) is amended by striking out "the preceding sentence" and inserting in lieu thereof "this subsection".

Effective date.
42 USC 503 note.

(c) The amendments made by this section shall take effect on the date of the enactment of this Act, except that such amendments shall not be requirements under section 454 or 303 of the Social Security Act before October 1, 1982.

EFFECTIVE DATE

42 USC 651 note.

SEC. 2336. (a) Except as otherwise specifically provided in the preceding sections of this chapter or in subsection (b), the provisions of this chapter and the amendments and repeals made by this chapter shall become effective on October 1, 1981.

42 USC 651.

(b) If a State agency administering a plan approved under part D of title IV of the Social Security Act demonstrates, to the satisfaction of the Secretary of Health and Human Services, that it cannot, by reason of State law, comply with the requirements of an amendment made by this chapter to which the effective date specified in subsection (a) applies, the Secretary may prescribe that, in the case of such

State, the amendment will become effective beginning with the first month beginning after the close of the first session of such State's legislature ending on or after October 1, 1981. For purposes of the preceding sentence, the term "session of a State's legislature" includes any regular, special, budget, or other session of a State legislature.

Subtitle B—Supplemental Security Income Benefits

RETROSPECTIVE ACCOUNTING

SEC. 2341. (a) Section 1611(c) of the Social Security Act is amended to read as follows: 42 USC 1382.

"(c)(1) An individual's eligibility for a benefit under this title for a month shall be determined on the basis of the individual's (and eligible spouse's, if any) income, resources, and other relevant characteristics in such month, and, except as provided in paragraph (2), the amount of such benefit shall be determined for such month on the basis of income and other characteristics in the first or, if the Secretary so determines, second month preceding such month. Eligibility for and the amount of such benefits shall be redetermined at such time or times as may be provided by the Secretary.

"(2) The amount of such benefit for the month in which application for such benefits is filed or, if the Secretary so determines, for such month and the following month, and for any month following a month of ineligibility for such benefits (or, if the Secretary so determines, such month and the following month) shall be determined on the basis of the individual's (and eligible spouse's, if any) income and other relevant circumstances in such month.

"(3) For purposes of this subsection, an application shall be effective as of the first day of the month in which it is filed.

"(4) The Secretary may waive the limitations specified in subparagraphs (A) and (B) of subsection (e)(1) on an individual's eligibility and benefit amount for a month (to the extent either such limitation is applicable by reason of such individual's presence throughout such month in a hospital, extended care facility, nursing home, or intermediate care facility) if such waiver would promote the individual's removal from such institution or facility. Upon waiver of such limitations, the Secretary shall apply, to the month preceding the month of removal, or, if the Secretary so determines, the two months preceding the month of removal, the benefit rate that is appropriate to such individual's living arrangement subsequent to his removal from such institution or facility.". Limitations waiver.

(b) Section 1612(b)(3) of such Act is amended— 42 USC 1382a.

(1) by striking out "calendar quarter" each place it appears and inserting in lieu thereof "month";

(2) by striking out "such quarter" each place it appears and inserting in lieu thereof "such month";

(3) by striking out "$60" and inserting in lieu thereof "$20"; and

(4) by striking out "$30" and inserting in lieu thereof "$10".

(c)(1) The amendments made by this section shall be effective with respect to months after the first calendar quarter which ends more than five months after the month in which this Act is enacted. Effective date. 42 USC 1382 note.

(2) The Secretary of Health and Human Services may, under conditions determined by him to be necessary and appropriate, make a transitional payment or payments during the first two months for which the amendments made by this section are effective. A transi- Transitional payments.

tional payment made under this section shall be deemed to be a payment of supplemental security income benefits.

ELIGIBILITY OF SSI RECIPIENTS FOR FOOD STAMPS

42 USC 1382e note.

SEC. 2342. (a) Section 8(d) of Public Law 93-233 is amended to read as follows:

"(d) Upon the request of a State, the Secretary shall find, for purposes of the provisions specified in subsection (c), that the level of such State's supplementary payments of the type described in section 1616(a) of the Social Security Act has been specifically increased for any month so as to include the bonus value of food stamps (and that such State meets the applicable requirements of subsection (c)(1)) if—

42 USC 1382e.

"(1) the Secretary has found (under this subsection or subsection (c), as in effect in December 1980) that such State's supplementary payments in December 1980 were increased to include the bonus value of food stamps; and

"(2) such State continues without interruption to meet the requirements of section 1618 of such Act for each month after the month referred to in paragraph (1) and up to and including the month for which the Secretary is making the determination.".

42 USC 1382g.

Effective date. 42 USC 1382e note.

(b) The amendment made by subsection (a) shall become effective July 1, 1981.

PAYMENT TO STATES WITH RESPECT TO CERTAIN UNNEGOTIATED CHECKS

42 USC 1383.

SEC. 2343. (a) Section 1631 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Payment to States With Respect to Certain Unnegotiated Checks

"(i)(1) The Secretary of the Treasury shall, on a monthly basis, notify the Secretary of all benefit checks issued under this title which include amounts representing State supplementary payments as described in paragraph (2) and which have not been presented for payment within one hundred and eighty days after the day on which they were issued.

"(2) The Secretary shall from time to time determine the amount representing the total of the State supplementary payments made pursuant to agreements under section 1616(a) of this Act and under section 212(b) of Public Law 93-66 which is included in all checks payable to individuals entitled to benefits under this title but not presented for payment within one hundred and eighty days after the day on which they were issued, and shall pay each State (or credit each State with) an amount equal to that State's share of all such amount. Amounts not paid to the States shall be returned to the appropriation from which they were originally paid.

42 USC 1382e. 87 Stat. 155.

"(3) The Secretary, upon notice from the Secretary of the Treasury under paragraph (1), shall notify any State having an agreement described in paragraph (2) of all such benefit checks issued under that State's agreement which were not presented for payment within one hundred and eighty days after the day on which they were issued.

Investigation.

"(4) The Secretary shall, to the maximum extent feasible, investigate the whereabouts and eligibility of the individuals whose benefit checks were not presented for payment within one hundred and eighty days after the day on which they were issued.".

Effective date. 42 USC 1383 note.

(b) The amendment made by subsection (a) shall become effective October 1, 1982.

FUNDING OF REHABILITATION SERVICES FOR SSI RECIPIENTS

SEC. 2344. Effective October 1, 1981, section 1615(d) of the Social Security Act is amended— 42 USC 1382d.

(1) by striking out "is authorized to pay to" and inserting in lieu thereof "is authorized to reimburse";

(2) by inserting "for" before "the costs incurred"; and

(3) by striking out "individuals referred for such services pursuant to subsection (a)" and inserting in lieu thereof "individuals who are referred for such services pursuant to subsection (a) if such services result in their performance of substantial gainful activity which lasts for a continuous period of nine months. The determination of the amount of costs to be reimbursed under this subsection shall be made by the Commissioner of Social Security in accordance with criteria determined by him in the same manner as under section 222(d)(1)". 42 USC 422.

Subtitle C—Block Grants for Social Services

Social Services Block Grant Act.

SHORT TITLE

SEC. 2351. This subtitle may be cited as the "Social Services Block Grant Act". 42 USC 1305 note.

TITLE XX BLOCK GRANTS

SEC. 2352. (a) Title XX of the Social Security Act is amended to read as follows:

"TITLE XX—BLOCK GRANTS TO STATES FOR SOCIAL SERVICES

"PURPOSES OF TITLE; AUTHORIZATION OF APPROPRIATIONS

"SEC. 2001. For the purposes of consolidating Federal assistance to States for social services into a single grant, increasing State flexibility in using social service grants, and encouraging each State, as far as practicable under the conditions in that State, to furnish services directed at the goals of— 42 USC 1397.

"(1) achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;

"(2) achieving or maintaining self-sufficiency, including reduction or prevention of dependency;

"(3) preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;

"(4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and

"(5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions,

there are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the purposes of this title.

"PAYMENTS TO STATES

"SEC. 2002. (a)(1) Each State shall be entitled to payment under this title for each fiscal year in an amount equal to its allotment for such 42 USC 1397a.

fiscal year, to be used by such State for services directed at the goals set forth in section 2001, subject to the requirements of this title.

"(2) For purposes of paragraph (1)—

Services.

"(A) services which are directed at the goals set forth in section 2001 include, but are not limited to, child care services, protective services for children and adults, services for children and adults in foster care, services related to the management and maintenance of the home, day care services for adults, transportation services, family planning services, training and related services, employment services, information, referral, and counseling services, the preparation and delivery of meals, health support services and appropriate combinations of services designed to meet the special needs of children, the aged, the mentally retarded, the blind, the emotionally disturbed, the physically handicapped, and alcoholics and drug addicts; and

Expenditures.

"(B) expenditures for such services may include expenditures for—

"(i) administration (including planning and evaluation);

"(ii) personnel training and retraining directly related to the provision of those services (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions); and

"(iii) conferences or workshops, and training or retraining through grants to nonprofit organizations within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 or to individuals with social services expertise, or through financial assistance to individuals participating in such conferences, workshops, and training or retraining (and this clause shall apply with respect to all persons involved in the delivery of such services).

26 USC 501.

"(b) The Secretary shall make payments in accordance with section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213) to each State from its allotment for use under this title.

"(c) Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

"(d) A State may transfer up to 10 percent of its allotment under section 2003 for any fiscal year for its use for that year under other provisions of Federal law providing block grants for support of health services, health promotion and disease prevention activities, or low-income home energy assistance (or any combination of those activities). Amounts allotted to a State under any provisions of Federal law referred to in the preceding sentence and transferred by a State for use in carrying out the purposes of this title shall be treated as if they were paid to the State under this title but shall not affect the computation of the State's allotment under this title. The State shall inform the Secretary of any such transfer of funds.

Technical assistance.

"(e) A State may use a portion of the amounts described in subsection (a) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering programs funded under this title.

"ALLOTMENTS

42 USC 1397b.

"SEC. 2003. (a) The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, and the Northern Mariana Islands shall be an amount which bears the same

ratio to the amount specified in subsection (c) as the amount which was specified for allocation to the particular jurisdiction involved for the fiscal year 1981 under section 2002(a)(2)(C) of this Act (as in effect prior to the enactment of this section) bore to $2,900,000,000. 94 Stat. 525. 42 USC 1397a.

"(b) The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

"(1) the amount specified in subsection (c), reduced by

"(2) the total amount allotted to those jurisdictions for that fiscal year under subsection (a),

as the population of that State bears to the population of all the States as determined by the Secretary (on the basis of the most recent data available from the Department of Commerce) and promulgated (subject to subsection (d)) prior to the first day of the third month of the preceding fiscal year.

"(c) The amount specified for purposes of subsections (a) and (b) shall be—

"(1) $2,400,000,000 for the fiscal year 1982;

"(2) $2,450,000,000 for the fiscal year 1983;

"(3) $2,500,000,000 for the fiscal year 1984;

"(4) $2,600,000,000 for the fiscal year 1985; and

"(5) $2,700,000,000 for the fiscal year 1986 or any succeeding fiscal year.

"(d) The determination and promulgation required by subsection (b) with respect to the fiscal year 1982 shall be made as soon as possible after the enactment of the Omnibus Budget Reconciliation Act of 1981. *Ante*, p. 357.

"STATE ADMINISTRATION

"SEC. 2004. Prior to expenditure by a State of payments made to it under section 2002 for any fiscal year, the State shall report on the intended use of the payments the State is to receive under this title, including information on the types of activities to be supported and the categories or characteristics of individuals to be served. The report shall be transmitted to the Secretary and made public within the State in such manner as to facilitate comment by any person (including any Federal or other public agency) during development of the report and after its completion. The report shall be revised throughout the year as may be necessary to reflect substantial changes in the activities assisted under this title, and any revision shall be subject to the requirements of the previous sentence. Public report. 42 USC 1397c.

"LIMITATIONS ON USE OF GRANTS

"SEC. 2005. (a) Except as provided in subsection (b), grants made under this title may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this title— 42 USC 1397d.

"(1) for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility;

"(2) for the provision of cash payments for costs of subsistence or for the provision of room and board (other than costs of subsistence during rehabilitation, room and board provided for a short term as an integral but subordinate part of a social service, or temporary emergency shelter provided as a protective service);

"(3) for payment of the wages of any individual as a social service (other than payment of the wages of welfare recipients employed in the provision of child day care services);

"(4) for the provision of medical care (other than family planning services, rehabilitation services, or initial detoxification of an alcoholic or drug dependent individual) unless it is an integral but subordinate part of a social service for which grants may be used under this title;

"(5) for social services (except services to an alcoholic or drug dependent individual or rehabilitation services) provided in and by employees of any hospital, skilled nursing facility, intermediate care facility, or prison, to any individual living in such institution;

"(6) for the provision of any educational service which the State makes generally available to its residents without cost and without regard to their income;

"(7) for any child day care services unless such services meet applicable standards of State and local law; or

"(8) for the provision of cash payments as a service (except as otherwise provided in this section).

Waiver.

"(b) The Secretary may waive the limitation contained in subsection (a) (1) and (4) upon the State's request for such a waiver if he finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this title.

"REPORTS AND AUDITS

42 USC 1397e.

"SEC. 2006. (a) Each State shall prepare reports on its activities carried out with funds made available (or transferred for use) under this title. Reports shall be in such form, contain such information, and be of such frequency (but not less often than every two years) as the State finds necessary to provide an accurate description of such activities, to secure a complete record of the purposes for which funds were spent, and to determine the extent to which funds were spent in a manner consistent with the reports required by section 2004. The State shall make copies of the reports required by this section available for public inspection within the State and shall transmit a copy to the Secretary. Copies shall also be provided, upon request, to any interested public agency, and each such agency may provide its views on these reports to the Congress.

Copies.

"(b) Each State shall, not less often than every two years, audit its expenditures from amounts received (or transferred for use) under this title. Such State audits shall be conducted by an entity independent of any agency administering activities funded under this title, in accordance with generally accepted auditing principles. Within 30 days following the completion of each audit, the State shall submit a copy of that audit to the legislature of the State and to the Secretary. Each State shall repay to the United States amounts ultimately found not to have been expended in accordance with this title, or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title.

Unexpended funds.

"(c) For other provisions requiring States to account for Federal grants, see section 202 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4212).

"CHILD DAY CARE SERVICES

"SEC. 2007. (a) Subject to subsection (b), sums granted by a State to a qualified provider of child day care services (as defined in subsection (c)) to assist such provider in meeting its work incentive program expenses (as defined in subsection (c)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed for purposes of section 2002 to constitute expenditures made by the State in accordance with the provisions of this title for the provision of child day care services.

Grants to qualified provider. 42 USC 1397f.

"(b) The provisions of subsection (a) shall not be applicable with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used to pay wages to any employee at an annual rate in excess of $6,000, in the case of a public or nonprofit private provider, or at an annual rate in excess of $5,000, or to pay more than 80 percent of the wages of any employee, in the case of any other provider.

"(c) For purposes of this subsection—

Definitions.

"(1) the term 'qualified provider of child day care services', when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 percent thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under a program conducted pursuant to this title; and

"(2) the term 'work incentive program expenses' means expenses of a qualified provider of child day care services which constitute work incentive program expenses as defined in section 50B(a)(1) of the Internal Revenue Code of 1954, or which would constitute work incentive program expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.".

26 USC 50B.

26 USC 40.

(b) Section 1101(a)(1) of such Act is amended by adding at the end thereof the following new sentence: "Such term when used in title XX also includes the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.".

42 USC 1301.

Ante, p. 867.

CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT

SEC. 2353. (a)(1) Section 3(a) of the Social Security Act is amended—

42 USC 303.

(A) by amending paragraph (4) to read as follows:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."; and

(B) by striking out paragraph (5).

42 USC 303.

(2) Section 3(c) of such Act is repealed.

42 USC 602 note.

(b)(1) Sections 402(a)(5), 402(a)(13), 402(a)(14), 402(a)(15) 403(a)(3), 403(e), and 406(d) of such Act as in effect with respect to Puerto Rico, Guam, and the Virgin Islands are repealed.

42 USC 602 note.

(2) Sections 402(a)(5), 402(a)(15), and 403(a)(3) of such Act as they apply to the fifty States and the District of Columbia shall be applicable to Puerto Rico, Guam, and the Virgin Islands.

42 USC 603 note.

(3) Section 248(b) of the Social Security Amendments of 1967 (Public Law 90-248) is repealed.

42 USC 602.

(c) Section 402(a)(15) of such Act is amended—

(1) by striking out "as part of the program of the State for the provision of services under title XX"; and

(2) by striking out "or clause (14)".

42 USC 603.

(d) Section 403(a)(3) of such Act is amended by striking out "service described in section 2002(a)(1)" and inserting in lieu thereof "service described in section 2002(a)".

42 USC 1203.

(e)(1) Section 1003(a) of such Act is amended—

(A) by amending paragraph (3) to read as follows:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."; and

(B) by striking out paragraph (4).

(2) Section 1003(c) of such Act is repealed.

42 USC 1308.

(f) Section 1108(a) of such Act is amended in the matter preceding paragraph (1) to read as follows:

"(a) The total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, and under parts A and E of title IV (exclusive of any amounts on account of services and items to which subsection (b) applies)—".

42 USC 301, 1201, 1351, 1381, 601, 670.
94 Stat. 501.
42 USC 1315.

(g) Section 1115(a) of such Act is amended—

(1) in the matter preceding paragraph (1), by striking out "XIX, or XX" and inserting in lieu thereof "or XIX";

(2) in paragraph (1), by striking out "1902, 2002, 2003, or 2004" and inserting in lieu thereof "or 1902"; and

(3) in paragraph (2)—

(A) by striking out "1903, or 2002" and inserting in lieu thereof "or 1903", and

(B) by striking out "or expenditures with respect to which payment shall be made under section 2002,".

42 USC 1316.

(h) Section 1116 of such Act is amended—

(1) in subsections (a)(1) and (b), by striking out "XIX, or XX" and inserting in lieu thereof "or XIX";

(2) in subsection (a)(3), by striking out "1904, or 2003" and inserting in lieu thereof "or 1904"; and

(3) in subsection (d), by striking out "XIX, XX" and inserting in lieu thereof "or XIX".

42 USC 1320a-3.

(i) Section 1124(a) of such Act is amended—

(1) in paragraph (1), by striking out "XIX and XX" each place it appears and inserting in lieu thereof "and XIX"; and

(2) in paragraph (2)—

(A) by inserting "or" after the semicolon at the end of subparagraph (B);

(B) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (D).

(j) Section 1126(a) of such Act is amended by striking out "XIX, and XX" and inserting in lieu thereof "and XIX". 42 USC 1320a-5.

(k) Section 1128(a) of such Act is amended— 94 Stat. 2619.

(1) in paragraph (2)(A), by striking out "or title XX,"; and 42 USC 1320a-7.

(2) in paragraph (2)(B), by striking out "or title XX".

(l)(1) Section 1403(a) of such Act is amended— 42 USC 1353.

(A) by amending paragraph (3) to read as follows:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and official administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."; and

(B) by striking out paragraph (4).

(2) Section 1403(c) of such Act is repealed.

(m)(1) Section 1601 of such Act is amended— 42 USC 1381 note.

(A) by inserting "and" before "(b)" the first time it appears; and

(B) by striking out "and (c)" and all that follows through "self-care,".

(2) Section 1603(a) of such Act is amended— 42 USC 1383 note.

(A) by inserting "and" after the semicolon at the end of paragraph (2)(B);

(B) by amending paragraph (4) to read as follows:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health and Human Services for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."; and

(C) by striking out paragraph (5).

(3) Section 1603(c) of such Act is repealed.

(n) Section 1616(e)(2) of such Act is amended by striking out ", as a part of the services program planning procedures established pursuant to section 2004 of this Act,". 42 USC 1382e.

(o) Section 1619 of such Act is amended— 94 Stat. 445. 42 USC 1382h.

(1) by striking out "titles XIX and XX" each place it appears and inserting in lieu thereof "title XIX", and

(2) by striking out "title XIX or XX" and inserting in lieu thereof "title XIX".

94 Stat. 446.
42 USC 1382i.

(p) Section 1620(c) of such Act is amended by striking out the matter following the end of paragraph (7).

42 USC 607.
Ante, p. 846.

(q) Section 407(d)(1) of such Act is amended by striking out "a community work and training program under section 409 or any other work and training program subject to the limitations in section 409, or" and inserting in lieu thereof "a community work experience program under section 409, or".

42 USC 671.

(r) Section 471(a)(10) of such Act is amended by striking out "standards referred to in section 2003(d)(1)(F)" and inserting in lieu thereof "standards in effect in the State with respect to child day care services under title XX".

42 USC 1397a note.

(s) Section 3(f) of the Social Security Amendments of 1974 (Public Law 93-647) is repealed.

EFFECTIVE DATE

42 USC 1397 note.

SEC. 2354. Except as otherwise explicitly provided, the provisions of this subtitle, and the repeals and amendments made by this subtitle, shall become effective on October 1, 1981.

STUDY OF STATE SOCIAL SERVICE PROGRAMS

42 USC 1397 note.

SEC. 2355. The Secretary of Health and Human Services shall conduct a study to identify criteria and mechanisms which may be useful for the States in assessing the effectiveness and efficiency of the State social service programs carried out with funds made available under title XX of the Social Security Act. The study shall include consideration of Federal incentive payments as an option in rewarding States having high performance social service programs. The Secretary shall report the results of such study to the Congress within one year after the date of the enactment of this Act.

Ante, p. 867.

Report to Congress.

TITLE XXIV—UNEMPLOYMENT COMPENSATION

ELIMINATION OF NATIONAL TRIGGER

26 USC 3304 note.

SEC. 2401. (a) GENERAL RULE.—Paragraphs (1) and (2) of section 203(a) of the Federal-State Extended Unemployment Compensation Act of 1970 are amended to read as follows:

"(1) shall begin with the third week after the first week for which there is a State 'on' indicator; and

"(2) shall end with the third week after the first week for which there is a State 'off' indicator.".

(b) TECHNICAL AMENDMENTS.—

(1) Section 203 of such Act is amended by striking out subsection (d) and by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(2) Subparagraph (B) of section 203(b)(1) of such Act is amended by striking out "by reason of a State 'on' indicator".

(3) Paragraph (2) of section 203(b) of such Act is amended by striking out "(or all the States)".

(4) Subsection (e) of section 203 of such Act (as redesignated by paragraph (1)) is amended—

(A) by striking out "subsections (d) and (e)" in paragraph (1) and inserting in lieu thereof "subsection (d)",

(B) by striking out "all State agencies (or, in the case of subsection (e), by the State agency)" in paragraph (1)(A) and inserting in lieu thereof "the State agency", and

(C) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Determinations under subsection (d) shall be made by the State agency in accordance with regulations prescribed by the Secretary.".

(5) Subsection (a) of section 204 of such Act is amended— 26 USC 3304 note.

(A) by striking out paragraph (3), and

(B) by redesignating paragraph (4) as paragraph (3).

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to weeks beginning after the date of the enactment of this Act. 26 USC 3304 note.

CLAIMS FOR EXTENDED OR ADDITIONAL COMPENSATION NOT INCLUDED IN DETERMINING RATE OF INSURED UNEMPLOYMENT

SEC. 2402. (a) GENERAL RULE.—Subparagraph (A) of section 203(e)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 (as redesignated by section 2401(b)(1) of this Act) is amended by striking out "individuals filing claims" and inserting in lieu thereof "individuals filing claims for regular compensation". 26 USC 3304 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply for purposes of determining whether there are State "on" or "off" indicators for weeks beginning after the date of the enactment of this Act. For purposes of making such determinations for such weeks, such amendment shall be deemed to be in effect for all weeks whether beginning before, on, or after such date of enactment. 26 USC 3304 note.

CHANGE IN STATE TRIGGER FOR EXTENDED COMPENSATION

SEC. 2403. (a) GENERAL RULE.—Subsection (d) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (as redesignated by section 2401(b)(1) of this Act) is amended—

(1) in paragraph (1)(B), by striking out "4" and inserting in lieu thereof "5"; and

(2) in the matter following paragraph (2), by striking out "the figure '4' contained in subparagraph (B) thereof were '5'" and inserting in lieu thereof "the figure '5' contained in subparagraph (B) thereof were '6'".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks beginning after September 25, 1982. 26 USC 3304 note.

QUALIFYING REQUIREMENT FOR EXTENDED COMPENSATION

SEC. 2404. (a) GENERAL RULE.—Subsection (a) of section 202 of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by redesignating paragraph (5) as paragraph (6) and inserting after paragraph (4) the following: 26 USC 3304 note.

"(5) Notwithstanding the provisions of paragraph (2), an individual shall not be eligible for extended compensation unless, in the base period with respect to which the individual exhausted all rights to regular compensation under the State law, the individual had 20 weeks of full-time insured employment, or the equivalent in insured wages. For purposes of this paragraph, the equivalent in insured wages shall be earnings covered by the State law for compensation purposes which exceed 40 times the

individual's most recent weekly benefit amount or 1½ times the individual's insured wages in that calendar quarter of the base period in which the individual's insured wages were the highest (or one such quarter if his wages were the same for more than one such quarter). The State shall by law provide which one of the foregoing methods of measuring employment and earnings shall be used in that State.".

26 USC 3304 note.

(b) CONFORMING AMENDMENT.—Section 202(a)(6) of such Act (as redesignated by subsection (a)) is amended—

(1) by striking out "paragraphs (3) and (4)" and inserting in lieu thereof "paragraphs (3), (4), and (5)"; and

(2) by inserting "extended compensation or" before "sharable regular compensation".

26 USC 3304 note.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to extended compensation and sharable regular compensation payable for weeks which begin after September 25, 1982.

ELIGIBILITY REQUIREMENTS FOR EX-SERVICEMEMBERS

SEC. 2405. (a) GENERAL RULE.—Section 8521(a)(1)(B) of title 5, United States Code, is amended to read as follows:

"(B) with respect to that service, the individual—

"(i) was discharged or released under honorable conditions;

"(ii) did not resign or voluntarily leave the service; and

"(iii) was not released or discharged for cause as defined by the Department of Defense;".

5 USC 8521 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to terminations of service on or after July 1, 1981, but only in the case of weeks of unemployment beginning after the date of the enactment of this Act.

ADJUSTMENTS TO PROVISIONS WHICH INCREASE FEDERAL UNEMPLOYMENT TAX IN STATES WITH OUTSTANDING LOANS

26 USC 3302.

SEC. 2406. (a) LIMITATIONS ON CREDIT REDUCTION IN CERTAIN CASES.—Section 3302 of the Internal Revenue Code of 1954 (relating to credits against unemployment tax) is amended by adding at the end thereof the following new subsection:

"(f) LIMITATION ON CREDIT REDUCTION.—

"(1) LIMITATION.—In the case of any State which meets the requirements of paragraph (2) with respect to any taxable year beginning before January 1, 1988, the reduction under subsection (c)(2) in credits otherwise applicable to taxpayers subject to the unemployment compensation law of such State shall not exceed the greater of—

"(A) the reduction which was in effect with respect to such State under subsection (c)(2) for the preceding taxable year, or

"(B) 0.6 percent of the wages paid by the taxpayer during such taxable year which are attributable to such State.

"(2) REQUIREMENTS.—The requirements of this paragraph are met by any State with respect to any taxable year if the Secretary of Labor determines (on or before November 10 of such taxable year) that—

"(A) no State action was taken during the 12-month period ending on September 30 of such taxable year (excluding any action required under State law as in effect prior to the date

of the enactment of this subsection) which has resulted or will result in a reduction in such State's unemployment tax effort (as defined by the Secretary of Labor in regulations),

"(B) no State action was taken during the 12-month period ending on September 30 of such taxable year (excluding any action required under State law as in effect prior to the date of the enactment of this subsection) which has resulted or will result in a net decrease in the solvency of the State unemployment compensation system (as defined by the Secretary of Labor in regulations),

"(C) the State unemployment tax rate for the taxable year equals or exceeds the average benefit cost ratio for calendar years in the 5-calendar year period ending with the last calendar year before the taxable year, and

"(D) the outstanding balance for such State of advances under title XII of the Social Security Act on September 30 of such taxable year was not greater than the outstanding balance for such State of such advances on September 30 of the third preceding taxable year (or, for purposes of applying this subparagraph to taxable year 1983, September 30, 1981). 42 USC 1321.

The requirements of subparagraphs (C) and (D) shall not apply to taxable years 1981 and 1982.

"(3) CREDIT REDUCTIONS FOR SUBSEQUENT YEARS.—If the credit reduction under subsection (c)(2) is limited by reason of paragraph (1) of this subsection for any taxable year, for purposes of applying subsection (c)(2) to subsequent taxable years (including years after 1987), the taxable year for which the credit reduction was so limited (and January 1 thereof) shall not be taken into account.

"(4) STATE UNEMPLOYMENT TAX RATE.—For purposes of this subsection—

"(A) IN GENERAL.—The State unemployment tax rate for any taxable year is the percentage obtained by dividing—

"(i) the total amount of contributions paid into the State unemployment fund with respect to such taxable year, by

"(ii) the total amount of the remuneration subject to contributions under the State unemployment compensation law with respect to such taxable year (determined without regard to any limitation on the amount of wages subject to contribution under the State law).

"(B) TREATMENT OF ADDITIONAL TAX UNDER THIS CHAPTER.—

"(i) TAXABLE YEAR 1983.—In the case of taxable year 1983, any additional tax imposed under this chapter with respect to any State by reason of subsection (c)(2) shall be treated as contributions paid into the State unemployment fund with respect to such taxable year.

"(ii) TAXABLE YEAR 1984.—In the case of taxable year 1984, any additional tax imposed under this chapter with respect to any State by reason of subsection (c)(2) shall (to the extent such additional tax is attributable to a credit reduction in excess of 0.6 of wages attributable to such State) be treated as contributions paid into the State unemployment fund with respect to such taxable year.

"(5) BENEFIT COST RATIO.—For purposes of this subsection—

"(A) IN GENERAL.—The benefit cost ratio for any calendar year is the percentage determined by dividing—

"(i) the sum of the total of the compensation paid under the State unemployment compensation law during such calendar year and any interest paid during such calendar year on advances made to the State under title XII of the Social Security Act, by

42 USC 1321.

"(ii) the total amount of the remuneration subject to contributions under the State unemployment compensation law with respect to such calendar year (determined without regard to any limitation on the amount of remuneration subject to contribution under the State law).

"(B) REIMBURSABLE BENEFITS NOT TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), compensation shall not be taken into account to the extent—

"(i) the State is entitled to reimbursement for such compensation under the provisions of any Federal law, or

"(ii) such compensation is attributable to services performed for a reimbursing employer.

"(C) REIMBURSING EMPLOYER.—The term 'reimbursing employer' means any governmental entity or other organization (or group of governmental entities or any other organizations) which makes reimbursements in lieu of contributions to the State unemployment fund.

"(D) SPECIAL RULES FOR YEARS BEFORE 1985.—

"(i) TAXABLE YEAR 1983.—For purposes of determining whether a State meets the requirements of paragraph (2)(C) for taxable year 1983, only regular compensation (as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970) shall be taken into account for purposes of determining the benefit ratio for any preceding calendar year before 1982.

26 USC 3304 note.

"(ii) TAXABLE YEAR 1984.—For purposes of determining whether a State meets the requirements of paragraph (2)(C) for taxable year 1984, only regular compensation (as so defined) shall be taken into account for purposes of determining the benefit ratio for any preceding calendar year before 1981.

"(E) ROUNDING.—If any percentage determined under subparagraph (A) is not a multiple of .1 percent, such percentage shall be reduced to the nearest multiple of .1 percent.

"(6) REPORTS.—The Secretary of Labor may, by regulations, require a State to furnish such information at such time and in such manner as may be necessary for purposes of this subsection.

"(7) DEFINITIONS AND SPECIAL RULES.—The definitions and special rules set forth in subsection (d) shall apply to this subsection in the same manner as they apply to subsection (c).".

26 USC 3302 note.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1980.

INTEREST ON LOANS MADE TO STATE UNEMPLOYMENT FUNDS

SEC. 2407. (a) GENERAL RULE.—Section 1202 of the Social Security Act is amended by adding at the end thereof the following new subsection: 42 USC 1322.

"(b)(1) Except as otherwise provided in this subsection, each State shall pay interest on any advance made to such State under section 1201. Interest so payable with respect to periods during any calendar year shall be at the rate determined under paragraph (4) for such calendar year. 42 USC 1321.

"(2) No interest shall be required to be paid under paragraph (1) with respect to any advance made during any calendar year if—

"(A) such advance is repaid in full before the close of September 30 of the calendar year in which the advance was made, and

"(B) no other advance was made to such State under section 1201 during such calendar year and after the date on which the repayment of the advance was completed.

"(3)(A) Interest payable under paragraph (1) which was attributable to periods during any fiscal year shall be paid by the State to the Secretary of the Treasury not later than the first day of the following fiscal year. If interest is payable under paragraph (1) on any advance (hereinafter in this subparagraph referred to as the 'first advance') by reason of another advance made to such State after September 30 of the calendar year in which the first advance was made, interest on such first advance attributable to periods before such September 30 shall be paid not later than the day after the date on which the other advance was made.

"(B) Notwithstanding subparagraph (A), in the case of any advance made during the last 5 months of any fiscal year, interest on such advance attributable to periods during such fiscal year shall not be required to be paid before the last day of the succeeding taxable year. Any interest the time for payment of which is deferred by the preceding sentence shall bear interest in the same manner as if it were an advance made on the day on which it would have been required to be paid but for this subparagraph.

"(4) The interest rate determined under this paragraph with respect to any calendar year is a percentage (but not in excess of 10 percent) determined by dividing—

"(A) the aggregate amount credited under section 904(e) to State accounts on the last day of the last calendar quarter of the immediately preceding calendar year, by 42 USC 1104.

"(B) the aggregate of the average daily balances of the State accounts for such quarter as determined under section 904(e).

"(5) Interest required to be paid under paragraph (1) shall not be paid (directly or indirectly) by a State from amounts in its unemployment fund. If the Secretary of Labor determines that any State action results in the paying of such interest directly or indirectly (by an equivalent reduction in State unemployment taxes or otherwise) from such unemployment fund, the Secretary of Labor shall not certify such State's unemployment compensation law under section 3304 of the Internal Revenue Code of 1954. Such noncertification shall be made in accordance with section 3304(c) of such Code. 26 USC 3304.

"(6)(A) For purposes of paragraph (2), any voluntary repayment shall be applied against advances made under section 1201 on the last made first repaid basis. Any other repayment of such an advance shall be applied against advances on a first made first repaid basis.

"(B) For purposes of this paragraph, the term 'voluntary repayment' means any repayment made under subsection (a). "Voluntary repayment."

"(7) This subsection shall only apply to advances made on or after April 1, 1982, and before January 1, 1988."

(b) TECHNICAL AMENDMENTS.—

42 USC 1321.

(1) Paragraph (1) of section 1201 of the Social Security Act is amended by striking out "without interest" and inserting in lieu thereof "with interest to the extent provided in section 1202(b)".

42 USC 1322.

(2) Section 1202 of such Act is amended by striking out "SEC. 1202." and inserting in lieu thereof "SEC. 1202. (a)".

CERTIFICATION OF STATE UNEMPLOYMENT LAWS; EFFECTIVE DATES

26 USC 3304.

SEC. 2408. (a) GENERAL RULE.—Section 3304(c) of the Internal Revenue Code of 1954 is amended by striking out the last two sentences and inserting in lieu thereof the following: "On October 31 of any taxable year, the Secretary of Labor shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Secretary of Labor finds has failed to amend its law so that it contains each of the provisions required by law to be included therein (including provisions relating to the Federal-State Extended Unemployment Compensation Act of 1970 (or any amendments thereto) as required under subsection (a)(11)), or has, with respect to the twelve-month period ending on such October 31, failed to comply substantially with any such provision.".

26 USC 3304 note.

26 USC 3304 note.

(b) TRANSITIONAL RULES.—

(1) Except as otherwise provided in paragraph (2)—

(A) The amendments made by sections 2401 and 2402 shall be required to be included in State unemployment compensation laws for purposes of certifications under section 3304(c) of the Internal Revenue Code of 1954 on October 31 of any taxable year after 1980; and

(B) the amendments made by sections 2403 and 2404 shall be required to be included in such laws for purposes of such certifications on October 31 of any taxable year after 1981.

(2)(A) In the case of any State the legislature of which—

(i) does not meet in a session which begins after the date of the enactment of this Act and prior to September 1, 1981, and

(ii) if in session on the date of the enactment of this Act, does not remain in session for a period of at least 25 calendar days,

the date "1980" in paragraph (1)(A) shall be deemed to be "1981".

(B) In the case of any State the legislature of which—

(i) does not meet in a session which begins after the date of the enactment of this Act and prior to September 1, 1982, and

(ii) if in session on the date of the enactment of this Act, does not remain in session for a period of at least 25 calendar days,

the date "1981" in paragraph (1)(B) shall be deemed to be "1982".

TITLE XXV—TRADE ADJUSTMENT ASSISTANCE

Subtitle A—Adjustment Assistance for Workers

GROUP ELIGIBILITY REQUIREMENTS FOR ADJUSTMENT ASSISTANCE

SEC. 2501. Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) by amending paragraph (3) by striking out "contributed importantly to" and inserting in lieu thereof "were a substantial cause of", and by striking out "to such decline" and inserting in lieu thereof "of such decline"; and

(2) by amending the last sentence to read as follows:

"For purposes of paragraph (3), the term 'substantial cause' means a cause which is important and not less than any other cause.".

BENEFIT INFORMATION TO WORKERS

SEC. 2502. Subchapter A of chapter 2 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following new section:

"SEC. 225. BENEFIT INFORMATION TO WORKERS. 19 USC 2275.

"The Secretary shall provide full information to workers about the benefit allowances, training, and other employment services available under this chapter and about the petition and application procedures, and the appropriate filing dates, for such allowances, training and services. The Secretary shall provide whatever assistance is necessary to enable groups of workers to prepare petitions or applications for program benefits. The Secretary shall make every effort to insure that cooperating State agencies fully comply with the agreements entered into under section 239(a) and shall periodically 19 USC 2311.
review such compliance. The Secretary shall inform the State Board for Vocational Education or equivalent agency and other public or private agencies, institutions, and employers, as appropriate, of each certification issued under section 223 and of projections, if available, 19 USC 2273.
of the needs for training under section 236 as a result of such *Post*, p. 885.
certification.".

QUALIFYING REQUIREMENTS FOR WORKERS

SEC. 2503. Section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended to read as follows:

"SEC. 231. QUALIFYING REQUIREMENTS FOR WORKERS.

"(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker covered by a certification under subchapter A who files an application for such allowance for any week of 19 USC 2271.
unemployment which begins more than 60 days after the date on which the petition that resulted in such certification was filed under section 221, if the following conditions are met:

"(1) Such worker's total or partial separation before his application under this chapter occurred—

"(A) on or after the date, as specified in the certification under which he is covered, on which total or partial separation began or threatened to begin in the adversely affected employment,

19 USC 2273.

"(B) before the expiration of the 2-year period beginning on the date on which the determination under section 223 was made, and

"(C) before the termination date (if any) determined pursuant to section 223(d).

"(2) Such worker had, in the 52-week period ending with the week in which such total or partial separation occurred, at least 26 weeks of employment at wages of $30 or more a week in adversely affected employment with a single firm or subdivision of a firm, or, if data with respect to weeks of employment with a firm are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary. For the purposes of this paragraph, any week in which such worker—

"(A) is on employer-authorized leave for purposes of vacation, sickness, injury, maternity, or inactive duty or active duty military service for training,

"(B) does not work because of a disability that is compensable under a workmen's compensation law or plan of a State or the United States, or

"(C) had his employment interrupted in order to serve as a full-time representative of a labor organization in such firm or subdivision,

shall be treated as a week of employment at wages of $30 or more, but not more than the following number of weeks may be treated as such weeks of employment under this sentence:

"(i) 3 weeks if no weeks described in subparagraph (B) occurred during the 52-week period concerned.

"(ii) 7 weeks if all are weeks described in subparagraph (B).

"(iii) 7 weeks in the case of weeks described in subparagraphs (B) and (A) or (C), or both, except that not more than 3 of such weeks may be other than weeks described in subparagraph (B).

"(3) Such worker—

"(A) was entitled to (or would be entitled to if he applied therefor) unemployment insurance for a week within the benefit period (i) in which such total or partial separation took place, or (ii) which began (or would have begun) by reason of the filing of a claim for unemployment insurance by such worker after such total or partial separation;

"(B) has exhausted all rights to any unemployment insurance to which he was entitled (or would be entitled if he applied therefor); and

"(C) does not have an unexpired waiting period applicable to him for any such unemployment insurance.

"(4) Such worker, with respect to such week of unemployment, would not be disqualified for extended compensation payable under the Federal-State Extended Unemployment Compensation Act of 1970 by reason of the work acceptance and job search requirements in section 202(a)(3) of such Act.

26 USC 3304 note.
94 Stat. 2658.

"(b) If the Secretary determines with respect to any labor market area that—

"(1) a high level of unemployment exists,

"(2) suitable employment opportunities are not available, and

"(3) there are facilities available for the provision of training under section 236 in new or related job classifications,

Post, p. 885.

the Secretary may, in accordance with such regulations as he shall prescribe, require all adversely affected workers who were totally or

partially separated in such area and for whom such training is approved under section 236—

Post, p. 885.

"(A) to accept such training, or

"(B) to search actively for work outside such area,

whichever the worker may choose; except that no worker may be required (i) to accept training or undertake a job search under this subsection until after the first 8 weeks of his eligibility for trade readjustment allowances has expired, or (ii) to accept, or to participate in, such training for a period longer than the remaining period to which he is entitled to such allowances. For purposes of this subsection, the term 'labor market area' has the same meaning as is given such term in the Introduction to the Directory of Important Labor Areas, 1980 edition, published by the Department of Labor; except that for any portion of any State which is not included within that term in such Introduction, the county or counties in which that portion is located shall be treated as the applicable labor market area.".

"Labor market area."

AMOUNT OF TRADE READJUSTMENT ALLOWANCES

SEC. 2504. (a) Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended—

(1) by amending subsection (a) to read as follows:

"(a) Subject to subsections (b) and (c), the trade readjustment allowance payable to an adversely affected worker for a week of total unemployment shall be an amount equal to the most recent weekly benefit amount of the unemployment insurance payable to the worker for a week of total unemployment preceding the worker's first exhaustion of unemployment insurance (as determined for purposes of section 231(a)(3)(B)) reduced (but not below zero) by—

Ante, p. 881.

"(1) any training allowance deductible under subsection (c); and

"(2) income that is deductible from unemployment insurance under the disqualifying income provisions of the applicable State law or Federal unemployment insurance law.";

(2) by striking out subsections (c), (e) and (f);

(3) by redesignating subsection (d) as subsection (c); and

(4) by amending subsection (c) (as redesignated by paragraph (3))—

(A) by striking out "unemployment insurance, or" and "subsection (c) or (e) or to" in the first sentence thereof, and

(B) by striking out "the unemployment insurance, or" in the second sentence thereof.

(b) Any reference in any law to subsection (d) of section 232 of the Trade Act of 1974 shall be considered a reference to subsection (c) thereof.

19 USC 2292 note.

TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES

SEC. 2505. (a) Section 233 of the Trade Act of 1974 (19 U.S.C. 2293) is amended to read as follows:

"SEC. 233. LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

"(a)(1) The maximum amount of trade readjustment allowances payable with respect to the period covered by any certification to an adversely affected worker shall be the amount which is the product of 52 multiplied by the trade readjustment allowance payable to the worker for a week of total unemployment (as determined under

Ante, p. 883.

section 232(a)), but such product shall be reduced by the total sum of the unemployment insurance to which the worker was entitled (or would have been entitled if he had applied therefor) in the worker's first benefit period described in section 231(a)(3)(A).

Ante, p. 881.

"(2) A trade readjustment allowance shall not be paid for any week after the 52-week period beginning with the first week following the first week in the period covered by the certification with respect to which the worker has exhausted (as determined for purposes of section 231(a)(3)(B)) all rights to that part of his unemployment insurance that is regular compensation.

"(3) Notwithstanding paragraph (1), in accordance with regulations prescribed by the Secretary, payments may be made as trade readjustment allowances for up to 26 additional weeks in the 26-week period following the last week of entitlement to trade readjustment allowances otherwise payable under this chapter in order to assist the adversely affected worker to complete training approved for the worker under section 236. Payments for such additional weeks may be made only for weeks in such 26-week period during which the individual is engaged in such training and has not been determined under section 236(c) to be failing to make satisfactory progress in the training.

Post, p. 885.

"(b) A trade readjustment allowance may not be paid for an additional week specified in subsection (a)(3) if the adversely affected worker who would receive such allowance did not make a bona fide application to a training program approved by the Secretary under section 236 within 210 days after the date of the worker's first certification of eligibility to apply for adjustment assistance issued by the Secretary, or, if later, within 210 days after the date of the worker's total or partial separation referred to in section 231(a)(1).

"(c) Amounts payable to an adversely affected worker under this part shall be subject to such adjustment on a week-to-week basis as may be required by section 232(b).

19 USC 2292.

"(d) Notwithstanding any other provision of this Act or other Federal law, if the benefit year of a worker ends within an extended benefit period, the number of weeks of extended benefits that such worker would, but for this subsection, be entitled to in that extended benefit period shall be reduced (but not below zero) by the number of weeks for which the worker was entitled, during such benefit year, to trade readjustment allowances under this part. For purposes of this paragraph, the terms 'benefit year' and 'extended benefit period' shall have the same respective meanings given to them in the Federal-State Extended Unemployment Compensation Act of 1970.".

(b) Section 204(a)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

94 Stat. 2656.

(1) by striking out "or" at the end of clause (A); and

(2) by inserting before the period at the end thereof the following: ", or (C) paid for any week with respect to which such benefits are not payable by reason of section 233(d) of the Trade Act of 1974".

TRAINING AND OTHER EMPLOYMENT SERVICES

SEC. 2506. Subchapter B of chapter 2 of title II of the Trade Act of 1974 is further amended—

(1) by amending the center heading for part II of such subchapter to read as follows:

"PART II—TRAINING, OTHER EMPLOYMENT SERVICES, AND ALLOWANCES";

(2) by amending subsections (a) and (b) of section 236 to read as follows: 19 USC 2296.

"(a)(1) If the Secretary determines that—

"(A) there is no suitable employment (which may include technical and professional employment) available for a worker,

"(B) the worker would benefit from appropriate training,

"(C) there is a reasonable expectation of employment following completion of such training,

"(D) training approved by the Secretary is available to the worker from either governmental agencies or private sources (which may include area vocational education schools, as defined in section 195(2) of the Vocational Education Act of 1963, and employers), and 20 USC 2461.

"(E) the worker is qualified to undertake and complete such training,

the Secretary may approve such training for the worker. Upon such approval, the worker shall be entitled to have payment of the costs of such training paid on his behalf by the Secretary. Insofar as possible, the Secretary shall provide or assure the provision of such training on the job, which shall include related education necessary for the acquisition of skills needed for a position within a particular occupation.

"(2) A worker may not be determined to be ineligible or disqualified for unemployment insurance or program benefits under this subchapter because the individual is in training approved under paragraph (1), because of leaving work which is not suitable employment to enter such training, or because of the application to any such week in training of provisions of State law or Federal unemployment insurance law relating to availability for work, active search for work, or refusal to accept work. The Secretary shall submit to the Congress a quarterly report regarding the amount of funds expended during the quarter concerned to provide training under paragraph (1) and the anticipated demand for such funds for any remaining quarters in the fiscal year concerned. Report to Congress.

"(3) For purposes of this subsection the term 'suitable employment' means, with respect to a worker, work of a substantially equal or higher skill level than the worker's past adversely affected employment, and wages for such work at not less than 80 percent of the worker's average weekly wage. "Suitable employment."

"(b) The Secretary may, where appropriate, authorize supplemental assistance necessary to defray reasonable transportation and subsistence expenses for separate maintenance when training is provided in facilities which are not within commuting distance of a worker's regular place of residence. The Secretary may not authorize—

"(1) payments for subsistence that exceed whichever is the lesser of (A) the actual per diem expenses for subsistence, or (B) payments at 50 percent of the prevailing per diem allowance rate authorized under the Federal travel regulations, or

"(2) payments for travel expenses exceeding the prevailing mileage rate authorized under the Federal travel regulations."; and

(3) by striking out the following:

"PART III—JOB SEARCH AND RELOCATION ALLOWANCES".

INCREASED JOB SEARCH ALLOWANCES

SEC. 2507. Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is amended as follows:

(1) Subsection (a) thereof is amended to read as follows:

"(a) Any adversely affected worker covered by a certification under subchapter A of this chapter may file an application with the Secretary for a job search allowance. Such allowance, if granted, shall provide reimbursement to the worker of 90 percent of the cost of necessary job search expenses as prescribed by regulations of the Secretary; except that—

19 USC 2271.

"(1) such reimbursement may not exceed $600 for any worker, and

"(2) reimbursement may not be made for subsistence and transportation expenses at levels exceeding those allowable under section 236(b)(1) and (2).".

Ante, p. 885.

(2) Subsection (b) thereof is amended—

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

"(1) to assist an adversely affected worker who has been totally separated in securing a job within the United States;"; and

(B) by amending paragraph (3) to read as follows:

"(3) where the worker has filed an application for such allowance with the Secretary before—

"(A) the later of—

"(i) the 365th day after the date of the certification under which the worker is eligible, or

"(ii) the 365th day after the date of the worker's last total separation; or

"(B) the 182d day after the concluding date of any training received by the worker, if the worker was referred to such training by the Secretary.".

INCREASED RELOCATION ALLOWANCES

SEC. 2508. Section 238 of the Trade Act of 1974 (19 U.S.C. 2298) is amended—

(1) by amending subsection (a)—

(A) by striking out "who has been totally separated"; and

(B) by striking out the period and inserting in lieu thereof the following: ", if such worker files such application before—

"(1) the later of—

"(A) the 425th day after the date of the certification, or

"(B) the 425th day after the date of the worker's last total separation; or

"(2) the 182d day after the concluding date of any training received by such worker, if the worker was referred to such training by the Secretary.";

(2) by amending subsection (b) by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", and", and by adding at the end thereof the following:

"(3) is totally separated from employment at the time relocation commences.";

(3) by amending subsection (c) to read as follows:

"(c) A relocation allowance shall not be granted to such worker unless his relocation occurs within 182 days after the filing of the

application therefor or (in the case of a worker who has been referred to training by the Secretary) within 182 days after the conclusion of such training."; and

(4) by amending subsection (d)—

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

"(1) 90 percent of the reasonable and necessary expenses (including, but not limited to, subsistence and transportation expenses at levels not exceeding those allowable under section 236(b) (1) and (2)) specified in regulations prescribed by the Secretary, incurred in transporting a worker and his family, if any, and household effects, and", and

Ante, p. 885.

(B) by striking out "$500" in paragraph (2) and inserting in lieu thereof "$600".

FRAUD AND RECOVERY OF OVERPAYMENTS

SEC. 2509. Section 243 of the Trade Act of 1974 (19 U.S.C. 2315) is amended to read as follows:

"SEC. 243. FRAUD AND RECOVERY OF OVERPAYMENTS.

"(a)(1) If a cooperating State agency, the Secretary, or a court of competent jurisdiction determines that any person has received any payment under this chapter to which the person was not entitled, including a payment referred to in subsection (b), such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be, except that the State agency or the Secretary may waive such repayment if such agency or the Secretary determines, in accordance with guidelines prescribed by the Secretary, that—

"(A) the payment was made without fault on the part of such individual, and

"(B) requiring such repayment would be contrary to equity and good conscience.

"(2) Unless an overpayment is otherwise recovered, or waived under paragraph (1), the State agency or the Secretary shall recover the overpayment by deductions from any sums payable to such person under this chapter, under any Federal unemployment compensation law administered by the State agency or the Secretary, or under any other Federal law administered by the State agency or the Secretary which provides for the payment of assistance or an allowance with respect to unemployment, and, notwithstanding any other provision of State law or Federal law to the contrary, the Secretary may require the State agency to recover any overpayment under this chapter by deduction from any unemployment insurance payable to such person under the State law, except that no single deduction under this paragraph shall exceed 50 percent of the amount otherwise payable.

"(b) If a cooperating State agency, the Secretary, or a court of competent jurisdiction determines that an individual—

"(1) knowingly has made, or caused another to make, a false statement or representation of a material fact, or

"(2) knowingly has failed, or caused another to fail, to disclose a material fact,

and as a result of such false statement or representation, or of such nondisclosure, such individual has received any payment under this chapter to which the individual was not entitled, such individual shall, in addition to any other penalty provided by law, be ineligible for any further payments under this chapter.

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"(c) Except for overpayments determined by a court of competent jurisdiction, no repayment may be required, and no deduction may be made, under this section until a determination under subsection (a)(1) by the State agency or the Secretary, as the case may be, has been made, notice of the determination and an opportunity for a fair hearing thereon has been given to the individual concerned, and the determination has become final.

"(d) Any amount recovered under this section shall be returned to the Treasury of the United States.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2510. Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended to read as follows:

"SEC. 245. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Department of Labor, for each of fiscal years 1982 and 1983, such sums as may be necessary to carry out the purposes of this chapter.".

DEFINITIONS

SEC. 2511. Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

(1) by repealing paragraphs (3) and (7);

(2) by amending paragraph (12) to read as follows:

"(12) The term 'unemployment insurance' means the unemployment compensation payable to an individual under any State law or Federal unemployment compensation law, including chapter 85 of title 5, United States Code, and the Railroad Unemployment Insurance Act. The terms 'regular compensation', 'additional compensation', and 'extended compensation' have the same respective meanings that are given them in section 205 (2), (3), and (4) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).";

5 USC 8501 *et seq.*
45 USC 367.

(3) by amending paragraph (14) to read as follows:

"(14) The term 'week of unemployment' means a week of total, part-total, or partial unemployment as determined under the applicable State law or Federal unemployment insurance law.";

and

(4) by adding at the end thereof the following:

"(15) The term 'benefit period' means, with respect to an individual—

"(A) the benefit year and any ensuing period, as determined under applicable State law, during which the individual is eligible for regular compensation, additional compensation, or extended compensation, or

"(B) the equivalent to such a benefit year or ensuing period provided for under the applicable Federal unemployment insurance law.".

EXTENSION OF ADJUSTMENT ASSISTANCE

SEC. 2512. Section 285 of the Trade Act of 1974 (19 U.S.C. 2395) is amended by striking out "shall terminate on September 30, 1982." and inserting in lieu thereof "chapters 2 and 3 shall terminate on September 30, 1983. Chapter 4 shall terminate on September 30, 1982.".

94 Stat. 1746.
19 USC note prec. 2271.
19 USC 2271, 2341.
19 USC 2371.

CONFORMING AMENDMENTS

SEC. 2513. (a)(1) Subsection (c) of section 224 of the Trade Act of 1974 (19 U.S.C. 2274(c)) is repealed.

(2) The section heading for such section 224 is amended by striking out "; ACTION WHERE THERE IS AFFIRMATIVE FINDING".

(b) Section 241 of such Act of 1974 (19 U.S.C. 2313) is amended by striking out the last sentence in subsection (a), and by striking out "and credited to Adjustment Assistance Trust Fund" in subsection (b).

(c) Section 246 of such Act of 1974 (19 U.S.C. 2318) is repealed. Repeal.

(d) The table of contents to such Act of 1974 is amended—

(1) by striking out "; action where there is affirmative finding" in the reference to section 224;

(2) by inserting after the reference to section 224 the following: "Sec. 225. Benefit information to workers.";

(3) by striking out "Time limitations" in the reference to section 233 and inserting in lieu thereof "Limitations";

(4) by amending the center heading to part II of subchapter B of title II to read as follows:

"PART II—TRAINING, OTHER EMPLOYMENT SERVICES AND ALLOWANCES";

(5) by repealing the following:

"PART III—JOB SEARCH AND RELOCATION ALLOWANCES";

(6) by amending section 239 by striking out "who apply for payments under this chapter" in subsection (a); 19 USC 2311.

(7) by striking out "Recovery" in the reference to section 243 and inserting in lieu thereof "Fraud and recovery";

(8) by amending the reference to section 245 to read as follows: "Sec. 245. Authorization of appropriations."; and

(9) by striking out the reference to section 246.

EFFECTIVE DATES AND TRANSITIONAL PROVISIONS

SEC. 2514. (a)(1) Except as provided in paragraph (2), this subtitle shall take effect on the date of the enactment of this Act.

(2)(A) The amendments made by section 2501 shall apply with respect to all petitions for certification filed under section 221 of the Trade Act of 1974 on or after the 180th day after the date of the enactment of this Act. 19 USC 2291 note. 19 USC 2271.

(B) The amendments made by sections 2503, 2504, 2505, and 2511 shall apply with respect to trade readjustment allowances payable for weeks of unemployment which begin after September 30, 1981.

(C) The amendments made by sections 2506, 2507, and 2508 shall take effect with respect to determinations regarding training and applications for allowances under sections 236, 237, and 238 of the Trade Act of 1974 that are made or filed after September 30, 1981.

(D)(i) Except as otherwise provided in clause (ii), the provisions of sections 233(d) and 236(a)(2) of the Trade Act of 1974 (as amended by this Act), and the provisions of section 204(a)(2)(C) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by this Act) shall apply to State unemployment compensation laws for purposes of certifications under section 3304(c) of the Internal Revenue Code of 1954 on October 31, of any taxable year after 1981. *Ante*, pp. 883, 885. *Ante*, p. 884. 26 USC 3304.

(ii) In the case of any State the legislature of which—

(I) does not meet in a session which begins after the date of the enactment of this Act and prior to September 1, 1982, and

(II) if in session on the date of the enactment of this Act, does not remain in session for a period of at least 25 calendar days,

the date "1981" in clause (i) shall be deemed to be "1982".

19 USC 2291 note.

19 USC 2271.

(b) An adversely affected worker who is receiving or is entitled to receive payments of trade readjustment allowances under chapter 2 of the Trade Act of 1974 for weeks of unemployment beginning before October 1, 1981, shall be entitled to receive—

(1) with respect to weeks of unemployment beginning before October 1, 1981, payments of trade readjustment allowances determined under such chapter 2 without regard to the amendments made by this subtitle; and

(2) with respect to weeks of unemployment beginning after September 30, 1981, payments of trade readjustment allowances as determined under such chapter 2 as amended by this subtitle, except that the maximum amount of trade readjustment allowances payable to such an individual for such weeks of unemployment shall be an amount equal to the product of the trade readjustment allowance payable to the individual for a week of total unemployment (as determined under section 232(a) as so amended) multiplied by a factor determined by subtracting from fifty-two the sum of—

Ante, p. 883.

(A) the number of weeks preceding the first week which begins after September 30, 1981, and which are within the period covered by the same certification under such chapter 2 as such week of unemployment, for which the individual was entitled to a trade readjustment allowance or unemployment insurance, or would have been entitled to such allowance or unemployment insurance if he had applied therefor, and

(B) the number of weeks preceding such first week that are deductible under section 232(d) (as in effect before the amendments made by section 2504);

19 USC 2292.

except that the amount of trade readjustment allowances payable to an adversely affected worker under this paragraph shall be subject to adjustment on a week-to-week basis as may be required by section 232(b).

Subtitle B—Adjustment Assistance for Firms

TECHNICAL ASSISTANCE

SEC. 2521. Section 253 of the Trade Act of 1974 (19 U.S.C. 2343) is amended to read as follows:

"SEC. 253. TECHNICAL ASSISTANCE.

"(a) The Secretary may provide a firm, on terms and conditions as the Secretary determines to be appropriate, with such technical assistance as in his judgment will carry out the purposes of this chapter with respect to the firm. The technical assistance furnished under this chapter may consist of one or more of the following:

"(1) Assistance to a firm in preparing its petition for certification of eligibility under section 251 of this chapter.

19 USC 2341.

"(2) Assistance to a certified firm in developing a proposal for its economic adjustment.

"(3) Assistance to a certified firm in the implementation of such a proposal.

"(b)(1) The Secretary shall furnish technical assistance under this chapter through existing agencies and through private individuals, firms, or institutions (including private consulting services), or by grants to intermediary organizations (including Trade Adjustment Assistance Centers).

"(2) In the case of assistance furnished through private individuals, firms, or institutions (including private consulting services), the Secretary may share the cost thereof (but not more than 75 percent of such cost may be borne by the United States).

"(3) The Secretary may make grants to intermediary organizations in order to defray up to 100 percent of administrative expenses incurred in providing such technical assistance to a firm.".

LIMITATION ON PROVISION OF DIRECT LOANS

SEC. 2522. Section 254(c) of the Trade Act of 1974 (19 U.S.C. 2344(c)) is amended to read as follows:

"(c) No direct loan may be provided to a firm under this chapter if the firm can obtain loan funds from private sources (with or without a guarantee) at a rate no higher than the maximum interest per annum that a participating financial institution may establish on guaranteed loans made pursuant to section 7(a) of the Small Business Act.". *Ante*, p. 767.

CONDITIONS FOR FINANCIAL ASSISTANCE

SEC. 2523. Section 255 of the Trade Act of 1974 (19 U.S.C. 2345) is amended—

(1) by amending subsection (b) to read as follows:

"(b)(1) The rate of interest on direct loans made under this chapter shall be—

"(A) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity that are comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 percent, plus

"(B) an amount adequate in the judgment of the Secretary of Commerce to cover administrative costs and probable losses under the program.

"(2) The Secretary may not guarantee any loan under this chapter if—

"(A) the rate of interest on either the portion to be guaranteed, or the portion not to be guaranteed, is determined by the Secretary to be excessive when compared with other loans bearing Federal guarantees and subject to similar terms and conditions, and

"(B) the interest on the loan is exempt from Federal income taxation under section 103 of the Internal Revenue Code of 1954."; 26 USC 103.

(2) by amending subsection (c)—

(A) by amending the first sentence to read as follows: "The Secretary shall make no loan or guarantee of a loan under section 254(b)(1) having a maturity in excess of 25 years or the useful life of the fixed assets (whichever period is shorter), including renewals and extensions; and shall make no loan or guarantee of a loan under section 254(b)(2) having

a maturity in excess of 10 years, including extensions and renewals.",

(B) by amending the second sentence by striking out "limitation" and inserting in lieu thereof "limitations", and

(C) by amending paragraph (2) by inserting "or servicing" immediately after "liquidation";

(3) by amending subsection (d)—

(A) by inserting "(1)" immediately after "(d)"; and

(B) by adding at the end thereof the following:

"(2) For any direct loan made, or any loan guaranteed, under the authority of this chapter, the Secretary may enter into arrangements for the servicing, including foreclosure, of such loans or evidences of indebtedness on terms which are reasonable and which protect the financial interests of the United States."; and

(4) by amending subsection (e) to read as follows:

"(e) The following conditions apply with respect to any loan guaranteed under this chapter:

"(1) No guarantee may be made for an amount which exceeds 90 percent of the outstanding balance of the unpaid principal and interest on the loan.

"(2) The loan may be evidenced by multiple obligations for the guaranteed and nonguaranteed portions of the loan.

"(3) The guarantee agreement shall be conclusive evidence of the eligibility of any obligation guaranteed thereunder for such guarantee, and the validity of any guarantee agreement shall be incontestable, except for fraud or misrepresentation by the holder.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2524. Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(1) by striking out "firms," and inserting in lieu thereof "firms (including, but not limited to, the payment of principal, interest, and reasonable costs incident to default on loans guaranteed by the Secretary under the authority of this chapter),"; and

(2) by adding at the end thereof the following new sentence: "Direct loans and commitments to guarantee loans may be made under this chapter during any fiscal year only to such extent and in such amounts as are provided in advance in appropriation Acts.".

ADMINISTRATION OF FINANCIAL ASSISTANCE

SEC. 2525. Section 257 of the Trade Act of 1974 (19 U.S.C. 2347) is amended by adding at the end thereof the following new subsections:

"(d) To the extent the Secretary deems it appropriate, and consistent with the provisions of section 552(b)(4) and section 552b(c)(4) of title 5, United States Code, that portion of any record, material or data received by the Secretary in connection with any application for financial assistance under this chapter which contains trade secrets or commercial or financial information regarding the operation or competitive position of any business shall be deemed to be privileged or confidential within the meaning of those provisions.

"(e) Direct loans made, or loans guaranteed, under this chapter for the acquisition or development of real property or other capital assets shall ordinarily be secured by a first lien on the assets to be financed and shall be fully amortized. To the extent that the Secretary finds that exceptions to these standards are necessary to achieve the

objectives of this chapter, he shall develop appropriate criteria for the protection of the interests of the United States.".

REPEAL OF TRANSITIONAL PROVISIONS

SEC. 2526. Section 263 of the Trade Act of 1974 (19 U.S.C. 2353) is repealed.

ASSISTANCE TO INDUSTRIES

SEC. 2527. Chapter 3 of title II of the Trade Act of 1974 is amended by adding at the end thereof the following: 19 USC 2355.

"SEC. 265. ASSISTANCE TO INDUSTRIES.

"(a) The Secretary may provide technical assistance, on such terms and conditions as the Secretary deems appropriate, for the establishment of industrywide programs for new product development, new process development, export development, or other uses consistent with the purposes of this chapter. Such technical assistance may be provided through existing agencies, private individuals, firms, universities and institutions, and by grants, contracts, or cooperative agreements to associations, unions, or other nonprofit industry organizations in which a substantial number of firms have been certified as eligible to apply for adjustment assistance under section 251. 19 USC 2341.

"(b) Expenditures for technical assistance under this section may be up to $2,000,000 annually per industry and shall be made under such terms and conditions as the Secretary deems appropriate.".

CONFORMING AMENDMENTS

SEC. 2528. The table of contents of the Trade Act of 1974 is amended—

(1) by striking out the reference to section 263; and

(2) by inserting after the reference to section 264 the following:

"Sec. 265. Assistance to industries.".

EFFECTIVE DATE

SEC. 2529. (a) Subject to subsection (b), the amendments made by this subtitle shall take effect on the date of the enactment of this Act. 19 USC 2343 note.

(b) Applications for adjustment assistance under chapter 3 of title II of the Trade Act of 1974 which the Secretary of Commerce accepted for processing before the date of the enactment of this Act shall continue to be processed in accordance with the requirements of such chapter as in effect before such date of enactment.

TITLE XXVI—LOW-INCOME HOME ENERGY ASSISTANCE

Low-Income Home Energy Assistance Act of 1981.

SHORT TITLE

SEC. 2601. This title may be cited as the "Low-Income Home Energy Assistance Act of 1981". 42 USC 8621 note.

HOME ENERGY GRANTS AUTHORIZED

SEC. 2602. (a) The Secretary of Health and Human Services is authorized to make grants, in accordance with the provisions of this 42 USC 8621.

title, to States to assist eligible households to meet the costs of home energy.

Appropriation authorization.

(b) There is authorized to be appropriated to carry out the purposes of this title $1,875,000,000 for each of the fiscal years 1982, 1983, and 1984.

DEFINITIONS

42 USC 8622.

SEC. 2603. As used in this title:

(1) The term "energy crisis intervention" means weather-related and supply shortage emergencies.

(2)(A) The term "household" means all individuals who occupy a housing unit.

(B) For purposes of subparagraph (A), 1 or more rooms shall be treated as a housing unit when occupied as a separate living quarters.

(3) The term "home energy" means a source of heating or cooling in residential dwellings.

(4) The term "poverty level" means, with respect to a household in any State, the income poverty guidelines for the nonfarm population of the United States as prescribed by the Office of Management and Budget (and as adjusted annually pursuant to section 673(2) of this Act) as applicable to such State.

Ante, p. 511.

(5) The term "Secretary" means the Secretary of Health and Human Services.

(6) The term "State" means each of the several States and the District of Columbia.

(7) The term "State median income" means the State median income promulgated by the Secretary in accordance with procedures established under section 2002(a)(6) of the Social Security Act (as such procedures were in effect on the day before the date of the enactment of this Act) and adjusted, in accordance with regulations prescribed by the Secretary, to take into account the number of individuals in the household.

STATE ALLOTMENTS

42 USC 8623.

SEC. 2604. (a)(1)(A) Except as provided in subparagraph (B), the Secretary shall, from that percentage of the amount appropriated under section 2602(b) for each fiscal year which is remaining after the amount of allotments for such fiscal year under subsection (b)(1) is determined by the Secretary, allot to each State an amount equal to such remaining percentage multiplied by the State's allotment percentage.

(B) From the sums appropriated therefor, if for any period a State has a plan which is described in section 2605(c)(1), the Secretary shall pay to such State an amount equal to 100 percent of the expenditures of such State made during such period in carrying out such plan, including administrative costs (subject to the provisions of section 2605(b)(9)(B)), with respect to households described in section 2605(b)(2).

Allotment percentage.

(2)(A) For purposes of paragraph (1), a State's allotment percentage is the percentage which the amount the State was eligible to receive for fiscal year 1981 under the allotment formulas of the Home Energy Assistance Act of 1980 bears to the total amount available for allotment under such formulas.

Post, p. 902.

(B) For purposes of subparagraph (A), the allotment formulas of the Home Energy Assistance Act of 1980 shall be treated as including the rules provided by, and the rules referred to in, section 101(j) of the

joint resolution entitled "Joint resolution making further continuing appropriations for the fiscal year 1981, and for other purposes", approved December 16, 1980 (Public Law 96-536; 94 Stat. 3168), except that such allotment formulas shall not include the reallotment procedures established in section 260.108 of title 45, Code of Federal Regulations (relating to reallotment of funds under the low-income energy assistance program).

(3) If the sums appropriated for any fiscal year for making grants under this title are not sufficient to pay in full the total amount allocated to a State under paragraph (1) for such fiscal year, the amount which all States will receive under this title for such fiscal year shall be ratably reduced.

Apportionment percentages.

(b)(1) The Secretary shall apportion not less than one-tenth of 1 percent, and not more than one-half of 1 percent, of the amounts appropriated for each fiscal year to carry out this title on the basis of need among the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Secretary shall determine the total amount to be apportioned under this paragraph for any fiscal year (which shall not exceed one-half of 1 percent) after evaluating the extent to which each jurisdiction specified in the preceding sentence requires assistance under this paragraph for the fiscal year involved.

Grants.

(2) Each jurisdiction to which paragraph (1) applies may receive grants under this title upon an application submitted to the Secretary containing provisions which describe the programs for which assistance is sought under this title, and which are consistent with the requirements of section 2605.

Energy crisis intervention, reserved funds.

(c) Of the funds available to each State under subsection (a), a reasonable amount based on data from prior years shall be reserved by each State for energy crisis intervention.

(d)(1) If, with respect to any State, the Secretary—

(A) receives a request from the governing organization of an Indian tribe within the State that assistance under this title be made directly to such organization; and

(B) determines that the members of such tribe would be better served by means of grants made directly to provide benefits under this title;

the Secretary shall reserve from amounts which would otherwise be paid to such State from amounts allotted to it under this title for the fiscal year involved the amount determined under paragraph (2).

(2) The amount determined under this paragraph for a fiscal year is the amount which bears the same ratio to the amount which would (but for this subsection) be allotted to such State under this title for such fiscal year (other than by reason of section 2607(b)(2)) as the number of Indian households described in subparagraphs (A) and (B) of section 2605(b)(2) in such State with respect to which a determination under this subsection is made bears to the number of all households described in subparagraphs (A) and (B) of section 2605(b)(2) in such State.

(3) The sums reserved by the Secretary on the basis of a determination under this subsection shall be granted to—

(A) the tribal organization serving the individuals for whom such a determination has been made; or

(B) in any case where there is no tribal organization serving an individual for whom such a determination has been made, such other entity as the Secretary determines has the capacity to provide assistance pursuant to this title.

Plan, submittal to Secretary.

(4) In order for a tribal organization or other entity to be eligible for an amount under this subsection for a fiscal year, it shall submit to the Secretary a plan (in lieu of being under the State's plan) for such fiscal year which meets such criteria as the Secretary may by regulations prescribe.

(e) At the option of a State, any portion of such State's allotment under this title may be reserved by the Secretary for the purpose of making direct payments to households described in section 2605(b)(2)(A)(ii) (taking into account the application of section 2605(i)), for low-income energy assistance in accordance with guidelines issued by the Secretary.

Transfer of allotment.

(f) A State may transfer up to 10 percent of its allotment under this section for any fiscal year for its use for such fiscal year under other provisions of Federal law providing block grants for—

(1) support of activities under subtitle B of title VI (relating to community services block grant program);

42 USC 1397.

(2) support of activities under title XX of the Social Security Act; or

Ante, p. 535.
42 USC 701.

(3) support of preventive health services, alcohol, drug, and mental health services, and primary care under title XIX of the Public Health Service Act, and maternal and child health services under title V of the Social Security Act;

or any combination of the activities described in paragraphs (1), (2), and (3). Amounts allotted to a State under any provisions of Federal law referred to in the preceding sentence and transferred by a State for use in carrying out the purposes of this title shall be treated as if they were paid to the State under this title but shall not affect the computation of the State's allotment under this title. The State shall inform the Secretary of any such transfer of funds.

APPLICATIONS AND REQUIREMENTS

42 USC 8624.

SEC. 2605. (a)(1) Each State desiring to receive an allotment for any fiscal year under this title shall submit an application to the Secretary. Each such application shall be in such form as the Secretary shall require. Each such application shall contain assurances by the chief executive officer of the State that the State will meet the conditions enumerated in subsection (b).

Hearings.

(2) After the expiration of the first fiscal year for which a State receives funds under this title, no funds shall be allotted to such State for any fiscal year under this title unless such State conducts public hearings with respect to the proposed use and distribution of funds to be provided under this title for such fiscal year.

State agreements.

(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State agrees to—

(1) use the funds available under this title for the purposes described in section 2602(a) and otherwise in accordance with the requirements of this title, and agrees not to use such funds for any payments other than payments specified in this subsection;

(2) make payments under this title only with respect to—

(A) households in which 1 or more individuals are receiving—

42 USC 601.
42 USC 608.

(i) aid to families with dependent children under the State's plan approved under part A of title IV of the Social Security Act (other than such aid in the form of foster care in accordance with section 408 of such Act);

(ii) supplemental security income payments under title XVI of the Social Security Act; 42 USC 1381.

(iii) food stamps under the Food Stamp Act of 1977; or 7 USC 2011 note.

(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978; or 38 USC 521 note.

(B) households with incomes which do not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or handicapped individuals, or both, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act; *Ante*, p. 511. 42 USC 2701 note.

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act; 42 USC 601. 42 USC 1397. 42 USC 6851. 42 USC 2701 note.

(5) provide, in a manner consistent with the efficient and timely payment of benefits, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size;

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program or weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) if there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

(7) if the State chooses to pay home energy suppliers directly, establish procedures to—

(A) notify each participating household of the amount of assistance paid on its behalf;

(B) assure that the home energy supplier will charge the eligible household, in the normal billing process, the difference between the actual cost of the home energy and the amount of the payment made by the State under this title;

(C) assure that the home energy supplier will provide assurances that any agreement entered into with a home energy supplier under this paragraph will contain provisions to assure that no household receiving assistance under this title will be treated any differently because of such assistance under applicable provisions of State law or public regulatory requirements; and

(D) assure that any home energy supplier receiving direct payments agrees not to discriminate, either in the cost of the goods supplied or the services provided, against the eligible household on whose behalf payments are made;

(8) provide assurances that the State will treat owners and renters equitably under the program assisted under this title;

(9) provide that—

(A) in each fiscal year, the State may use for planning and administering the use of funds available under this title an amount not to exceed 10 percent of its allotment under this title for such fiscal year; and

(B) the State will pay from non-Federal sources the remaining costs of planning and administering the program assisted under this title and will not use Federal funds for such remaining costs;

Audit.

(10) provide that such fiscal control and fund accounting procedures will be established as may be necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this title, including procedures for monitoring the assistance provided under this title, and provide that at least every year the State shall prepare an audit of its expenditures of amounts received under this title and amounts transferred to carry out the purposes of this title;

(11) permit and cooperate with Federal investigations undertaken in accordance with section 2608;

(12) provide for public participation in the development of the plan described in subsection (c); and

(13) provide an opportunity for a fair administrative hearing to individuals whose claims for assistance under the plan described in subsection (c) are denied or are not acted upon with reasonable promptness.

The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.

(c)(1) As part of the annual application required in subsection (a), the chief executive officer of each State shall prepare and furnish to the Secretary a plan which contains provisions describing how the State will carry out the assurances contained in subsection (b). The chief executive officer may revise any plan prepared under this paragraph and shall furnish the revised plan to the Secretary.

Public inspection.

(2) Each plan prepared under paragraph (1) shall be made available for public inspection within the State involved in such a manner as will facilitate review of, and comment upon, such plan.

(d) Whenever the Secretary determines that a waiver of any requirement in subsection (b) is necessary to assist in promoting the objectives of this title, the Secretary may waive such requirement to the extent and for the period the Secretary finds necessary to enable the State involved to carry out the program under the plan. Waiver

(e) Each audit required by subsection (b)(10) shall be conducted by an entity independent of any agency administering activities or services carried out under this title and shall be conducted in accordance with generally accepted accounting principles. Within 30 days after the completion of each audit, the chief executive officer of the State shall submit a copy of such audit to the legislature of the State and to the Secretary.

(f) Notwithstanding any other provision of law, the amount of any home energy assistance payments or allowances provided to an eligible household under this title shall not be considered income or resources of such household (or any member thereof) for any purpose under any Federal or State law, including any law relating to taxation, food stamps, public assistance, or welfare programs.

(g) The State shall repay to the United States amounts found not to have been expended in accordance with this title or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this title. Repayment to U.S.

(h) The Comptroller General of the United States shall, from time to time, evaluate the expenditures by States of grants under this title in order to assure that expenditures are consistent with the provisions of this title and to determine the effectiveness of the State in accomplishing the purposes of this title. Grant expenditures, evaluation.

(i) A household which is described in subsection (b)(2)(A) solely by reason of clause (ii) thereof shall not be treated as a household described in subsection (b)(2) if the eligibility of the household is dependent upon—

(1) an individual whose annual supplemental security income benefit rate is reduced pursuant to section 1611(e)(1) of the Social Security Act by reason of being in an institution receiving payments under title XIX of the Social Security Act with respect to such individual; 42 USC 1382. 42 USC 1396.

(2) an individual to whom the reduction specified in section 1612(a)(2)(A)(i) of the Social Security Act applies; or 42 USC 1382a.

(3) a child described in section 1614(f)(2) of the Social Security Act who is living together with a parent, or the spouse of a parent, of the child. 42 USC 1382c.

(j) In verifying income eligibility for purposes of subsection (b)(2)(B), the State may apply procedures and policies consistent with procedures and policies used by the State agency administering programs under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under subtitle B of title VI of this Act (relating to community services block grant program), under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act, or under other income assistance or service programs (as determined by the State). 42 USC 601. 42 USC 1397. 42 USC 2701 note.

(k) Not more than 15 percent of the greater of—

(1) the funds allotted to a State under this title for any fiscal year; or

(2) the funds available to such State under this title for such fiscal year;

may be used by the State for low-cost residential weatherization or other energy-related home repair for low-income households.

(l)(1) Any State may use amounts provided under this title for the purpose of providing credits against State tax to energy suppliers who supply home energy at reduced rates to low-income households.

(2) Any such credit provided by a State shall not exceed the amount of the loss of revenue to such supplier on account of such reduced rate.

(3) Any certification for such tax credits shall be made by the State, but such State may use Federal data available to such State with respect to recipients of supplemental security income benefits if timely delivery of benefits to households described in subsection (b) and suppliers will not be impeded by the use of such data.

NONDISCRIMINATION PROVISIONS

42 USC 8625.

SEC. 2606. (a) No person shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 also shall apply to any such program or activity.

42 USC 6101 note.

29 USC 794.

Noncompliance.

(b) Whenever the Secretary determines that a State that has received a payment under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the chief executive officer of the State and shall request him to secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, or section 504 of the Rehabilitation Act of 1973, as may be applicable; or (3) take such other action as may be provided by law.

42 USC 2000d.

Civil action.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that the State is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

PAYMENTS TO STATES

42 USC 8626.

SEC. 2607. (a) From its allotment under section 2604, the Secretary shall make payments to each State in accordance with section 203 of the Intergovernmental Cooperation Act of 1968, for use under this title.

42 USC 4213.

Conditions.

(b)(1) If—

(A) the Secretary determines that, as of September 1 of any fiscal year, an amount allotted to a State under section 2604 for any fiscal year will not be used by such State during such fiscal year;

(B) the Secretary—

(i) notifies the chief executive officer of such State; and

(ii) publishes a timely notice in the Federal Register;

that, after the 30-day period beginning on the date of the notice to such chief executive officer, such amount may be reallotted; and

(C) the State does not request, under paragraph (2), that such amount be held available for such State for the following fiscal year;

then such amount shall be treated by the Secretary for purposes of this title as an amount appropriated for the following fiscal year to be allotted under section 2604 for such following fiscal year.

(2)(A) Any State may request that an amount allotted to such State for a fiscal year be held available for such State for the following fiscal year. Any amount so held available for the following fiscal year shall not be taken into account in computing the allotment of such State for such fiscal year under this title.

(B) No amount may be held available under this paragraph for a State from a prior fiscal year to the extent such amount exceeds 25 percent of the amount allotted to such State for such prior fiscal year. For purposes of the preceding sentence, the amount allotted to a State for a fiscal year shall be determined without regard to any amount held available under this paragraph for such State for such fiscal year from the prior fiscal year.

(3) During the 30-day period described in paragraph (1)(B), comments may be submitted to the Secretary. After considering such comments, the Secretary shall notify the chief executive officer of the State of any decision to reallot funds, and shall publish such decision in the Federal Register.

Publication in Federal Register.

WITHHOLDING

SEC. 2608. (a)(1) The Secretary shall, after adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State which does not utilize its allotment substantially in accordance with the provisions of this title and the assurances such State provided under section 2605.

Notice and hearing. 42 USC 8627.

(2) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this title or the assurances provided by the State under section 2605. For purposes of this paragraph, a violation of any one of the assurances contained in section 2605(b) that constitutes a disregard of such assurance shall be considered a serious complaint.

(b)(1) The Secretary shall conduct in several States in each fiscal year investigations of the use of funds received by the States under this title in order to evaluate compliance with the provisions of this title.

(2) Whenever the Secretary determines that there is a pattern of complaints from any State in any fiscal year, he shall conduct an investigation of the use of funds received under this title by such State in order to ensure compliance with the provisions of this title.

(3) The Comptroller General of the United States may conduct an investigation of the use of funds received under this title by a State in order to ensure compliance with the provisions of this title.

(c) Pursuant to an investigation conducted under subsection (b), a State shall make appropriate books, documents, papers, and records available to the Secretary or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request therefor.

Records, availability.

(d) In conducting any investigation under subsection (b), the Secretary may not request any information not readily available to such State or require that any information be compiled, collected, or transmitted in any new form not already available.

LIMITATION ON USE OF GRANTS FOR CONSTRUCTION

42 USC 8628.

SEC. 2609. Grants made under this title may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this title, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

STUDIES

Data.
42 USC 8629.

SEC. 2610. (a) The Secretary, after consultation with the Secretary of Energy, shall provide for the collection of data, including—

(1) information concerning home energy consumption;

(2) the cost and type of fuels used;

(3) the type of fuel used by various income groups;

(4) the number and income levels of households assisted by this title; and

(5) any other information which the Secretary determines to be reasonably necessary to carry out the provisions of this title.

Report to Congress.

(b) The Secretary shall submit an annual report to the Congress containing a summary of data collected under subsection (a).

REPEALER

42 USC 8601 note.

SEC. 2611. Effective October 1, 1981, the Home Energy Assistance Act of 1980 is repealed.

TITLE XXVII—NATIONAL HEALTH SERVICE CORPS; HEALTH PROFESSIONS EDUCATION; NURSE TRAINING

REFERENCE

SEC. 2700. Except as otherwise specifically provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

42 USC 201 note.

CHAPTER 1—NATIONAL HEALTH SERVICE CORPS

REVISION AND EXTENSION OF NATIONAL HEALTH SERVICE CORPS

SEC. 2701. (a) Section 331(a)(1) (42 U.S.C. 254d(a)(1)) is amended to read as follows: "(1) shall consist of—

"(A) such officers of the Regular and Reserve Corps of the Service as the Secretary may designate,

"(B) such civilian employees of the United States as the Secretary may appoint, and

"(C) such other individuals who are not employees of the United States,

(such officers, employees, and individuals hereinafter in this subpart referred to as 'Corps members'), and".

(b) Section 331(b) is amended by striking out "shall" and inserting in lieu thereof "may". 42 USC 254d.

(c) The first sentence of section 331(c) is amended by inserting "(including individuals considering entering into a written agreement pursuant to section 338C)" after "positions in the Corps".

(d)(1) Section 331(d)(1) is amended by inserting after "each member of the Corps" the following: "(other than a member described in subsection (a)(1)(C))".

(2) Section 331(d)(1)(A) is amended by striking out "shall" and inserting in lieu thereof "may".

(3) Section 331(d)(1)(B) is amended by striking out "shall" and inserting in lieu thereof "may".

(4) Section 331(d) is further amended by adding at the end the following:

"(3) A member of the Corps described in subparagraph (C) of subsection (a)(1) shall when assigned to an entity under section 333 be subject to the personnel system of such entity, except that such member shall receive during the period of assignment the income that the member would receive if the member was a member of the Corps described in subparagraph (B) of such subsection.".

(e) Section 331(g) is amended to read as follows:

"(g)(1) The Secretary shall, by rule, prescribe conversion provisions applicable to any individual who, within a year after completion of service as a member of the Corps described in subsection (a)(1)(C), becomes a commissioned officer in the Regular or Reserve Corps of the Service.

"(2) The rules prescribed under paragraph (1) shall provide that in applying the appropriate provisions of this Act which relate to retirement, any individual who becomes such an officer shall be entitled to have credit for any period of service as a member of the Corps described in subsection (a)(1)(C).".

(f)(1) Section 331(h)(1) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(2) Section 331(h)(2) is amended by striking out "section 751" and inserting in lieu thereof "section 338A".

(3) Section 331(h)(3) is amended by inserting "Commonwealth of the" before "Northern Mariana Islands".

DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 2702. (a) Section 332(a)(1)(A) (42 U.S.C. 254e(a)(1)) is amended by inserting before the comma at the end thereof "and which is not reasonably accessible to an adequately served area".

(b) Section 332(h) is amended by striking out "shall" and inserting in lieu thereof "may".

(c) Effective October 1, 1981, the Secretary of Health and Human Services shall— 42 USC 254e note.

(1) evaluate the criteria used under section 332(b) of the Public Health Service Act to determine if the use of the criteria has resulted in areas which do not have a shortage of health professions personnel being designated as health manpower shortage areas; and Criteria, evaluation.

(2) consider different criteria (including the actual use of health professions personnel in an area by the residents of an area taking into account their health status and indicators of an

unmet demand and the likelihood that such demand would not be met in two years) which may be used to designate health manpower shortage areas.

Report to Congress.

Not later than November 30, 1982, the Secretary shall report to the Congress the results of the activities undertaken under this subsection.

42 USC 254e.

(c) Section 332(e) is amended by inserting "(1)" before "Prior" and by adding at the end thereof the following:

Notice.

"(2) Prior to the designation of a health manpower shortage area under this section, the Secretary shall, to the extent practicable, give written notice of the proposed designation of such area to appropriate public or private nonprofit entities which are located or have a demonstrated interest in such area and request comments from such entities with respect to the proposed designation of such area.".

ASSIGNMENT OF CORPS PERSONNEL

SEC. 2703. (a) Section 333(a)(1)(D) (42 U.S.C. 254f(a)(1)(D)) is amended—

(1) by striking out beginning with "in the case of" through "which has expired,";

(2) by striking out "continued need" in clause (i) and inserting in lieu thereof "need and demand";

(3) by inserting "intended" before "use of Corps members" in clause (i);

(4) by striking out "previously" before "assigned to the area" in clause (i) and inserting in lieu thereof "to be";

(5) by striking out "fiscal management by the entity with respect to Corps members previously assigned" in clause (i) and inserting in lieu thereof "the fiscal management capability of the entity to which Corps members would be assigned";

(6) by striking out "continued need" in clause (ii)(I) and inserting in lieu thereof "need and demand";

(7) by striking out "has been" in clause (ii)(II) and inserting in lieu thereof "will be";

(8) by striking out "previously" in clause (ii)(II);

(9) by striking out "continued" in clause (ii)(IV) and inserting in lieu thereof "unsuccessful";

(10) by striking out "has been" in clause (ii)(V) and inserting in lieu thereof "is a reasonable prospect of"; and

(11) by striking out "previously" in clause (ii)(V).

Health manpower shortage area, assignment.

(b)(1) Paragraph (1) of subsection (a) of section 333 is amended by adding after and below subparagraph (D) the following: "An application for assignment of a Corps member to a health manpower shortage area shall include a demonstration by the applicant that the area or population group to be served by the applicant has a shortage of personal health services and that the Corps member will be located so that the member will provide services to the greatest number of persons residing in such area or included in such population group. Such a demonstration shall be made on the basis of the criteria prescribed by the Secretary under section 332(b) and on additional criteria which the Secretary shall prescribe to determine if the area or population group to be served by the applicant has a shortage of personal health services.".

(2) Subsection (a) of section 333 is amended by adding at the end the following:

"(3) In approving applications for assignment of members of the Corps the Secretary shall not discriminate against applications from

entities which are not receiving Federal financial assistance under this Act.".

(c) Section 333(c) is amended by striking out paragraph (2) and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively. 42 USC 254f.

(d) Effective October 1, 1981, section 333 is amended by redesignating subsections (d) through (h) as subsections (e) through (i), respectively, and by adding after subsection (c) the following new subsection:

"(d)(1) The Secretary may not approve an application for the assignment of a member of the Corps described in subparagraph (C) of section 331(a)(1) to an entity unless the application of the entity contains assurances satisfactory to the Secretary that the entity (A) has sufficient financial resources to provide the member of the Corps with an income of not less than the income to which the member would be entitled if the member was a member described in subparagraph (B) of section 331(a)(1), or (B) would have such financial resources if a grant was made to the entity under paragraph (2). Assignment approval. *Ante*, p. 902.

"(2)(A) If in approving an application of an entity for the assignment of a member of the Corps described in subparagraph (C) of section 331(a)(1) the Secretary determines that the entity does not have sufficient financial resources to provide the member of the Corps with an income of not less than the income to which the member would be entitled if the member was a member described in subparagraph (B) of section 331(a)(1), the Secretary may make a grant to the entity to assure that the member of the Corps assigned to it will receive during the period of assignment to the entity such an income. Grants.

"(B) The amount of any grant under subparagraph (A) shall be determined by the Secretary. Payments under such a grant may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. No grant may be made unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.". Amount.

(e)(1) Section 333(g)(1) (as redesignated by subsection (d) of this section) is amended

(A) by striking out "shall" and inserting in lieu thereof "may";

(B) by striking out "or have a demonstrated interest"; and

(C) by adding at the end thereof the following: "Assistance provided under this paragraph may include assistance to an entity in (A) analyzing the potential use of health professions personnel in defined health services delivery areas by the residents of such areas, (B) determining the need for such personnel in such areas, (C) determining the extent to which such areas will have a financial base to support the practice of such personnel and the extent to which additional financial resources are needed to adequately support the practice, and (D) determining the types of inpatient and other health services that should be provided by such personnel in such areas.".

(2) Section 333(g)(2) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may" and by striking out "or have a demonstrated interest".

(3) Section 333(g)(3) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may".

(4) Section 333(g) (as redesignated by subsection (d) of this section) is further amended by adding at the end the following:

"(4)(A) The Secretary shall undertake to demonstrate the improvements that can be made in the assignment of members of the Corps to health manpower shortage areas and in the delivery of health care by Corps members in such areas through coordination with States, political subdivisions of States, agencies of States and political subdivisions, and other public and nonprofit private entities which have expertise in the planning, development, and operation of centers for the delivery of primary health care. In carrying out this subparagraph, the Secretary shall enter into agreements with qualified entities which provide that if—

Agreements with qualified entities.

"(i) the entity places in effect a program for the planning, development, and operation of centers for the delivery of primary health care in health manpower shortage areas which reasonably addresses the need for such care in such areas, and

"(ii) under the program the entity will perform the functions described in subparagraph (B),

the Secretary will assign under this section members of the Corps in accordance with the program.

"Qualified entity."

"(B) For purposes of subparagraph (A), the term 'qualified entity' means a State, political subdivision of a State, an agency of a State or political subdivision, or other public or nonprofit private entity operating solely within one State, which the Secretary determines is able—

"(i) to analyze the potential use of health professions personnel in defined health services delivery areas by the residents of such areas;

"(ii) to determine the need for such personnel in such areas and to recruit, select, and retain health professions personnel (including members of the National Health Service Corps) to meet such need;

"(iii) to determine the extent to which such areas will have a financial base to support the practice of such personnel and the extent to which additional financial resources are needed to adequately support the practice;

"(iv) to determine the types of inpatient and other health services that should be provided by such personnel in such areas;

"(v) to assist such personnel in the development of their clinical practice and fee schedules and in the management of their practice;

"(vi) to assist in the planning and development of facilities for the delivery of primary health care; and

"(vii) to assist in establishing the governing bodies of centers for the delivery of such care and to assist such bodies in defining and carrying out their responsibilities.".

42 USC 254f.

(f) Section 333(h) (as redesignated by subsection (d) of this section) is amended by striking out "shall" and inserting in lieu thereof "may".

(g) Section 333(i) (as redesignated by subsection (d) of this section) is amended by striking out "or dentistry" and inserting in lieu thereof "dentistry, or any other health profession".

COST SHARING

SEC. 2704. (a)(1) Section 334(a) (42 U.S.C. 254g(a)) is amended by inserting "for the assignment of a member of the Corps" after "section 333".

(2) Subparagraphs (A) and (B) of section 334(a)(3) are amended to read as follows:

"(A) an amount calculated by the Secretary to reflect the average salary (including amounts paid in accordance with section 331(d)) and allowances of comparable Corps members for a calendar quarter (or other period);

Average salary and allowances.

42 USC 254d.

"(B) that portion of an amount calculated by the Secretary to reflect the average amount paid under the Scholarship Program to or on behalf of comparable Corps members that bears the same ratio to the calculated amount as the number of days of service provided by the member during that quarter (or other period) bears to the number of days in his period of obligated service under the Program; and".

(3) Section 334(a)(3)(C) is amended (A) by inserting "or a grant under section 333(d)(2)" after "section 335(c)", and (B) by inserting "or grant" after "such loan" each time it occurs.

42 USC 254g.

(4) Section 334(b) is amended by adding at the end the following:

"(4) In determining whether to grant a waiver under paragraph (1) or (2), the Secretary shall not discriminate against a public entity.".

(b) Section 334(e) is amended by striking out "this subpart" and inserting in lieu thereof "sections 331 through 335 and section 337".

PROVISION OF HEALTH SERVICES BY CORPS MEMBERS

SEC. 2705. (a) Clause (2) of section 335(a) (42 U.S.C. 254h(a)) is amended to read as follows: "(2) in a manner which is cooperative with other health care providers serving such health manpower shortage area.".

(b) The first sentence of section 335(c) is amended—

(1) by inserting "and" before "(3)"; and

(2) by striking out "; and (4) establishing appropriate continuing education programs".

PREPARATION FOR PRACTICE

SEC. 2706. (a) Section 336 (42 U.S.C. 254i) is redesignated as section 336A.

(b) Subpart II of part D of title III is amended by inserting after section 335 (42 U.S.C. 254h) the following new section:

"PREPARATION FOR PRACTICE

"SEC. 336. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit entities for the conduct of programs which are designed to prepare individuals subject to a service obligation under the National Health Service Corps scholarship program to effectively provide health services in the health manpower shortage area to which they are assigned.

42 USC 254h-1.

"(b) No grant may be made or contract entered into under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.".

NATIONAL ADVISORY COUNCIL

SEC. 2707. (a) Section 337(a) (42 U.S.C. 254j) is amended to read as follows:

"(a) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be

Establishment.

Membership.

Consultation with Secretary.

composed of not more than 15 members appointed by the Secretary. The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this subpart, and shall review and comment upon regulations promulgated by the Secretary under this subpart.".

42 USC 254j.

(b) The last sentence of section 337(b)(1) is amended by inserting "not" before "be reappointed".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2708. (a) Section 338(a) (42 U.S.C. 254k) is amended—

(1) by striking out "and" after "1979;"; and

(2) by inserting before the period a semicolon and the following: "$110,000,000 for the fiscal year ending September 30, 1982; $120,000,000 for the fiscal year ending September 30, 1983; and $130,000,000 for the fiscal year ending September 30, 1984".

(b) Section 338(b) is amended by striking out "this subpart" and inserting in lieu thereof "sections 331 through 335, section 336A, and section 337".

NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP PROGRAM

42 USC 254l–254r.

SEC. 2709. (a) Sections 751, 752, 753, 754, 755, 756, and 757 (42 U.S.C. 294t–294y–1) are redesignated as sections 338A, 338B, 338C, 338D, 338E, 338F, and 338G, respectively.

42 USC 254l.

(b)(1) Section 338A(a) (as redesignated by subsection (a) of this section) is amended by inserting "clinical psychologists," after "pharmacists,".

(2) Section 338A(c)(1) (as redesignated by subsection (a) of this section) is amended by striking out "section 754" and inserting in lieu thereof "section 338D".

(3) Section 338A(c)(2) (as redesignated by subsection (a) of this subsection) is amended by inserting "information respecting meeting a service obligation through private practice under an agreement under section 338C and" after "(2)".

(4) Section 338A(f)(1)(A)(ii) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and section 337".

(5) Section 338A(f)(2) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and sections 337 and 338".

(6) Section 338A(f)(3) (as redesignated by subsection (a) of this section) is amended by striking out "section 754" and inserting in lieu thereof "section 338D".

(7) Subsection (j) of section 338A (as redesignated by subsection (a) of this section) is repealed.

42 USC 254m.

(c)(1) Section 338B(a) (as redesignated by subsection (a) of this section) is amended—

(A) by striking out "section 753" and inserting in lieu thereof "section 338C"; and

(B) by striking out "section 751" and inserting in lieu thereof "section 338A".

(2) Paragraphs (1) through (4) of section 338B(b) (as redesignated by subsection (a) of this section) are amended to read as follows:

"(b)(1) If an individual is required under subsection (a) to provide service as specified in section 338A(f)(1)(B)(iv) (hereinafter in this

subsection referred to as 'obligated service'), the Secretary shall, not later than ninety days before the date described in paragraph (5), determine if the individual shall provide such service—

"(A) as a member of the Corps who is a commissioned officer in the Regular or Reserve Corps of the Service or who is a civilian employee of the United States, or

"(B) as a member of the Corps who is not such an officer or employee,

and shall notify such individual of such determination.

Obligated service, eligibility.

"(2) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is a commissioned officer in the Service or a civilian employee of the United States, the Secretary shall, not later than sixty days before the date described in paragraph (5), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide obligated service as a commissioned officer in the Service, an individual shall notify the Secretary, not later than thirty days before the date described in paragraph (5), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint the individual as a commissioned officer of the Regular or Reserve Corps of the Service and shall designate the individual as a member of the Corps.

Civilian employee, designation.

"(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Service, the Secretary shall, as soon as possible after the date described in paragraph (5), appoint such individual as a civilian employee of the United States and designate the individual as a member of the Corps.

"(4) If the Secretary determines that an individual shall provide obligated service as a member of the Corps who is not an employee of the United States, the Secretary shall, as soon as possible after the date described in paragraph (5), designate such individual as a member of the Corps to provide such service.".

42 USC 254m.

(3) Section 338B(c)(1) (as redesignated by subsection (a) of this section) is amended by striking out "or as a member of the Corps" and inserting in lieu thereof "or is designated as a member of the Corps under subsection (b)(3) or (b)(4)".

(4) Section 338B(c)(2) (as redesignated by subsection (a) of this section) is amended by striking out "section 753" and inserting in lieu thereof "section 338C".

(5)(A) The first sentence of section 338B(d) (as redesignated by subsection (a) of this section) is amended by striking out "subpart II of part D of title III" and inserting in lieu thereof "sections 331 through 335 and sections 337 and 338".

(B) The second sentence of such section is amended by inserting after "written contract" the following: "and if such individual is an officer in the Service or a civilian employee of the United States".

(6) Section 338B(e) (as redesignated by subsection (a) of this section) is amended to read as follows:

"(e) Notwithstanding any other provision of this title, service of an individual under a National Research Service Award awarded under subparagraph (A) or (B) of section 472(a)(1) shall be counted against the period of obligated service which the individual is required to perform under the Scholarship Program.".

42 USC 289*l*-1.

42 USC 254n.

(d)(1) Section 338C(a) (as redesignated by subsection (a) of this section) is amended—

(A) by inserting a comma and "to the extent permitted by, and consistent with, the requirements of applicable State law," after "shall";

(B) by striking out "section 752(a)" and inserting in lieu thereof "section 338B(a) or under section 225 (as in effect on September 30, 1977); and

(C) by striking out "which has a priority for the assignment of Corps members under section 333(c)" in paragraph (2).

(2) Section 338C(b)(1)(B) (as redesignated by subsection (a) of this subsection) is amended (A) by inserting "(i)" before "shall not", and (B) by inserting before the semicolon a comma and the following: "and (ii) shall agree to accept an assignment under section 1842(b)(3)(B)(ii) of such Act for all services for which payment may be made under part B of title XVIII of such Act and enter into an appropriate agreement with the State agency which administers the State plan for medical assistance under title XIX of such Act to provide services to individuals entitled to medical assistance under the plan".

42 USC 1395n.
42 USC 1395j.
42 USC 1396.

(3) Section 338C (as redesignated by subsection (a) of this section) is further amended by adding at the end thereof the following new subsections:

Breach of contract.

"(c) If an individual breaches the contract entered into under section 338A by failing (for any reason) to begin his service obligation in accordance with an agreement entered into under subsection (a) or to complete such service obligation, the Secretary may permit such individual to perform such service obligation as a member of the Corps.

"(d) The Secretary may pay an individual who has entered into an agreement with the Secretary under subsection (a) an amount to cover all or part of the individual's expenses reasonably incurred in transporting himself, his family, and his possessions to the location of his private clinical practice.

"(e)(1) The Secretary may make such arrangements as he determines are necessary for the individual for the use of equipment and supplies and for the lease or acquisition of other equipment and supplies.

U.S. equipment and other property, sale.

"(2) Upon the expiration of the written agreement under subsection (a), the Secretary may (notwithstanding any other provision of law) sell to the individual who has entered into an agreement with the Secretary under subsection (a), equipment and other property of the United States utilized by such individual in providing health services. Sales made under this subsection shall be made at the fair market value (as determined by the Secretary) of the equipment or such other property, except that the Secretary may make such sales for a lesser value to the individual if he determines that the individual is financially unable to pay the full market value.

"(f) The Secretary may, out of appropriations authorized under section 338, pay to individuals participating in private practice under this section the cost of such individual's malpractice insurance and the lesser of—

"(1)(A) $10,000 in the first year of obligated service;

"(B) $7,500 in the second year of obligated service;

"(C) $5,000 in the third year of obligated service; and

"(D) $2,500 in the fourth year of obligated service; or

"(2) an amount determined by subtracting such individual's net income before taxes from the income the individual would

have received as a member of the Corps for each such year of obligated service.

"(g) The Secretary shall, upon request, provide to each individual released from service obligation under this section technical assistance to assist such individual in fulfilling his or her agreement under this section.". Technical assistance.

(e)(1) Section 338D (as redesignated by subsection (a) of this section) is amended by striking out subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively. 42 USC 254o.

(2) Section 338D(a) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended—

(A) by striking out "section 751" and inserting in lieu thereof "section 338A";

(B) by striking out "or" at the end of paragraph (2);

(C) by inserting "or" at the end of paragraph (3); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) fails to accept payment, or instructs the educational institution in which he is enrolled not to accept payment, in whole or in part, of a scholarship under such contract,".

(3) Section 338D(b) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended—

(A) by striking out "(c) If" in the first sentence and inserting in lieu thereof "(b)(1) Except as provided in paragraph (2), if";

(B) by striking out "(for any reason)" in the first sentence and inserting in lieu thereof "(for any reason not specified in subsection (a) or section 338F(b))";

(C) by striking out "section 752 or 753" in the first sentence and inserting in lieu thereof "section 338B or 338C";

(D) by striking out "section 752" in the first sentence and inserting in lieu thereof "section 338B";

(E) by striking out "section 753" in the first sentence and inserting in lieu thereof "section 338C";

(F) by inserting in the second sentence "(or such longer period beginning on such date as specified by the Secretary for good cause shown)" after "written contract"; and

(G) by adding at the end the following:

"(2) If an individual is released under section 753 from a service obligation under section 225 (as in effect on September 30, 1977) and if the individual does not meet the service obligation incurred under section 753, subsection (f) of such section 225 shall apply to such individual in lieu of paragraph (1) of this subsection.". *Ante*, p. 908. 42 USC 234.

(4)(A) Section 338D(c)(2) (as redesignated by subsection (a) of this section and paragraph (1) of this subsection) is amended by inserting "partial or total" before "waiver".

(B) Section 735(c)(1) (42 U.S.C. 294h(c)(1)) is amended—

"(i) by striking out "clauses (A) and (B) of"; and

"(ii) by striking out "section 753" each place it appears and inserting in lieu thereof "section 338C".

(f)(1) The section heading for section 338E (as redesignated by subsection (a) of this section) is amended by striking out "grants" and inserting in lieu thereof "loans". 42 USC 254p.

(2) Section 338E(a) (as redesignated by subsection (a) of this section) is amended—

(A) by inserting a comma and "out of appropriations authorized under section 338," after "The Secretary may";

(B) by inserting "or one loan" after "grant";

(C) by striking out "(other than an individual who has entered into an agreement under section 338C)"; and

(D) by inserting "at least two years of" after "completed" in paragraph (1).

42 USC 254p.

(3) Section 338E(a)(2)(A) (as redesignated by subsection (a) of this section) is amended by striking out "and described in paragraphs (1) and (2) of section 338C(a)".

(4) Section 338E(a)(2)(B) (as redesignated by subsection (a) of this section) is amended by striking out "section 753(b)(1)" and inserting in lieu thereof "section 338C(b)(1)".

(5) Section 338E(b) (as redesignated by subsection (a) of this section) is amended by inserting "or loan" after "grant".

(6) Section 338E(c) (as redesignated by subsection (a) of this section) is amended by inserting "or loan" after "grant" and by adding at the end thereof the following new sentence: "The Secretary shall, by regulation, set interest rates and repayment terms for loans under this section.".

(7) The second sentence of section 338E(d) (as redesignated by subsection (a) of this section) is amended to read as follows: "If within 60 days after the date of giving such notice, such individual is not practicing his profession in accordance with the agreement under such subsection and has not provided assurances satisfactory to the Secretary that he will not knowingly violate such agreement again, the United States shall be entitled to recover from such individual—

Ante, p. 908.

"(1) in the case of an individual who has received a grant under this section, an amount determined under section 338D(c), except that in applying the formula contained in such section "ϕ" shall be the sum of the amount of the grant made under subsection (a) to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate, "t" shall be the number of months that such individual agreed to practice his profession under such agreement, and "s" shall be the number of months that such individual practices his profession in accordance with such agreement; and

"(2) in the case of an individual who has received a loan under this section, the full amount of the principal and interest owed by such individual under this section.".

42 USC 254q.

(g)(1) Section 338F(a) (as redesignated by subsection (a) of this section) is amended by inserting before the last sentence the following new sentence: "For the fiscal year ending September 30, 1982, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to make 550 new scholarship awards in accordance with section 338A(d) in each such fiscal year and to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1984.

Appropriation authorization.

Ante, p. 908.

(2) The last sentence of such section is amended by—

(A) striking out "1981" and inserting in lieu thereof "1985", and

(B) striking out "1980" and inserting in lieu thereof "1984".

42 USC 254m note.

(h) The amendments made by paragraphs (2), (3), and (5)(B) of subsection (c) shall apply with respect to contracts entered into under the National Health Service Corps scholarship program under subpart III of part C of title VII of the Public Health Service Act after the date of the enactment of this Act. An individual who before such date has entered into such a contract and who has not begun the period of obligated service required under such contract shall be given the

42 USC 294r.

opportunity to revise such contract to permit the individual to serve such period as a member of the National Health Service Corps who is not an employee of the United States.

CHAPTER 2—HEALTH PROFESSIONS EDUCATION

LIMITATION OF USE OF APPROPRIATIONS

SEC. 2715. Section 700 (42 U.S.C. 292) is repealed. Repeal.

DEFINITIONS

SEC. 2716. (a) Section 701(2) (42 U.S.C. 292a(2)) is amended to read as follows:

"(2) The term 'nonprofit' refers to the status of an entity 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.".

(b) Section 701(4) is amended—

(1) by striking out "a school which" and inserting in lieu thereof "an accredited public or nonprofit private school in a State that"; and

(2) by adding at the end thereof the following: "The term 'graduate program in health administration' means an accredited graduate program in a public or nonprofit private institution in a State that provides training leading to a graduate degree in health administration or an equivalent degree.".

(c) Section 701 is further amended—

(1) by redesignating paragraphs (5), (6), (7), (8), (9), and (10) as paragraphs (6), (7), (8), (9), (11), and (12), respectively;

(2) by inserting after paragraph (4) the following new paragraph:

"(5) The term 'accredited', when applied to a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or public health, or a graduate program in health administration, means a school or program that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education, except that a new school or program that, by reason of an insufficient period of operation, is not, at the time of application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title, if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school or program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or program."; and

(3) by inserting after paragraph (9) the following new paragraph:

"(10) The term 'school of allied health' means a public or nonprofit private junior college, college, or university—

"(A) which provides, or can provide, programs of education in a discipline of allied health leading to a baccalaureate or associate degree (or an equivalent degree of either) or to a more advanced degree;

"(B) which provides training for not less than a total of twenty persons in the allied health curricula;

"(C) which includes or is affiliated with a teaching hospital; and

"(D) which is accredited by a recognized body or bodies approved for such purposes by the Secretary of Education, or which provides to the Secretary satisfactory assurance by such accrediting body or bodies that reasonable progress is being made toward accreditation.".

42 USC 292a.

(d) Section 701(11) (as redesignated by subsection (c)(1) of this section) is amended by inserting "the Commonwealth of" before "the Northern Mariana Islands,".

(e) Section 701(12) (as redesignated by subsection (c)(1) of this section) is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

ADVANCE FUNDING

SEC. 2717. Section 703 (42 U.S.C. 292c) is amended—

(1) by striking out "(a)", and

(2) by striking out subsection (b).

RECORDS AND AUDITS

SEC. 2718. The second sentence of section 705(a)(42 U.S.C. 292e(a)) is repealed.

HEALTH PROFESSIONS DATA

SEC. 2719. (a) Section 708(a) (42 U.S.C. 292h(a)) is amended by inserting "chiropractors, clinical psychologists," after "medical technologists,".

(b) Subsections (c) and (d) of section 708 are amended to read as follows:

Report.
42 USC 296.

"(c) Any school, program, or training center receiving funds under this title or title VIII shall submit an annual report to the Secretary. Such report shall contain such information as is necessary to assist the Secretary in carrying out this section and evaluating the efficacy of these programs in addressing national health priorities. The Secretary shall not require the collection or transmittal of any information under this subsection that is not readily available to such school, program, or training center. Information provided pursuant to this subsection shall be collected or transmitted only to the extent permitted under subsection (e).

Reports to Congress.

"(d) The Secretary shall submit to Congress on October 1, 1983, and biennially thereafter, the following reports:

"(1) A comprehensive report regarding the status of health personnel according to profession, including a report regarding the analytic and descriptive studies conducted under this section.

"(2) A comprehensive report regarding applicants to, and students enrolled in, programs and institutions for the training of health personnel, including descriptions and analyses of student indebtedness, student need for financial assistance, financial resources to meet the needs of students, student career choices such as practice specialty and geographic location and the relationship, if any, between student indebtedness and career choices.".

SHARED SCHEDULED RESIDENCY TRAINING POSITIONS

SEC. 2720. (a) Section 709 (42 U.S.C. 292i) is repealed. Repeal.

(b) Sections 710 (42 U.S.C. 292j) and 711 (42 U.S.C. 292k) are redesignated as sections 709 and 710, respectively.

PAYMENT UNDER GRANTS

SEC. 2721. Section 709 (as redesignated by section 2720(b) of this Act) is amended to read as follows: 42 USC 292j.

"APPLICATIONS, PAYMENTS, AND ASSURANCES UNDER GRANTS

"SEC. 709. (a) Grants made under this title may be paid (1) in advance or by way of reimbursement, (2) at such intervals and on such conditions as the Secretary may find necessary, and (3) with appropriate adjustments on account of overpayments or underpayments previously made.

"(b) No grant may be made or contract entered into under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(c) Whenever in this title an applicant is required to provide assurances to the Secretary, or an application is required to contain assurances or be supported by assurances, the Secretary shall determine before approving the application that the assurances provided are made in good faith.

"(d) The Secretary may provide technical assistance for the purpose of carrying out any program or purpose under this title.".

TUITION AND OTHER EDUCATIONAL COSTS

SEC. 2722. Section 710 (as redesignated by section 2720(b) of this Act) is amended to read as follows: 42 USC 292k.

"DIFFERENTIAL TUITION AND FEES

"SEC. 710. The Secretary may not enter into a contract with, or make a grant, loan guarantee, or interest subsidy payment under this title or title VIII, to or for the benefit of, any school, program, or training center if the tuition levels or educational fees at such school, program, or training center are higher for certain students solely on the basis that such students are the recipients of traineeships, loans, loan guarantees, service scholarships, or interest subsidies from the Federal Government.". 42 USC 296.

CONSTRUCTION ASSISTANCE FOR CONVERSIONS

SEC. 2723. (a) Section 720(a) (42 U.S.C. 293(a)) is amended by adding at the end the following:

"(3) The Secretary may make grants to schools providing the first 2 years of education leading to the degree of doctor of medicine to assist in the construction of the teaching facilities which the schools require to become schools of medicine.". Grants to schools.

(b) Subsection (b) of such section is amended to read as follows:

"(b) For the purpose of grants under subsection (a)(3), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1983, to remain available until expended.". Appropriation authorization.

(c) Section 721(b)(1) (42 U.S.C. 293a(b)) is amended (1) by inserting after "(1)" the following: "To be eligible to apply for a grant under section 720(a)(3) the applicant must be a public or nonprofit school providing the first 2 years of education leading to the degree of doctor of medicine and be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.", and (2) by striking out "under this part" and inserting in lieu thereof "under paragraph (1) or (2) of section 720(a)".

Ante, p. 915.

(d) Subsection 721(g)(1) is amended by striking out "section 720(a)(2)" and inserting in lieu thereof "paragraph (2) or (3) of section 720(a)".

(e) Subsection (a) of section 722 (42 U.S.C. 293b(a)) is amended by adding at the end the following:

"(3) The amount of any grant under section 720(a)(3) shall be such amount as the Secretary determines to be appropriate after obtaining advice from the Council, except that no grant for any project may exceed 80 percent of the necessary costs of construction, as determined by the Secretary.".

(f) Section 723(a) (42 U.S.C. 293c(a)) is amended by striking out "section 720(a)(1)" and inserting in lieu thereof "paragraph (1) or (3) of section 720(a)".

REPEAL OF ENROLLMENT INCREASE REQUIREMENT

SEC. 2724. (a) Paragraph (2) of section 721(c) (42 U.S.C. 293a(c)(2)) is amended (1) by inserting "and" after "the facility,", and (2) by striking out ", and (D)" and all that follows in that paragraph and inserting in lieu thereof a semicolon.

42 USC 293a note.

(b) The Secretary of Health and Human Services shall unilaterally release all recipients of grants, loan guarantees, and interest subsidies under sections 720(a) and 726 (as such sections were in effect prior to October 1, 1981) from any contractual obligation to fulfill enrollment increases incurred pursuant to such sections or under regulations published to implement such sections.

42 USC 293, 293f.

42 USC 293a note.

(c) The amendment made by subsection (a) shall apply with respect to any entity which received a grant, loan guarantee, or interest subsidy under section 720 or section 726 irrespective of the date of the grant, loan guarantee, or interest subsidy.

LOAN GUARANTEES AND INTEREST SUBSIDIES

42 USC 293f.

SEC. 2725. (a) Section 726(b) (42 U.S.C. 293i(b)) is amended (1) by inserting "before October 1, 1981," after "loan has been made", and (2) by striking out ", during the period beginning July 1, 1971, and ending with the close of September 30, 1980,".

(b) The second sentence of section 726(e) is amended by striking out "and" after "1979," and by inserting before the period a comma and "and $4,300,000 for the fiscal year ending September 30, 1982, and each of the next 2 fiscal years".

Repeal.

(c) Section 726(g) is repealed.

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 2726. (a)(1) The first sentence of section 728(a) (42 U.S.C. 294a(a)) is amended by striking out "and" after "1979;" and by inserting before the period a semicolon and "and $200,000,000 for the fiscal year ending September 30, 1982; $225,000,000 for the fiscal year

ending September 30, 1983; and $250,000,000 for the fiscal year ending September 30, 1984".

(2) The last sentence of such subsection is amended by striking out "1982" and inserting in lieu thereof "1987".

(b) Section 728(c) is amended to read as follows: 42 USC 294a.

"(c)(1) Subject to paragraph (2), the Student Loan Marketing Association, established under part B of title IV of the Higher Education Act of 1965, is authorized to make advances on the security of, purchase, service, sell, consolidate, or otherwise deal in loans which are insured by the Secretary under this subpart, except that if any loan made under this subpart is included in a consolidated loan pursuant to the authority of the Association under part B of title IV of the Higher Education Act of 1965, the interest rate on such consolidated loan shall be set at the weighted average interest rate of all loans offered for consolidation and the resultant per centum shall be rounded downward to the nearest one-eighth of 1 per centum, except that the interest rate shall be no less than the applicable interest rate of the guaranteed student loan program established under part B of title IV of the Higher Education Act of 1965. In the case of such a consolidated loan, the borrower shall be responsible for any interest which accrues prior to the beginning of the repayment period of the loan, or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of any provision of the Higher Education Act of 1965. Special allowances payable with respect to consolidated loans made by the Association pursuant to the terms of this subsection— 20 USC 1071. 20 USC 1001 note.

"(A) shall be computed in accordance with section 438(b)(2)(A) of the Higher Education Act of 1965, and *Ante*, p. 454.

"(B) shall be reduced (i) by subtracting 7 percent from the weighted average interest rate of a loan computed according to this subsection, and (ii) by subtracting the resultant remainder from such special allowance.

"(2) No loan insured by the Secretary under this subpart may be included in a consolidated loan pursuant to the authority of the Student Loan Marketing Association under part B of title IV of the Higher Education Act of 1965 if as a result of such inclusion the Federal Government becomes liable for any greater payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965 than the Federal Government would have been liable for had no consolidation occurred.". 94 Stat. 1430. 20 USC 1087-2.

LIMITATIONS

SEC. 2727. Section 729(a) (42 U.S.C. 294b(a)) is amended to read as follows:

"LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND ON FEDERAL LOAN INSURANCE

"SEC. 729. (a) The total of the loans made to a student in any academic year or its equivalent (as determined by the Secretary) which may be covered by Federal loan insurance under this subpart may not exceed $20,000 in the case of a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, or podiatry, and $12,500 in the case of a student enrolled in a school of pharmacy, public health, or chiropractic, or a graduate program in health administration or clinical psychology. The aggregate insured unpaid principal amount for all such insured loans made to any

borrower shall not at any time exceed $80,000 in the case of a borrower who is or was a student enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, or podiatry, and $50,000 in the case of a borrower who is or was a student enrolled in a school of pharmacy, public health, or chiropractic, or a graduate program in health administration or clinical psychology. The annual insurable limit per student shall not be exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any year in excess of the annual limit.".

ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF FEDERALLY INSURED LOANS

94 Stat. 3192.

SEC. 2728. (a)(1) Section 731(a)(1)(A) (42 U.S.C. 294d(a)(1)(A)) is amended by striking out clause (iii) and redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(2) Clause (iii) of such section (as redesignated by paragraph (1) of this subsection) is amended by striking out "and" before "other reasonable educational expenses" and by inserting "and reasonable living expenses," after "and laboratory expenses,".

(b) Section 731(a)(2) is amended—

(1) by striking out "15 years" in subparagraph (B) and inserting in lieu thereof "25 years";

(2) by striking out "23 years" in such subparagraph and inserting in lieu thereof "33 years";

(3) by striking out "installments of principal need not be paid, but interest shall accrue and be paid" in subparagraph (C) and inserting in lieu thereof "installments of principal and interest need not be paid, but interest shall accrue";

(4) by striking out "three years" in subparagraph (C)(ii) and inserting in lieu thereof "four years";

(5) by striking out "the 15-year period or the 23-year period" in subparagraph (C) and inserting in lieu thereof "the 25-year period or the 33-year period";

(6) by inserting "except as provided in subparagraph (C)" after "period of the loan" in subparagraph (D);

(7) by striking out "otherwise payable (i) before the beginning of the repayment period, (ii) during any period described in subparagraph (C), or (iii) during any other period of forbearance of payment of principal," in subparagraph (D);

(8) by inserting "for the purposes of calculating a repayment schedule" before the semicolon in subparagraph (D);

(9) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(10) by inserting after subparagraph (D) the following:

"(E) offers, in accordance with criteria prescribed by regulation by the Secretary, a schedule for repayment of principal and interest under which payment of a portion of the principal and interest otherwise payable at the beginning of the repayment period (as defined in such regulations) is deferred until a later time in the period;".

(c) Section 731(c) is amended by inserting before the period a comma and "except as provided in section 731(a)(2)(C)".

CERTIFICATE OF FEDERAL LOAN INSURANCE

SEC. 2729. Section 732 (42 U.S.C. 294e) is amended by adding at the end thereof the following new subsection:

"(f) Nothing in this section shall be construed to preclude the lender and the borrower, by mutual agreement, from consolidating all of the borrower's debts into a single instrument, except that the portion of such debt that is insured under this subpart shall not be consolidated on terms less favorable to the borrower than if no consolidation had occurred and no loan under this subpart may be consolidated with any other loan if, as a result of such consolidation, the Federal Government becomes liable for any payment of principal or interest under the provisions of section 439(o) of the Higher Education Act of 1965.". 94 Stat. 1430. 20 USC 1087-2.

DEFAULTS

SEC. 2730. Section 733(g) (42 U.S.C. 294f(g)) is amended to read as follows:

"(g) A debt which is a loan insured under the authority of this subpart may be released by a discharge in bankruptcy under title 11, United States Code, only if such discharge is granted—

"(1) after the expiration of the 5-year period beginning on the first date, as specified in subparagraphs (B) and (C) of section 731(a)(2), when repayment of such loan is required; *Ante*, p. 918.

"(2) upon a finding by the Bankruptcy Court that the nondischarge of such debt would be unconscionable; and

"(3) upon the condition that the Secretary shall not have waived the Secretary's rights to apply subsection (f) to the borrower and the discharged debt.".

DEFINITIONS; STUDENT ASSISTANCE

SEC. 2731. (a) Section 737(1) (42 U.S.C. 294j(1)) is amended to read as follows:

"(1) The term 'eligible institution' means, with respect to a fiscal year, a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health or chiropractic, or a graduate program in health administration or clinical psychology.".

(b) Section 737 is further amended by striking out paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (1) (as amended by subsection (a) of this section) the following new paragraphs:

"(2) The term 'school of chiropractic' means a school which provides training leading to a degree of doctor of chiropractic or an equivalent degree and which is accredited in the manner described in section 701(5). *Ante*, p. 913.

"(3) The term 'graduate program in clinical psychology' means a graduate program in a public or nonprofit private institution in a State which provides training leading to a doctoral degree in clinical psychology or an equivalent degree and which is accredited in the manner described in section 701(5).".

ELIGIBLE STUDENTS

SEC. 2732. Subpart I of part C of title VII is amended by inserting after section 737 the following new section:

"DETERMINATION OF ELIGIBLE STUDENTS

"SEC. 737A. For purposes of determining eligible students under this part, in the case of a public school in a State that offers an accelerated, integrated program of study combining undergraduate 42 USC 294j-1.

premedical education and medical education leading to advanced entry, by contractual agreement, into an accredited four-year school of medicine which provides the remaining training leading to a degree of doctor of medicine, whenever in this part a provision refers to a student at a school of medicine, such reference shall include only a student enrolled in any of the last four years of such accelerated, integrated program of study.".

ELIGIBILITY OF INSTITUTIONS

42 USC 294l.

SEC. 2733. (a) Section 739(a) (42 U.S.C. 294k(a)) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out "whether" in paragraph (3) and inserting in lieu thereof "whenever";

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(4) the collection of information from the borrower, lender, or eligible institution to assure compliance with the provisions of section 731.".

42 USC 294d.

(b) Section 739(b) is amended to read as follows:

Records.

"(b) The Secretary shall require an eligible institution to record, and make available to the lender and to the Secretary upon request, the name, address, postgraduate destination, and other reasonable identifying information for each student of such institution who has a loan insured under this subpart.".

AUTHORIZATIONS

SEC. 2734. (a) The first sentence of section 742(a) (42 U.S.C. 294o(a)) is amended by striking out "and" after "1979," and by inserting before the period a comma and $12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984".

Repeal.

(b) The second sentence of section 742(a) is repealed.

INTEREST RATE

SEC. 2735. Section 741(e) (42 U.S.C. 294n(e)) is amended by striking out "7" and inserting in lieu thereof "9".

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 2736. Section 743 (42 U.S.C. 294p) is amended by striking out "1983" each place it appears and inserting in lieu thereof "1987".

EXTENSION OF SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 2737. (a) Section 758(d) (42 U.S.C. 294z(d)) is amended (1) by striking out "and" after "1979,", and (2) by inserting before the period a comma and the following: "$6,000,000 for the fiscal year ending September 30, 1982, $6,500,000 for the fiscal year ending September 30, 1983, and $7,000,000 for the fiscal year ending September 30, 1984".

(b) Section 758(c) is amended (1) by striking out "distribute grants under this section among all schools of the health professions, but

shall", and (2) by striking out "such grants" and inserting in lieu thereof "grants under subsection (a)".

DEPARTMENTS OF FAMILY MEDICINE

SEC. 2738. (a) Section 780(a) (42 U.S.C. 295g(a)) is amended by striking out "and maintain" and by inserting in lieu thereof a comma and "maintain, or improve".

(b) Section 780(b)(1)(D) is amended—

(1) by striking out "have control over" and inserting in lieu thereof "have control over (or in the case of a school of osteopathy, have control over or be closely affiliated with)"; and

(2) by striking out "twelve" and inserting in lieu thereof "nine".

(c) Section 780(c) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984".

AREA HEALTH EDUCATION CENTERS

SEC. 2739. (a) Section 781(c)(2) (42 U.S.C. 295g-1(c)(2)) is amended by adding a new sentence after the sentence at the end thereof to read as follows: "The Secretary may waive, for good cause shown, all or part of the requirement of paragraph (2) as it applies to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

(b) Section 781(d)(2)(C) is amended by inserting "a rotating osteopathic internship or" after "conduct".

(c) Section 781(d)(2)(E) is amended by striking out "support services" and inserting in lieu thereof "educational support services".

(d) Section 781(g) is amended (1) by striking out "and" after "1979,", and (2) by inserting a comma before the period and the following: "$21,000,000 for the fiscal year ending September 30, 1982, $22,500,000 for the fiscal year ending September 30, 1983, and $24,000,000 for the fiscal year ending September 30, 1984,".

(e)(1) Effective October 1, 1981, subsection (a) of section 781 is amended to read as follows:

"SEC. 781. (a)(1) The Secretary shall enter into contracts with schools of medicine and osteopathy for the planning, development, and operation of area health education center programs.

"(2) The Secretary shall enter into contracts with schools of medicine and osteopathy, which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professions Educational Assistance Act of 1976 in fiscal year 1979, or under this section to carry out under area health education center programs—

42 USC 295g-1 note.

"(A) projects to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system;

"(B) projects to encourage the regionalization of educational responsibilities of the health professions schools; and

"(C) projects designed to prepare, through preceptorships and other programs, individuals subject to a service obligation under the National Health Service Corps scholarship program to effec-

tively provide health services in health manpower shortage areas.".

Repeal.
42 USC 295g-1.

(2) The first sentence of subsection (e) is repealed.

(3) Subsection (e) is amended by adding after paragraph (3) the following: "The Secretary may vest in entities which have received contracts under section 802 of the Health Professions Educational Assistance Act of 1976, section 774 as in effect before October 1, 1977, or under subsection (a) of this section for area health education centers programs title to any property acquired on behalf of the United States by that entity (or furnished to that entity by the United States) under that contract.".

42 USC 295g-1 note, 295f-4.

"Area health education center program."

(4) The first sentence of subsection (f) is amended to read as follows: "For purposes of this section, the term 'area health education center program' means a program which is organized as provided in subsection (b) and under which the participating medical and osteopathic schools and the area health education centers meet the requirements of subsections (c) and (d).".

(5) Subsection (g) of such section is amended by adding at the end the following: "The Secretary may obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2).".

PHYSICIAN ASSISTANTS

SEC. 2740. (a) Section 783(e) (42 U.S.C. 295g-3(e)) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$5,000,000 for the fiscal year ending September 30, 1982, $5,500,000 for the fiscal year ending September 30, 1983, and $6,000,000 for the fiscal year ending September 30, 1984".

(b) Section 783(c) is amended by striking out "830" and inserting in lieu thereof "822".

(c)(1) Subsection (a) of section 783 is amended to read as follows:

"(a) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(7)).".

Ante, p. 913.

(2) The heading for section 783 is amended to read as follows:

"PROGRAMS FOR PHYSICIAN ASSISTANTS".

(d) Section 783 is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 2741. (a) Section 784(a) (42 U.S.C. 295g-4(a)) is amended—

(1) by inserting ", public or private nonprofit hospital, or any other public or private nonprofit entity" after "osteopathy";

(2) by striking out "and" after the semicolon in paragraph (1);

(3) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraphs:

"(3) to plan, develop, and operate a program for the training of physicians who plan to teach in a general internal medicine or general pediatrics training program; and

"(4) which provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine or general pediatrics training program.".

(b) Section 784(b) (42 U.S.C. 295g-4(b)) is amended (1) by striking out "and" after "1979,", and (2) by inserting after "1980" a comma and the following: "$17,000,000 for the fiscal year ending September 30, 1982, $18,000,000 for the fiscal year ending September 30, 1983, and $20,000,000 for the fiscal year ending September 30, 1984".

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 2742. (a) Section 786(d) (42 U.S.C. 295g-6(d)) is amended—

(1) by striking out "and" after "1979,";

(2) by inserting after "1980" a comma and the following: "$32,000,000 for the fiscal year ending September 30, 1982, $34,000,000 for the fiscal year ending September 30, 1983, and $36,000,000 for the fiscal year ending September 30, 1984"; and

(3) by adding at the end thereof the following new sentence: "In making grants and entering into contracts under this section with amounts appropriated under this subsection for the fiscal years ending September 30, 1982, September 30, 1983, and September 30, 1984, the Secretary shall give priority to grants and contracts for residency or internship programs under paragraphs (1) and (2) of subsection (a)."

(b) Section 786(a)(1) is amended by striking out "a continuing education program or".

(c) Section 786 is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 2743. Effective with respect to fiscal years beginning after September 30, 1981, section 787 (42 U.S.C. 295g-7) is amended—

(1) by inserting "allied health," after "pharmacy," in subsection (a)(1), and

(2) by amending subsection (b) to read as follows:

"(b) There are authorized to be appropriated for grants and contracts under subsection (a)(1), $20,000,000 for the fiscal year ending September 30, 1982, $21,500,000 for the fiscal year ending September 30, 1983, and $23,000,000 for the fiscal year ending September 30, 1984. Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers."

Appropriation authorization.

CONVERSION AND CURRICULUM GRANTS

SEC. 2744. (a)(1) Subsections (a) and (b) of section 788 (42 U.S.C. 295g-8) are repealed.

(2) Notwithstanding the amendment made by paragraph (1), a school which received a grant under section 788(a) of the Public Health Service Act for the fiscal year ending September 30, 1981, may continue to receive grants under such section (as in effect on the day before the date of the enactment of this Act) for each year such school is a new school as determined under such section. For purposes of

42 USC 295g-8 note.

making such grants, there are authorized to be appropriated such sums as may be necessary.

(b) Subsection (c) of such section is redesignated as subsection (a) and effective with respect to fiscal years beginning after September 30, 1981, is amended to read as follows:

Grants.

"(a)(1) The Secretary may make grants to schools which provide the first two years of education leading to the degree of doctor of medicine to assist the schools in accelerating the date they will become schools of medicine.

"(2) The amount of a grant under paragraph (1) to a school shall be equal to the product of $25,000 and the number of full-time, third-year students which the Secretary estimates will enroll in the school in the school year beginning in the fiscal year in which such grant is made. Estimates by the Secretary under this paragraph of the number of full-time, third-year students to be enrolled in the school may be made on assurances provided by the school.

Eligibility requirements.

"(3) To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first two years of education leading to the degree of doctor of medicine and be accredited by a recognized body or bodies approved for such purpose by the Secretary of Education.".

(c) Subsection (d) of such section is redesignated as subsection (b) and is amended—

(1) by inserting "dentistry," before "optometry" in paragraph (6),

(2) by striking out "and" at the end of paragraph (20),

(3) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon, and

(4) by adding at the end the following:

"(22) training of health professionals in the diagnosis, treatment, and prevention of diabetes and other severe chronic diseases and their complications;

"(23) dental education, the training of expanded function dental auxiliaries, and dental team practice; and

"(24) training of allied health personnel.".

(d) Subsections (f) and (g) of such section are repealed.

(e) Subsection (e) of such section is redesignated as subsection (f) and effective with respect to fiscal years beginning after September 30, 1981, is amended to read as follows:

Appropriation authorization.

"(f) For purposes of this section, there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982; $6,500,000 for the fiscal year ending September 30, 1983; and $7,000,000 for the fiscal year ending September 30, 1984.".

42 USC 295g-8.

(f) Section 788 is amended by inserting after subsection (b) (as redesignated by subsection (c) of this section) the following new subsections:

"(c)(1) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, or other appropriate public or nonprofit private entities to assist in meeting the costs of planning, establishing, and operating projects to provide support services to health professionals practicing in health manpower shortage areas designated under section 332. Such support services may include continuing education, relief services, specialist referral services, and placement of students in a preceptorial relationship with the practitioner.

42 USC 254e.

"(2) No grant may be made to or contract entered into with an entity under paragraph (1)—

"(A) unless the entity agrees to provide support services to any physician, dentist, veterinarian, optometrist, podiatrist, or pharmacist (as appropriate to the category of health professionals proposed to be served by the grant or contract) who requests such services within the health manpower shortage area proposed to be served, including any member of the National Health Service Corps;

"(B) to carry out activities required to be carried out under section 781; or 42 USC 295g-1.

"(C) unless the amount of the award under this section is matched by a no less than equal amount from non-Federal sources.

"(3) Not more than 15 percent of funds available to carry out this subsection may be used by the Secretary to fund eligible recipients to carry out research relating to the support needs of practitioners in health manpower shortage areas, nor shall more than 30 percent of such funds be used to provide continuing education.

"(d) The Secretary may make grants to and enter into contracts with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities of providing projects to—

"(1) plan, develop, and establish courses, or expand or strengthen instruction in geriatric medicine; and

"(2) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

"(e) The Secretary may make grants to and enter into contracts with schools of podiatry to assist in meeting the costs to such schools of providing projects to—

"(1) recruit students who reside in areas having shortages of podiatric manpower, as determined by the Secretary; and

"(2) to operate clinical training programs at public or nonprofit entities located in such areas.".

FINANCIAL DISTRESS; ADVANCED FINANCIAL DISTRESS

SEC. 2745. Title VI is amended by inserting after section 788 the following new sections:

"FINANCIAL DISTRESS GRANTS

"SEC. 788A. (a) The Secretary may make grants to, and enter into contracts with, a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health that is in serious financial distress for the purposes of assisting such school to— 42 USC 295g-8a.

"(1)(A) meet the costs of operation if such school's financial status threatens its continued operation; or

"(B) meet applicable accreditation requirements if such school has a special need to be assisted in meeting such requirements; and

"(2) carry out appropriate operational, managerial, and financial reforms.

"(b) Any grant or contract under this section may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

"(1) disclose any financial information or data necessary to determine the sources or causes of such school's financial distress;

"(2) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

"(3) carry out appropriate operational, managerial, and financial reforms including the securing of increased financial support from non-Federal sources.

"(c) No school may receive a grant under this section if such school has previously received support for three or more years under this section or under section 788(b) (as such section was in effect prior to October 1, 1981).".

Ante, p. 923.

"ADVANCED FINANCIAL DISTRESS ASSISTANCE

42 USC 295g-8b.

"SEC. 788B. (a) The Secretary may enter into a multiyear contract with a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy to provide financial assistance to such school to meet incurred or prospective costs of operation if the Secretary determines that payment of such costs is essential to remove the school from serious and long-standing financial instability. To be eligible for a contract under this section, a school must have previously received financial support under section 788A or under section 788(b) (as such section was in effect prior to October 1, 1981) for a period of not less than three years.

Ante, p. 925.
Ante, p. 923.

"(b) No school may enter into a contract under this section unless—

"(1) the school has submitted to the Secretary a plan providing for the school to achieve financial solvency within five years and has agreed to carry out such plan;

"(2) such plan includes securing increased financial support from non-Federal sources;

"(3) such plan has been reviewed by a panel selected by the Secretary and consisting of three experts in the field of financial management who are not directly affiliated with the school or the Federal Government; and

"(4) the Secretary determines, after consultation with such panel, that such plan has a reasonable likelihood of achieving success.

"(c) The panel described in subsection (b)(3) shall be appointed by the Secretary within thirty days after the date of receipt of the school's plan and shall be dissolved no later than forty-five days after the panel's recommendation has been transmitted to the Secretary. Members of the panel shall be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they perform duties.

5 USC 5332 note.

"(d) Any contract under this section may be entered into upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree to—

"(1) disclose any financial information or data necessary to determine the sources or causes of such school's financial distress;

"(2) conduct a comprehensive cost analysis study in cooperation with the Secretary; and

"(3) carry out appropriate operational, managerial, and financial reforms including the securing of increased financial support from non-Federal sources.

"(e) Pursuant to the approved plan in subsection (b), funds received under this section may be used to pay short-term or long-term debts of such school, meet accreditation requirements, or meet other costs, payment of which is essential to the continued operation of the institution or to permit such institution to achieve financial solvency within the period of the contract.

"(f) No school may receive support under this section for more than five years. No contract may be entered into under this section, or continued, in a fiscal year in which the school receives support under section 788A.

Ante, p. 925.

"(g) An application for a contract under this section shall contain or be supported by assurances that the applicant will, in carrying out its function as a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, expend during the fiscal year for which such contract is sought, an amount of funds from non-Federal sources (other than funds for construction and any contract under this section) at least as great as the average annual amount of funds from non-Federal sources expended by such applicant in the preceding two years.

"(h) For the purpose of entering into contracts to carry out this section and section 788A, there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1982, and each of the succeeding two fiscal years. Of the amounts appropriated under the preceding sentence, not more than $2,000,000 shall be available under section 788A. Funds provided under this section shall remain available until expended without regard to any fiscal year limitation.".

PUBLIC HEALTH AND HEALTH ADMINISTRATION

SEC. 2746. (a)(1) Section 770(e)(4) (42 U.S.C. 295f(e)(4)) is amended by striking out "and" after "1979," and by inserting after "1980," the following: "$6,500,000 for the fiscal year ending September 30, 1982, $7,000,000 for the fiscal year ending September 30, 1983, and $7,500,000 for the fiscal year ending September 30, 1984,".

(2) Section 771(e) (42 U.S.C. 295g(e)) is amended by striking out ", in addition to the requirements of subsection (a)," and by adding at the end thereof the following sentence: "The requirements of subsection (a)(1) shall not apply to schools of public health.".

42 USC 295f-1.

(b)(1) Section 791(d) (42 U.S.C. 295h(d)) is amended by striking out "and" after "1979," and by inserting before the period the following: ", $1,500,000 for the fiscal year ending September 30, 1982, $1,750,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984".

(2) Section 749 (42 U.S.C. 249s) is inserted after section 791, redesignated as section 791A, and amended in subsection (c) (A) by striking out "and" after "1979;", and (B) by inserting before the period a semicolon and the following: "and $500,000 for the fiscal year ending September 30, 1982, and the next two fiscal years".

42 USC 294s, 295h-1a.

(c) Section 792 (42 U.S.C. 295h-1) is repealed.

Repeal. 42 USC 295h-1.

(d) Section 748 (42 U.S.C. 294r) is inserted after section 791A, redesignated as section 792, and amended (1) by striking out "749" in subsection (a)(2) and inserting in lieu thereof "791A", (2) by striking out "postbaccalaureate" in subsection (b)(3)(A)(i) and inserting in lieu thereof "baccalaureate", (3) by striking out "and" after "1979;" in subsection (c), and (4) by inserting before the period in such subsection a semicolon and the following: "$3,000,000 for the fiscal year ending September 30, 1982; $3,500,000 for the fiscal year ending

42 USC 294r, 295h-1b.

September 30, 1983; and $4,000,000 for the fiscal year ending September 30, 1984".

(e) Part C of title VII is amended by striking out "Subpart III—Traineeships for Students in Schools, Public Health and Other Graduate Programs".

42 USC 295h-2.

(f) Section 793 (42 U.S.C. 295h-3) entitled "statistics and annual report" is redesignated as section 794 and the following new section is inserted after section 792:

"TRAINING IN PREVENTIVE MEDICINE

Grants.
42 USC 295h-1c.

"SEC. 793. (a) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of projects—

"(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

"(2) to provide financial assistance to residency trainees enrolled in such programs.

"(b)(1) The amount of any grant under subsection (a) shall be determined by the Secretary. No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

Eligibility.

"(2) To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty members with training and experience in the fields of preventive medicine and support from other faculty members trained in public health and other relevant specialties and disciplines.

Appropriation authorization.

"(c) For the purpose of grants under subsection (a), there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1982, and $1,500,000 for the fiscal year ending September 30, 1983, and $2,000,000 for the fiscal year ending September 30, 1984.".

PHYSICIAN STUDY

42 USC 292h note.

SEC. 2747. (a) The Secretary of Health and Human Services shall arrange, in accordance with subsection (c), for a study to determine—

(1) the implications of the increase in the supply of physicians and the projected distribution of the increased number of physicians in the various medical specialties for—

(A) the cost of health care,

(B) the distribution of all physicians by geographic area, and

(C) the quality of health care; and

(2) the implications of the patterns of payments of physicians by Federal and other public and private third-party payers (including differences in the levels of payments to physicians in various medical specialties and geographic areas and differences in the amount of payments which support post-graduate training programs in such specialties) for—

(A) the distribution of physicians in the various medical specialties,

(B) the cost of health care,

(C) the distribution of physicians by geographic area, and

(D) the quality of health care.

(b) An interim report on such study shall be completed not later than March 30, 1983. Such interim report shall include an analysis of the most effective means of providing financial assistance to graduate medical education in the United States in general internal medicine, general pediatrics, and family medicine, with particular attention to identifying ways of reducing or eliminating the need for special Federal financial assistance for such programs. A final report of such study shall be completed not later than September 30, 1984. Both reports shall be submitted to the Secretary, the Committee on Labor and Human Resources of the Senate, and the Committee on Energy and Commerce of the House of Representatives.

Report.

Reports; submittal to congressional committee.

(c)(1) The Secretary shall enter into a contract with the Institute of Medicine of the National Academy of Sciences to conduct the study described in subsection (a). If the Institute of Medicine is unwilling to enter into a contract to conduct such study, then the Secretary shall enter into a contract with another appropriate nonprofit private entity to conduct such study and prepare and submit the reports thereon as provided in subsection (b).

Study alternate, report.

(2) The authority of the Secretary to enter into a contract under paragraph (1) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance by appropriation Acts.

CHAPTER 3—NURSE TRAINING

REPEAL OF ENROLLMENT INCREASE REQUIREMENT

SEC. 2751. The Secretary may waive the enforcement of assurances given by any school under section 802(b)(2)(D) (42 U.S.C. 296a(b)(2)(D)).

Waiver. 42 USC 296a note.

FINANCIAL DISTRESS GRANTS

SEC. 2752. Section 815(c) (42 U.S.C. 296j(c)) is amended by striking out "and" after "1977," and by inserting before the period a comma and "$3,000,000 for the fiscal year ending September 30, 1982, $2,000,000 for the fiscal year ending September 30, 1983, and $1,000,000 for the fiscal year ending September 30, 1984".

SPECIAL PROJECTS

SEC. 2753. (a)(1) Section 820(a) (42 U.S.C. 296k(a)) is amended (A) by striking out paragraphs (1), (2), and (8), (B) by inserting "or" at the end of paragraph (6), (C) by striking out the semicolon and "or" at the end of paragraph (7) and inserting in lieu thereof a period, and (D) by redesignating paragraphs (3), (4), (5), (6), and (7) as paragraphs (1), (2), (3), (4), and (5), respectively.

(2) Notwithstanding the amendment made by paragraph (1) of this subsection and paragraph (2) of subsection (b), an entity which received a grant or contract under section 820(a) of the Public Health Service Act for the fiscal year ending September 30, 1981, for a project described in paragraph (1), (2), or (8) of such section (as in effect when it received the grant or contract) may receive one additional grant or contract under such section for such project.

42 USC 296k note.

(b) Section 820(d) is amended—

42 USC 296k.

(1) by striking out "and" after "1978,", and by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984"; and

(2) by amending the last sentence to read as follows: "Of the funds appropriated under this subsection for any fiscal year beginning after September 30, 1981, not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(1), not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(4), and not less than 10 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(5).".

ADVANCED NURSE TRAINING

42 USC 296l.

SEC. 2754. (a) Section 821(a)(1) (42 U.S.C. 296l(a)(1)) is amended by striking out "to each" and inserting in lieu thereof "to teach".

(b) Section 821(b) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1980" a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1982, $15,000,000 for the fiscal year ending September 30, 1983, and $16,000,000 for the fiscal year ending September 30, 1984".

(c) Section 821(a) is amended (1) by striking out "(1)" after "(a)", and (2) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively.

NURSE PRACTITIONER PROGRAMS

42 USC 254e.

SEC. 2755. (a) Section 822(b)(1) (42 U.S.C. 296m(b)(1)) is amended by striking out "who are residents of a health manpower shortage area (designated under section 332)" and inserting in lieu thereof a period and the following: "In considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of health manpower shortage areas designated under section 332.".

(b)(1) Section 822(b)(3) is amended by inserting before the period the following: "for a period equal to one month for each month for which the recipient receives such a traineeship".

(2) Section 822(b) is amended by adding after paragraph (3) the following:

Repayments.

"(4)(A) If, for any reason, an individual who received a traineeship under paragraph (1) fails to complete a service obligation under paragraph (3), such individual shall be liable for the payment of an amount equal to the cost of tuition and other education expenses and other payments paid under the traineeship, plus interest at the maximum legal prevailing rate.

"(B) When an individual who received a traineeship is academically dismissed or voluntarily terminates academic training, such individual shall be liable for repayment to the Government for an amount equal to the cost of tuition and other educational expenses paid to or for such individual from Federal funds plus any other payments which were received under the traineeship.

"(C) Any amount which the United States is entitled to recover under subparagraph (A) or (B) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

Waiver or suspension.

"(D) The Secretary shall by regulation provide for the waiver or suspension of any obligation under subparagraph (A) or (B) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if

enforcement of such obligation with respect to any individual would be against equity and good conscience.".

(c) Section 822(e) is amended (1) by striking out "and" after "1978,", and (2) by inserting after "1980" a comma and the following: "$12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984". 42 USC 296m.

TRAINEESHIPS

SEC. 2756. Section 830(b) (42 U.S.C. 297(b)) is amended—

(1) by striking out "and" after "1978,", and by inserting after "1980" a comma and the following: "$10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, and $11,000,000 for the fiscal year ending September 30, 1984"; and

(2) by adding at the end the following: "Not less than 25 percent of the funds appropriated under this subsection for any fiscal year shall be obligated for traineeships described in subsection (a)(1)(A), except that if the obligation of that amount of the funds appropriated under this subsection will prevent the continuation of a traineeship to an individual who received a traineeship under subsection (a) for the fiscal year ending September 30, 1981, the Secretary shall reduce the amount to be obligated for traineeships described in subsection (a)(1)(A) by such amount as may be necessary for the continuation of traineeships first awarded in such fiscal year. Priority in the award of traineeships under subsection (a)(1)(C) shall go to nurse midwife trainees.".

STUDENT LOANS

SEC. 2757. (a) Section 835(b)(4) (42 U.S.C. 297a(b)(4)) is amended by striking out ", and that while the agreement remains in effect no such student who has attended such school before October 1, 1980, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958". 20 USC 424.

(b) Section 836(b)(5) (42 U.S.C. 297b(b)(5)) is amended by striking out "3" and inserting in lieu thereof "6".

(c) Section 837 (42 U.S.C. 297c) is amended (1) by striking out "and" after "1978,", (2) by inserting after "September 30, 1980" a comma and the following: "$14,000,000 for the fiscal year ending September 30, 1982, $16,000,000 for the fiscal year ending September 30, 1983, and $18,000,000 for the fiscal year ending September 30, 1984", (3) by striking out "1981" in the second sentence and inserting in lieu thereof "1985", (4) by striking out "October 1, 1980" and inserting in lieu thereof "October 1, 1984", and (5) by adding at the end the following: "Of the amount appropriated under the first sentence for the fiscal year ending September 30, 1982, and the two succeeding fiscal years, not less than $1,000,000 shall be obligated in each such fiscal year for loans from student loan funds established under section 835 to individuals who are qualified to receive such loans and who, on the date they receive the loan, have not been employed on a full-time basis or been enrolled in any educational institution on a full-time basis for at least seven years. A loan to such an individual may not exceed $500 for any academic year.".

(d) Section 839 (42 U.S.C. 297e) is amended by striking out "1983" each place it occurs and inserting in lieu thereof "1987".

SCHOLARSHIPS

SEC. 2758. (a) Section 845(b) (42 U.S.C. 297j(b)) is amended by striking out "and for each of the two succeeding fiscal years".

(b) Section 845(c)(1)(B) is amended by striking out ", and for each of the two succeeding fiscal years".

Repeal.

(c) Section 846 (42 U.S.C. 297k) is repealed.

GENERAL PROVISIONS

SEC. 2759. (a) Section 851(a) (42 U.S.C. 298(a)) is amended by striking out "and the Commissioner of Education, both of whom shall be ex officio members" and inserting in lieu thereof "and an ex officio member".

(b)(1) Section 853(2) (42 U.S.C. 298b(2)) is amended by inserting "in a State" before the period.

(2) Section 853(6) is amended by striking out "Commissioner" each place it appears and inserting in lieu thereof "Secretary".

(c) Section 856 (42 U.S.C. 298b-3) is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

CHAPTER 4—SURGEON GENERAL

SURGEON GENERAL

SEC. 2765. (a) The first sentence of section 211(a)(1) of the Public Health Service Act (42 U.S.C. 212(a)(1)) is amended (1) by striking out "shall be retired on" and inserting in lieu thereof "shall, if he applies for retirement, be retired on or after", and (2) by amending the last sentence to read as follows: "This paragraph does not permit or require the involuntary retirement of any individual because of the age of the individual.".

(b)(1) Section 204 of the Public Health Service Act (42 U.S.C. 205) is amended by striking out the second sentence and inserting in lieu thereof the following: "The Surgeon General shall be appointed from individuals who (1) are members of the Regular Corps, and (2) have specialized training or significant experience in public health programs.".

Appointment.

(2) The third sentence of such section 204 is amended to read as follows: "Upon the expiration of such term, the Surgeon General, unless reappointed, shall revert to the grade and number in the Regular or Reserve Corps that he would have occupied had he not served as Surgeon General.". 42 USC 205.

(c) The first sentence of section 207(b)(1) of the Public Health Service Act (42 U.S.C. 209(b)(1)) is amended by inserting "(other than an appointment under section 204)" after "no such appointment".

Approved August 13, 1981.

LEGISLATIVE HISTORY—H.R. 3982 (S. 1377):

HOUSE REPORTS: No. 97-158, vols. I-III (Comm. on the Budget) and No. 97-208, bks. 1, 2 (Comm. of Conference).
SENATE REPORT No. 97-139 accompanying S. 1377 (Comm. on the Budget).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 22-25, S. 1377 considered and passed Senate.
June 25, 26, considered and passed House.
July 13, considered and passed Senate, amended, in lieu of S. 1377.
July 31, House and Senate agreed to conference report.

Public Law 97-36
97th Congress

Joint Resolution

Aug. 14, 1981
[H.J. Res. 141]

Authorizing and requesting the President to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week".

Whereas twenty-two million students are transported by schoolbus to and from school each day;

Whereas the safety of these students deserves the highest priority; and

Whereas a national program is underway to call public attention to the importance of schoolbus safety during the week of October 4, 1981, through October 10, 1981: Now, therefore, be it

National Schoolbus Safety Week. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the period from October 4, 1981, through October 10, 1981, as "National Schoolbus Safety Week" and calling upon the people of the United States and interested groups and organizations to observe such week with appropriate ceremonies and activities.

Approved August 14, 1981.

LEGISLATIVE HISTORY—H.J. Res. 141:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 15, considered and passed House.
July 31, considered and passed Senate.

Public Law 97-37
97th Congress

An Act

To amend title 38, United States Code, to improve certain benefit programs of the Veterans' Administration for veterans who are former prisoners of war, and for other purposes.

Aug. 14, 1981
[H.R. 1100]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Former Prisoner of War Benefits Act of 1981".

Former Prisoner of War Benefits Act of 1981.
38 USC 101 note.

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. (a) Chapter 3 is amended by inserting after section 220 the following new section:

"§ 221. Advisory Committee on Former Prisoners of War

38 USC 221.

"(a)(1) The Administrator shall establish an advisory committee to be known as the Advisory Committee on Former Prisoners of War (hereinafter in this section referred to as the 'Committee').

Establishment.

"(2) The members of the Committee shall be appointed by the Administrator from the general public and shall include—

Membership.

"(A) appropriate representatives of veterans who are former prisoners of war;

"(B) individuals who are recognized authorities in fields pertinent to disabilities prevalent among former prisoners of war, including authorities in epidemiology, mental health, nutrition, geriatrics, and internal medicine; and

"(C) appropriate representatives of disabled veterans.

The Committee shall also include, as ex officio members, the Chief Medical Director and the Chief Benefits Director, or their designees.

"(3) The Administrator shall determine the number, terms of service, and pay and allowances of members of the Committee appointed by the Administrator, except that the term of service of any such member may not exceed three years.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of benefits under this title for veterans who are former prisoners of war and the needs of such veterans with respect to compensation, health care, and rehabilitation.

"(c) Not later than July 1, 1983, and not later than July 1 of each second year thereafter, the Committee shall submit to the Administrator a report on the programs and activities of the Veterans' Administration that pertain to veterans who are former prisoners of war. The Committee shall include in each such report an assessment of the needs of such veterans with respect to compensation, health care, and rehabilitation, a review of the programs and activities of the Veterans' Administration designed to meet such needs, and such recommendations (including recommendations for administrative and legislative action) as the Committee considers to be appropriate. The Administrator shall immediately submit such report to the

Report.

Report to Congress.

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Congress with any comments concerning the report that the Administrator considers appropriate. The Committee may also submit to the Administrator such other reports and recommendations as the Committee considers appropriate. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a summary of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator submitted to the Congress pursuant to such section.".

Report summary.

38 USC 214.

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 220 the following new item:

"221. Advisory Committee on Former Prisoners of War.".

38 USC 101.

SEC. 3. (a) Section 101 is amended by adding at the end the following new paragraph:

"Former prisoner of war."

"(32) The term 'former prisoner of war' means a person who, while serving in the active military, naval or air service, was forcibly detained or interned in line of duty—

"(A) by an enemy government or its agents, or a hostile force, during a period of war; or

"(B) by a foreign government or its agents, or a hostile force, during a period other than a period of war in which such person was held under circumstances which the Administrator finds to have been comparable to the circumstances under which persons have generally been forcibly detained or interned by enemy governments during periods of war.".

38 USC 612.

(b) Clause (7) of section 612(b) is amended to read as follows:

"(7) from which a veteran who is a former prisoner of war and who was detained or interned for a period of not less than six months is suffering; or".

38 USC 312.

SEC. 4. (a) Section 312 is amended—

(1) by striking out subsection (b); and

(2) by redesignating subsection (c) as subsection (b) and amending such subsection to read as follows:

"(b) For the purposes of section 310 of this title and subject to the provisions of section 313 of this title, in the case of a veteran who is a former prisoner of war and who was detained or interned for not less than thirty days, the disease of—

"(1) avitaminosis,

"(2) beriberi (including beriberi heart disease),

"(3) chronic dysentery,

"(4) helminthiasis,

"(5) malnutrition (including optic atrophy associated with malnutrition),

"(6) pellagra,

"(7) any other nutritional deficiency,

"(8) psychosis, or

"(9) any of the anxiety states,

which became manifest to a degree of 10 per centum or more after active military, naval, or air service shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disease during the period of service.".

Effective date.
38 USC 312 note.

(b) The amendments made by subsection (a) shall take effect on October 1, 1981.

38 USC 610.

SEC. 5. (a) Section 610(a) is amended—

(1) by striking out "and" at the end of clause (3);

(2) by redesignating clause (4) as clause (5); and

(3) by inserting after clause (3) the following new clause:

"(4) a veteran who is a former prisoner of war; and".

(b) Section 612(f) is amended— 38 USC 612.

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after clause (2) the following new clause: "(3) to any veteran who is a former prisoner of war.".

(c) Section 612(i) is amended—

(1) by redesignating clause (4) as clause (5); and

(2) by inserting after clause (3) the following new clause: "(4) To any veteran who is a former prisoner of war.".

(d) The amendments made by this section shall take effect on October 1, 1981. Effective date. 38 USC 610 note.

SEC. 6. (a) Not later than ninety days after the date of the enactment of this Act and at appropriate times thereafter, the Administrator shall, to the maximum extent feasible and in order to carry out the requirements of the veterans outreach services program under subchapter IV of chapter 3 of title 38, United States Code, seek out former prisoners of war and provide them with information regarding applicable changes in law, regulations, policies, guidelines, or other directives affecting the benefits and services to which former prisoners of war are entitled under such title by virtue of the amendments made by this Act. Information to former war prisoners. 38 USC 301 note. 38 USC 240.

(b)(1) The Administrator shall, for not less than the three-year period beginning ninety days after the date of the enactment of this Act, maintain a centralized record showing all claims for benefits under chapter 11 of such title that are submitted by former prisoners of war and the disposition of such claims. Centralized record. 38 USC 301 *et seq.*

(2) Not later than ninety days after the end of the three-year period described in paragraph (1), the Administrator shall, after consulting with and receiving the views of the Advisory Committee on Former Prisoners of War required to be established pursuant to section 221 of such title, submit a report on the results of the disposition of claims described in such paragraph, together with any comments or recommendations that the Administrator may have, to the appropriate committees of Congress. The Administrator may also submit to such committees interim reports on such results. Report to congressional committees.

(c) For the purposes of this section, the term "former prisoner of war" has the meaning given such term in paragraph (32) of section 101 of title 38, United States Code (as added by section 3(a) of this Act).

Approved August 14, 1981.

LEGISLATIVE HISTORY—H.R. 1100 (S. 468):

HOUSE REPORT No. 97-28 (Comm. on Veterans' Affairs).
SENATE REPORT No. 97-88 accompanying S. 468 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 1, 2, considered and passed House.
June 4, considered and passed Senate, amended, in lieu of S. 468.
July 30, House agreed to Senate amendments with amendments; Senate concurred in House amendments.

Public Law 97-38
97th Congress

An Act

Aug. 14, 1981
[S. 547]

To enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon.

Confederated Tribes of Siletz Indians of Oregon. Permanent land improvements. 25 USC 711e note.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law or regulation, the Attorney General shall approve any deed or other instrument which—

(1) conveys to the United States the land described in section 2 of the Act entitled "An Act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon", approved September 4, 1980 (94 Stat. 1073), and

(2) incorporates by reference the terms of the agreement entered into on September 18, 1980, by the city of Siletz, Oregon, the Confederated Tribes of Siletz Indians of Oregon, and the United States of America.

The Secretary of the Interior or the Confederated Tribes of Siletz Indians of Oregon may erect permanent improvements, improvements of a substantial value, or any other improvements authorized by law on such land after such land is conveyed to the United States.

Approved August 14, 1981.

LEGISLATIVE HISTORY—S. 547 (H.R. 2015):

HOUSE REPORT No. 97-191 accompanying H.R. 2015 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-108 (Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 21, considered and passed Senate.
Aug. 4, H.R. 2015 considered and passed House; proceedings vacated, S. 547 passed in lieu.

Public Law 97-39
97th Congress

An Act

Aug. 14, 1981
[S. 694]

To authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes.

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 "Department of Defense Supplemental Authorization Act, 1981".

Department of Defense Supplemental Authorization Act, 1981.

TITLE I—PROCUREMENT

AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1077), funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $128,000,000; for the Navy and Marine Corps, $143,600,000; for the Air Force, $716,625,000.

MISSILES

For missiles: for the Army, $27,000,000; for the Air Force, $205,869,000; for the Marine Corps, $10,700,000.

NAVAL VESSELS

For naval vessels: for the Navy, $149,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $796,000,000; for the Marine Corps, $11,300,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Authorization Act, 1981

(94 Stat. 1079), funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $83,463,000.

For the Navy (including the Marine Corps), $138,067,000.

For the Air Force, $242,462,000.

For the Defense Agencies, $16,936,000.

TITLE III—ACTIVE FORCES

INCREASE IN FISCAL YEAR 1981 ACTIVE DUTY END STRENGTHS

SEC. 301. Section 301 of the Department of Defense Authorization Act, 1981 (94 Stat. 1082), is amended by striking out "775,300", "537,456", "188,100", and "564,500" and inserting in lieu thereof "780,000", "540,456", "190,600", and "569,000", respectively.

TITLE IV—RESERVE FORCES

INCREASE IN NUMBER OF MARINE CORPS RESERVISTS AUTHORIZED TO BE ON FULL-TIME ACTIVE DUTY ON SEPTEMBER 30, 1981, IN SUPPORT OF THE MARINE CORPS RESERVE

SEC. 401. Section 401(b)(4) of the Department of Defense Authorization Act, 1981 (94 Stat. 1084), is amended by striking out "67" and inserting in lieu thereof "133".

TITLE V—CIVILIAN PERSONNEL

INCREASE IN NUMBER OF CIVILIAN PERSONNEL AUTHORIZED FOR THE DEPARTMENT OF DEFENSE AS OF SEPTEMBER 30, 1981

SEC. 501. Section 501(a) of the Department of Defense Authorization Act, 1981 (94 Stat. 1085), is amended by striking out "986,000" and inserting in lieu thereof "1,012,250".

TITLE VI—MILITARY CONSTRUCTION

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 601. (a) In addition to the amounts authorized for acquisition and construction by title I of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), the following amount is authorized for the location specified:

UNITED STATES ARMY, EUROPE

Various Locations, $1,800,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $1,800,000.

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 602. (a) In addition to the amounts authorized for acquisition and construction by title II of the Military Construction Authorization Act, 1981 (94 Stat. 1752), the following amount is authorized for the location specified:

UNITED STATES MARINE CORPS

Marine Corps Air Station, El Toro, California, $2,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $2,000,000.

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 603. (a) In addition to the amounts authorized for acquisition and construction by title III of the Military Construction Authorization Act, 1981 (94 Stat. 1756), the following amounts are authorized for the locations specified:

AIR TRAINING COMMAND

Laughlin Air Force Base, Texas, $4,700,000.

STRATEGIC AIR COMMAND

K. I. Sawyer Air Force Base, Michigan, $540,000.

SPECIAL PROJECT

Various Locations, Special Project, $50,000,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $55,240,000.

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 604. (a) In addition to the amount specified for minor construction projects by section 403 of the Military Construction Authorization Act, 1981 (94 Stat. 1761), the Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $900,000.

(b) There is authorized to be appropriated for fiscal year 1981 for the purpose of subsection (a) the sum of $900,000.

MILITARY FAMILY HOUSING

SEC. 605. Section 510(a) of the Military Construction Authorization Act, 1981 (94 Stat. 1767), is amended—

(1) by striking out "$276,100,000" in clause (1) and inserting in lieu thereof "$260,078,000"; and

(2) by striking out "$1,880,760,000" in clause (2) and inserting in lieu thereof "$1,896,782,000".

AIR NATIONAL GUARD OF THE UNITED STATES

SEC. 606. In addition to the amount specified in section 701(3)(A) of the Military Construction Authorization Act, 1981 (94 Stat. 1774), the Secretary of Defense may establish or develop facilities for the Air National Guard of the United States in an amount not to exceed $6,500,000.

LIMITATIONS APPLICABLE TO USE OF FUNDS

SEC. 607. (a) Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1981 (94 Stat. 1749), in the same manner as if such authorizations had been included in the Act.

(b) For the purposes of the limitations set forth in section 603 of the Military Construction Authorization Act, 1981 (94 Stat. 1768), the amounts authorized to be appropriated for titles I through V of that Act shall be deemed to be increased, respectively, by the amounts authorized to be appropriated by sections 601 through 605.

94 Stat. 1749-1763.

94 Stat. 1768-1770.

MODIFICATION OF PRIOR YEAR AUTHORIZATION FOR FAMILY HOUSING UNITS AT TINKER AIR FORCE BASE, OKLAHOMA

SEC. 608. (a) Section 501(c) of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 940), is amended by striking out "three hundred thirty-two units" in the item relating to Tinker Air Force Base and inserting in lieu thereof "two hundred units".

(b) The authorization for construction of, or acquisition of sole interest in, family housing units at Tinker Air Force Base, Oklahoma, contained in section 501 of the Military Construction Authorization Act, 1980, as amended by subsection (a), is hereby modified to authorize construction of such family housing units on base at Tinker Air Force Base.

TITLE VII—COMPENSATION PROVISIONS

SUBMARINE DUTY INCENTIVE PAY

SEC. 701. (a) Paragraphs (1) and (2) of section 301c(a) of title 37, United States Code, are amended to read as follows:

94 Stat. 3360.

"(1) Subject to regulations prescribed by the President, a member of the Navy who is entitled to basic pay, and (A) holds (or is in training leading to) a submarine duty designator, (B) is in and remains in the submarine service on a career basis, and (C) meets the requirements of paragraph (3) of this subsection, is entitled to continuous monthly submarine duty incentive pay in the amount set forth in subsection (b) of this section.

"(2) Subject to regulations prescribed by the President, a member of the Navy who is entitled to basic pay but is not entitled to continuous monthly submarine duty incentive pay under paragraph (1) of this subsection is entitled to submarine duty incentive pay in the amount set forth in subsection (b) of this section for any period during which such member performs frequent and regular operational submarine duty (as defined in paragraph (5) of this subsection) required by orders.".

(b) Paragraph (5)(A)(i) of such section is amended by inserting "while serving as an operator or crew member of an operational submersible (including an undersea exploration or research vehicle)," after "to a submarine,".

Effective date. 37 USC 301c note.

(c) The amendments made by this section shall take effect as of January 1, 1981.

EFFECTIVE DATE OF ACCUMULATED LEAVE AMENDMENT

SEC. 702. The amendment made by section 10 of the Military Pay and Allowances Benefits Act of 1980 (Public Law 96-579; 94 Stat. 3368) shall apply with respect to the accumulation of leave by members of the Armed Forces who after September 30, 1979, are assigned (1) to a deployable ship or mobile unit, or (2) to other duty designated after the date of the enactment of this Act as duty qualifying for the purpose of section 701(f) of title 10, United States Code, as amended by that amendment. 10 USC 701 note.

Approved August 14, 1981.

LEGISLATIVE HISTORY—S. 694 (H.R. 2614):

HOUSE REPORTS: No. 97-20 accompanying H.R. 2614 (Comm. on Armed Services) and 97-204 (Comm. of Conference).
SENATE REPORT No. 97-35 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Apr. 7, considered and passed Senate.
June 11, 15, 23, H.R. 2614 considered and passed House; proceedings vacated and S. 694, amended, passed in lieu.
July 30, Senate agreed to conference report.
Aug. 4, House agreed to conference report.

Public Law 97-40
97th Congress

An Act

Aug. 14, 1981
[S. 640]

To amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to make such loans.

District of Columbia Self-Government and Governmental Reorganization Act, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 723(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 note) is amended by striking out "October 1, 1980, or upon enactment of the fiscal year 1981 appropriation Act for the District of Columbia government, whichever is later" in the first sentence and inserting in lieu thereof "October 1, 1982, or the date of the enactment of the appropriation Act for the fiscal year ending September 30, 1983, for the government of the District of Columbia, whichever is later".

Approved August 14, 1981.

LEGISLATIVE HISTORY—S. 640 (H.R. 2818):

HOUSE REPORT No. 97-43 accompanying H.R. 2818 (Comm. on the District of Columbia).
SENATE REPORT No. 97-79 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 3, considered and passed Senate.
July 27, H.R. 2818 considered and passed House; proceedings vacated and S. 640, amended, passed in lieu.
Aug. 3, Senate concurred in House amendments.

Public Law 97-41
97th Congress

An Act

To authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, California.

Aug. 14, 1981
[S. 875]

Palo Verde Irrigation District Diversion Dam, Calif.
Electrical power generation.
15 USC 714b.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 31, 1954 (68 Stat. 1045) is amended by striking subsection 2(c) and inserting in lieu thereof the following:

"(c) to accept title to said dam, appurtenant works, lands, and interests in land upon payment by the district (which payment shall be made over a period of not more than fifty years) of the sum of $1,175,000, and upon repayment of any loan made pursuant to section 4, clause (c), of this Act;

"(d) notwithstanding any provision of the Federal Power Act (16 U.S.C. 792 et seq.), to the contrary, the Palo Verde Irrigation District, California, shall have the exclusive right to utilize said dam, appurtenant works, lands, and interests in land for the development, generation, transmission, and disposal of electric power and energy pursuant to a license from the Federal Energy Regulatory Commission under part I of the Federal Power Act: *Provided,* That if the Palo Verde Irrigation District, California, after the date of enactment of this subsection shall notify the Secretary of the Interior that it relinquishes the right granted in this subsection there shall be and is hereby reserved to the United States or there shall be made available to it, as the case may require, the exclusive right to utilize, without cost to it, said dam, appurtenant works, lands, and interests in land for such development, generation, and transmission of electric power and energy as may hereafter be authorized by law: *Provided further,* That in the event it becomes practicable for the United States to develop hydroelectric energy at this site, the division of such energy between the United States and the district shall be a matter of negotiation prior to construction of any powerplant.".

Approved August 14, 1981.

LEGISLATIVE HISTORY—S. 875:

HOUSE REPORT No. 97-209 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-60 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 14, considered and passed Senate.
Aug. 4, considered and passed House.

Public Law 97-42
97th Congress

An Act

Aug. 14, 1981
[S. 1278]

Entitled the "Saccharin Study and Labeling Act Amendment of 1981".

Saccharin Study and Labeling Act Amendment of 1981.
21 USC 301 note.
94 Stat. 536.
21 USC 348 note.

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 "Saccharin Study and Labeling Act Amendment of 1981".

SEC. 2. The Saccharin Study and Labeling Act is amended by striking from section 3 "June 30, 1981" and inserting in lieu thereof "twenty-four months after the date of enactment of the Saccharin Study and Labeling Act Amendment of 1981".

Approved August 14, 1981.

LEGISLATIVE HISTORY—S. 1278:

SENATE REPORT: No. 97-140 (Comm. on Labor and Human Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 25, considered and passed Senate.
July 31, considered and passed House.

Public Law 97-43
97th Congress

Joint Resolution

To authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day".

Aug. 20, 1981
[S.J. Res. 87]

Whereas Commodore John Barry, hero of the American Revolution and holder of the first Commission in the United States Navy, was born on September 13, 1745, in County Wexford, Ireland;

Whereas Commodore Barry was commissioned to command the brig Lexington, the first ship bought and equipped for the Revolution, and became a national hero with the first capture of an enemy warship in actual battle;

Whereas following the Revolution, when the sovereignty of this new Nation was threatened by pirates, Commodore Barry was placed in command of the first ships authorized under the new Constitution and was named senior captain of the United States Navy in 1794;

Whereas Commodore Barry is considered as the father of the United States Navy; and

Whereas Commodore Barry was honored by the United States Congress in 1906, when a statue was commissioned and later placed in Lafayette Park, Washington, District of Columbia, and honored again some fifty years later when the Congress authorized a statue to be presented in his name to the people of County Wexford, Ireland: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate September 13, 1981, as "Commodore John Barry Day", as a tribute to the father of the United States Navy, and to call upon Federal, State, and local government agencies and the people of the United States to observe such day with appropriate ceremonies and activities.

Commodore John Barry Day. Designation authorization.

Approved August 20, 1981.

LEGISLATIVE HISTORY—S.J. Res. 87:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 31, considered and passed Senate.
Aug. 4, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 34 (1981):
Aug. 20, Presidential statement.

Public Law 97-44
97th Congress

Joint Resolution

Sept. 17, 1981
[S.J. Res. 62]

To authorize and request the President to designate the week of September 20 through 26, 1981, as "National Cystic Fibrosis Week".

Whereas cystic fibrosis is the number one genetic killer of children in America, and between one thousand five hundred and two thousand five hundred are born each year in this country with the disease; and

Whereas public understanding of cystic fibrosis is essential to enhance early detection and treatment of the disease and reduce the misunderstanding and confusion concerning the symptoms of cystic fibrosis; and

Whereas a national awareness of the cystic fibrosis problem will stimulate interest and concern leading to increased research and eventually a cure for cystic fibrosis: Now, therefore, be it

National Cystic Fibrosis Week. Designation.

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the week of September 20 through 26, 1981, is designated as "National Cystic Fibrosis Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.**

Approved September 17, 1981.

LEGISLATIVE HISTORY—S.J. Res. 62:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 31, considered and passed Senate.
Sept. 15, considered and passed House.

Public Law 97-45
97th Congress

An Act

To facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

Sept. 25, 1981
[H.R. 2120]

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

Product Liability Risk Retention Act of 1981.
15 USC 3901 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Product Liability Risk Retention Act of 1981".

DEFINITIONS

15 USC 3901.

SEC. 2. (a) As used in this Act—

(1) "completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by—

(A) any person who performs that work; or

(B) any person who hires an independent contractor to perform that work;

but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability;

(2) "insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance under applicable State or Federal law;

(3) "product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such a person when the incident giving rise to the claim occurred;

(4) "risk retention group" means any corporation or other limited liability association taxable as a corporation, or as an insurance company, formed under the laws of any State, Bermuda, or the Cayman Islands—

(A) whose primary activity consists of assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group members;

(B) which is organized for the primary purpose of conducting the activity described under subparagraph (A);

(C) which is chartered or licensed as an insurance company and authorized to engage in the business of insurance under the laws of any State, or which is so chartered or

licensed and authorized before January 1, 1985, under the laws of Bermuda or the Cayman Islands, except that any group so chartered or licensed and authorized under the laws of Bermuda or the Cayman Islands shall be considered to be a risk retention group only after it has certified to the insurance commissioner of at least one State that it satisfies the capitalization requirements of such State;

(D) which does not exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such a person; and

(E) which is composed of members each of whose principal activity consists of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product or products;

(5) "purchasing group" means any group of persons which has as one of its purposes the purchase of product liability or completed operations liability insurance on a group basis; and

(6) "State" means any State of the United States or the District of Columbia.

(b) The definition of "product liability" in paragraph (4) of subsection (a) of this section shall not be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any State.

RISK RETENTION GROUPS

State regulation, exemptions. 15 USC 3902.

SEC. 3. (a) Except as provided in this section, a risk retention group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

(1) make unlawful, or regulate, directly or indirectly, the operation of a risk retention group except that the jurisdiction in which it is chartered may regulate the formation and operation of such a group and any State may require such a group to—

(A) comply with the unfair claim settlement practices law of the State;

(B) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on admitted insurers and surplus lines insurers, brokers, or policyholders under the laws of the State;

(C) participate, on a nondiscriminatory basis, in any mechanism established or authorized under the law of the State for the equitable apportionment among insurers of product liability or completed operations liability insurance losses and expenses incurred on policies written through such mechanism;

(D) submit to the appropriate authority reports and other information required of licensed insurers under the laws of a State relating solely to product liability or completed operations liability insurance losses and expenses;

(E) register with and designate the State insurance commissioner as its agent solely for the purpose of receiving service of legal documents or process, and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

(F) submit to an examination by the State insurance commissioner in any State in which the group is doing business to determine the group's financial condition, if—

(i) the commissioner has reason to believe the risk retention group is in a financially impaired condition; and

(ii) the commissioner of the jurisdiction in which the group is chartered has not begun or has refused to initiate an examination of the group; and

(G) comply with a lawful order issued in a delinquency proceeding commenced by the State insurance commissioner if the commissioner of the jurisdiction in which the group is chartered has failed to initiate such a proceeding after notice of a finding of financial impairment under subparagraph (F) of this paragraph;

(2) require or permit a risk retention group to participate in any insurance insolvency guaranty association to which an insurer licensed in the State is required to belong;

(3) require any insurance policy issued to a risk retention group or any member of the group to be countersigned by an insurance agent or broker residing in that State; or

(4) otherwise discriminate against a risk retention group or any of its members, except that nothing in this section shall be construed to affect the applicability of State laws generally applicable to persons or corporations.

(b) The exemptions specified in subsection (a) apply to—

(1) product liability or completed operations liability insurance coverage provided by a risk retention group for—

(A) such group; or

(B) any person who is a member of such group;

(2) the sale of product liability or completed operations liability insurance coverage for a risk retention group; and

(3) the provision of insurance related services or management services for a risk retention group or any member of such group.

(c) A State may require that a person acting, or offering to act, as an agent or broker for a risk retention group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or broker.

State license requirement.

PURCHASING GROUPS

SEC. 4. (a) Except as provided in this section, a purchasing group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

State regulation, exemptions. 15 USC 3903.

(1) prohibit the establishment of a purchasing group;

(2) make it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its members, advantages, based on their loss and expense experience, not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

(3) prohibit a purchasing group or its members from purchasing insurance on the group basis described in paragraph (2) of this subsection;

(4) prohibit a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because any member has not belonged to the group for a minimum period of time;

(5) require that a purchasing group must have a minimum number of members, common ownership or affiliation, or a certain legal form;

(6) require that a certain percentage of a purchasing group must obtain insurance on a group basis;

(7) require that any insurance policy issued to a purchasing group or any members of the group be countersigned by an insurance agent or broker residing in that State; or

(8) otherwise discriminate against a purchasing group or any of its members.

(b) The exemptions specified in subsection (a) apply to—

(1) product liability or completed operations liability insurance, and comprehensive general liability insurance which includes either of these coverages, provided to—

(A) a purchasing group; or

(B) any person who is a member of a purchasing group; and

(2) the provision of—

(A) product liability or completed operations insurance, and comprehensive general liability coverage;

(B) insurance related services; or

(C) management services;

to a purchasing group or member of the group.

State license requirement.

(c) A State may require that a person acting, or offering to act, as an agent or broker for a purchasing group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or broker.

APPLICABILITY OF SECURITIES LAWS

Ownership interests. 15 USC 3904.

SEC. 5. (a) The ownership interests of members in a risk retention group shall be—

15 USC 77e. 15 USC 78l.

(1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for purposes of section 12 of the Securities Exchange Act of 1934; and

15 USC 77q. 15 USC 78j.

(2) considered to be securities for purposes of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

(b) A risk retention group shall not be considered to be an investment company for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.).

(c) The ownership interests of members in a risk retention group shall not be considered securities for purposes of any State blue sky law.

Approved September 25, 1981.

LEGISLATIVE HISTORY—H.R. 2120 (S. 1096):

HOUSE REPORT No. 97-190 (Comm. on Energy and Commerce).
SENATE REPORT No. 97-172 accompanying S. 1096 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 28, considered and passed House.
Sept. 11, considered and passed Senate in lieu of S. 1096.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 39 (1981):
Sept. 25, Presidential statement.

Public Law 97-46
97th Congress

An Act

To enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

Sept. 25, 1981
[H.R. 4416]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the Secretary of Agriculture may, in connection with emergencies which threaten any segment of the agricultural production industry of this country, transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such sums as the Secretary may deem necessary, to be available only in such emergencies for the arrest and eradication of plant pests or contagious or infectious diseases of animals or poultry, and for expenses in accordance with section 102 of the Act of September 21, 1944, as amended (7 U.S.C. 147a), and the Act of February 28, 1947, as amended (21 U.S.C. 114b).**

Plant pests and animal and poultry diseases, eradication.
7 USC 147b.

SEC. 2. The provisions of this Act shall become effective upon enactment.

Effective date.
7 USC 147b note.

Approved September 25, 1981.

LEGISLATIVE HISTORY—H.R. 4416:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 9, considered and passed House.
Sept. 11, considered and passed Senate.

Public Law 97-47
97th Congress

An Act

Sept. 30, 1981
[H.R. 2903]

To extend by one year the expiration date of the Defense Production Act of 1950.

Defense Production Act of 1950, extension.
94 Stat. 633.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".**

GOLD COMMISSION EXTENSION

94 Stat. 1555.

SEC. 2. Section 10(b) of Public Law 96-389 (31 U.S.C. 822a note) is amended by striking out "one year after the date of enactment of this Act" and inserting in lieu thereof "March 31, 1982".

Approved September 30, 1981.

LEGISLATIVE HISTORY—H.R. 2903 (S. 1135):

HOUSE REPORT No. 97-48 (Comm. on Banking, Finance, and Urban Affairs).
SENATE REPORT No. 97-93 accompanying S. 1135 (Comm. on Banking, Housing, and Urban Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 13, considered and passed House.
Sept. 22, considered and passed Senate, amended, in lieu of S. 1135.
Sept. 24, House concurred in Senate amendment.

Public Law 97-48
97th Congress

Joint Resolution

To provide for a temporary increase in the public debt limit.

Sept. 30, 1981
[H.J. Res. 266]

Public debt limit. Temporary increase. 31 USC 757b note.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That during the period beginning on the date of the enactment of this Act and ending on September 30, 1981, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $599,800,000,000.**

Approved September 30, 1981.

LEGISLATIVE HISTORY—H.J. Res. 266:

CONGRESSIONAL RECORD, Vol. 127 (1981):
May 21, considered and passed House.
Sept. 29, considered and passed Senate.

Public Law 97-49
97th Congress

Joint Resolution

Sept. 30, 1981
[H.J. Res. 265]

To provide for a temporary increase in the public debt limit.

Public debt limit. Temporary increase. 31 USC 757b note.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That during the period beginning on October 1, 1981, and ending on September 30, 1982, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $679,800,000,000.**

Approved September 30, 1981.

LEGISLATIVE HISTORY—H.J. Res. 265:

CONGRESSIONAL RECORD, Vol. 127 (1981):
May 21, considered and passed House.
Sept. 25, 28, 29, considered and passed Senate.

Public Law 97-50
97th Congress

An Act

To extend the expiration date of section 252 of the Energy Policy and Conservation Act.

Sept. 30, 1981
[S. 1475]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 252(j) of the Energy Policy and Conservation Act (42 U.S.C. 6272(j)) is amended by striking "September 30, 1981" and inserting in its place "April 1, 1982".

Energy Policy and Conservation Act, amendment.
Ante, p. 7.

Approved September 30, 1981.

LEGISLATIVE HISTORY—S. 1475:

SENATE REPORT No. 97-254 (Comm. on Energy and Commerce).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 22, considered and passed Senate.
Sept. 29, considered and passed House.

Public Law 97-51
97th Congress

Joint Resolution

Oct. 1, 1981
[H.J. Res. 325]

Making continuing appropriations for the fiscal year 1982, and for other purposes.

Continuing appropriations for fiscal year 1982.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1982, and for other purposes, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1981 and for which appropriations, funds, or other authority would be available in the following appropriations Acts:

Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Act, 1982, notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956 and section 701 of the United States Information and Educational Exchange Act of 1948, as amended;

22 USC 2680.
22 USC 1476.

District of Columbia Appropriation Act, 1982;

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1982;

Agriculture, Rural Development, and Related Agencies Appropriation Act, 1982;

Energy and Water Development Appropriation Act, 1982;

Department of the Interior and Related Agencies Appropriation Act, 1982;

Treasury, Postal Service and General Government Appropriation Act, 1982;

Military Construction Appropriation Act, 1982; and

Department of Transportation and Related Agencies Appropriation Act, 1982.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed the House as of October 1, 1981, is different from that which would be available or granted under such Act as passed by the Senate as of October 1, 1981, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority: *Provided,* That where an item is included in only one version of an Act as passed by both Houses as of October 1, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal

year 1981: *Provided further,* That for the purposes of this joint resolution, when an Act listed in this subsection, with the exception of the Department of the Interior and Related Agencies Appropriation Act, 1982, has been reported to a House but not passed by that House as of October 1, 1981, it shall be deemed as having been passed by that House: *Provided further,* That funds which would be available under H.R. 4121, entitled the Treasury, Postal Service and General Government Appropriation Act, 1982, for the Government payment of annuitants and employees health benefits, shall be available under the authority and conditions set forth in H.R. 4121 as reported to the Senate on September 22, 1981.

(4) Whenever an Act listed in this subsection has been passed by only one House as of October 1, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal year 1981.

(5) No provision which is included in an appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act of 1981, and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in the joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(b) Such amounts as may be necessary for continuing the following activities, not otherwise provided for, which were conducted in the fiscal year 1981, at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority—

activities for which provision was made in the Department of Defense Appropriation Act, 1981; and — 94 Stat. 3068.

activities for which provision was made in section 101(b) of Public Law 96-536 regarding foreign assistance and related programs, notwithstanding section 10 of Public Law 91-672, and section 15(a) of the State Department Basic Authorities Act of 1956. — 94 Stat. 3166. 22 USC 2412. 22 USC 2680.

(c) Notwithstanding the provisions of sections 102 and 106 of this joint resolution, such amounts as may be necessary for continuing projects and activities under all the conditions and to the extent and in the manner as provided in H.R. 4120, entitled the Legislative Branch Appropriation Act, 1982, as reported July 9, 1981; and the provisions of H.R. 4120 shall be effective as if enacted into law; except that the provisions of section 305 (a), (b), and (d) of H.R. 4120 shall apply to any appropriation, fund or authority made available for the period October 1, 1981, through November 20, 1981, by this or any other Act. — 5 USC 5318 note.

Notwithstanding the provisions of sections 102 and 106 of this joint resolution, for continuing projects and activities for which disbursements are made by the Secretary of the Senate, the amounts set forth under the following appropriation account headings for fiscal year 1982:

Under the heading "COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS", $6,932,000; under the heading "EXPENSE ALLOWANCES OF THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, MAJORITY AND MINORITY LEADERS, AND MAJORITY AND MINORITY WHIPS": For expense allowances of the Vice President, $10,000; President Pro Tempore of the Senate, $10,000; Majority Leader of the

Senate, $10,000; Minority Leader of the Senate, $10,000; Majority Whip of the Senate, $2,500; and Minority Whip of the Senate, $2,500; in all, $45,000; under the headings "SALARIES, OFFICERS AND EMPLOYEES", "OFFICE OF THE VICE PRESIDENT", $945,000; "OFFICE OF THE PRESIDENT PRO TEMPORE", $126,000; "OFFICES OF THE MAJORITY AND MINORITY LEADERS", $566,100; "FLOOR ASSISTANTS TO THE MAJORITY AND MINORITY LEADERS", $109,000; "OFFICES OF THE MAJORITY AND MINORITY WHIPS", $264,600; "OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY", $143,100; "OFFICE OF THE CHAPLAIN", $76,640; "OFFICE OF THE SECRETARY", $4,990,000; "CONFERENCE COMMITTEES", $415,350 for each such committee; in all, $830,700; "ADMINISTRATIVE, CLERICAL, AND LEGISLATIVE ASSISTANCE TO SENATORS", $86,016,000; "OFFICE OF SERGEANT AT ARMS AND DOORKEEPER", $23,399,000; "OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY", $588,000; "AGENCY CONTRIBUTIONS AND LONGEVITY AND MERIT COMPENSATION", $13,731,000; under the heading "OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE", $1,020,600; under the heading "OFFICE OF SENATE LEGAL COUNSEL", $495,000; under the heading "SENATE PROCEDURE" for compiling, preparing, and editing "Senate Procedure", 1980 edition, $5,000, to be paid to Floyd M. Riddick, Parliamentarian Emeritus of the Senate; under the headings "CONTINGENT EXPENSES OF THE SENATE", "SENATE POLICY COMMITTEES", $761,850 for each such committee; in all, $1,523,700; "AUTOMOBILES AND MAINTENANCE", $75,000; "INQUIRIES AND INVESTIGATIONS", $41,224,500; "FOLDING DOCUMENTS", at a gross rate of not exceeding $5.15 per hour per person, $128,000; "MISCELLANEOUS ITEMS", $32,569,168; "POSTAGE STAMPS", for postage stamps for the offices of the Secretaries for the Majority and Minority, $600; Chaplain, $300; and for special delivery postage for the Office of the Secretary, $6,000; Office of the Sergeant at Arms and Doorkeeper, $500; and the President of the Senate, as authorized by law, $1,600; in all, $9,000; "STATIONERY (REVOLVING FUND)", for stationery for the President of the Senate, $4,500, and for committees and officers of the Senate, $38,500; in all, $43,000.

For purposes of this subsection, H.R. 4120, as reported July 9, 1981, shall be treated as appropriating the following amounts:

Under the headings "JOINT ITEMS", "CONTINGENT EXPENSES OF THE SENATE", "JOINT ECONOMIC COMMITTEE", $2,250,000; "JOINT COMMITTEE ON PRINTING", $816,000; "CONTINGENT EXPENSES OF THE HOUSE", "JOINT COMMITTEE ON TAXATION", $2,967,000; "OFFICE OF THE ATTENDING PHYSICIAN", $603,000; "CAPITOL POLICE", "GENERAL EXPENSES", $887,000; "EDUCATION OF PAGES", $244,000; "OFFICIAL MAIL COSTS", $75,095,000; "CAPITOL GUIDE SERVICE", $734,000; "STATEMENTS OF APPROPRIATIONS", $13,000; under the headings "OFFICE OF TECHNOLOGY ASSESSMENT", "SALARIES AND EXPENSES", $12,019,000; under the headings "CONGRESSIONAL BUDGET OFFICE", "SALARIES AND EXPENSES", $12,868,000; under the headings "ARCHITECT OF THE CAPITOL", "OFFICE OF THE ARCHITECT OF THE CAPITOL", "SALARIES", $3,760,000; "CONTINGENT EXPENSES", $210,000; "CAPITOL BUILDINGS AND GROUNDS", "CAPITOL BUILDINGS", $10,100,000 of which $1,767,000 shall remain available until expended; "CAPITOL GROUNDS", $2,430,000 of which $10,000 shall remain available until expended; "SENATE OFFICE BUILDINGS", $14,851,000, of which $2,600,000 shall remain available until expended; "SENATE GARAGE", $99,000; "CAPITOL POWER PLANT", $20,916,000, of which $1,290,000 shall remain available until expended; under the headings "LIBRARY OF CONGRESS", "CONGRESSIONAL RESEARCH SERVICE", "SALARIES AND EXPENSES", $30,000,000; under the headings

"GOVERNMENT PRINTING OFFICE", "CONGRESSIONAL PRINTING AND BINDING", $84,843,000; under the headings "BOTANIC GARDEN", "SALARIES AND EXPENSES", $2,311,000; under the headings "LIBRARY OF CONGRESS", "SALARIES AND EXPENSES", $111,989,000; "COPYRIGHT OFFICE", "SALARIES AND EXPENSES", $9,123,000; "BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED", "SALARIES AND EXPENSES", $33,221,000; "COLLECTION AND DISTRIBUTION OF LIBRARY MATERIALS (SPECIAL FOREIGN CURRENCY PROGRAM)", $4,405,000; "FURNITURE AND FURNISHINGS", $1,089,000; under the headings "ARCHITECT OF THE CAPITOL", "LIBRARY BUILDINGS AND GROUNDS", "STRUCTURAL AND MECHANICAL CARE", $8,715,000; under the headings "COPYRIGHT ROYALTY TRIBUNAL", "SALARIES AND EXPENSES", $400,000; under the headings "GOVERNMENT PRINTING OFFICE", "PRINTING AND BINDING", $17,888,000; "OFFICE OF SUPERINTENDENT OF DOCUMENTS", "SALARIES AND EXPENSES", $27,120,000; under the headings "GENERAL ACCOUNTING OFFICE", "SALARIES AND EXPENSES", $229,300,000.

(d) Such amounts as may be necessary for continuing the following activities which were conducted in fiscal year 1981, but at a rate for operations not in excess of the current rate—

activities of the Department of State for contributions to the United Nations Relief and Works Agency for Palestinian Refugees notwithstanding section 10 of Public Law 91-672, and section 15(a) of the State Department Basic Authorities Act of 1956.

22 USC 2412.

22 USC 2680.

(e) Notwithstanding any other provision of this joint resolution, except section 102, such amounts as may be necessary for projects or activities provided for in the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1982 (H.R. 4034), at a rate of operations and to the extent and in the manner provided for in the conference report and joint explanatory statement of the Committee of Conference (H. Rept. No. 97-222) filed in the House of Representatives on September 11, 1981, as if such Act had been enacted into law.

Appropriation and funding availability.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall be available from October 1, 1981, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) November 20, 1981, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 665(d)(2) of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 104. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such projects or activity are available under this joint resolution.

SEC. 105. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 106. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or

resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1981.

SEC. 107. Any appropriation for the fiscal year 1982 required to be apportioned pursuant to section 665 of title 31, United States Code, may be apportioned on a basis indicating the need (to the extent any such increases cannot be absorbed within available appropriations) for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees and to active and retired military personnel. Each such appropriation shall otherwise be subject to the requirements of section 665 of title 31, United States Code.

SEC. 108. All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution for the purposes of maintaining the minimum level of essential activities necessary to protect life and property and bringing about orderly termination of other functions are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

SEC. 109. No provision in any appropriation Act for the fiscal year 1982 that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 102(c) of this joint resolution.

Emergency authority to USDA Secretary.

SEC. 110. To meet the emergency facing a number of fruit producing States, particularly California, from the Mediterranean and other types of fruit flies, as well as the immediate and long-range threat to the timber stands and the watersheds of the Northeastern United States and other areas from the gypsy moth, as well as to meet threats from other pests and diseases, the Secretary of Agriculture is authorized to exercise the emergency authorities provided for in H.R. 4119 as passed the House of Representatives on July 27, 1981, in connection with the program of the Animal and Plant Health Inspection Service, notwithstanding any other provision of this joint resolution.

Post, p. 1467.

Economic Development Representatives.

SEC. 110A. Notwithstanding any other provision of this joint resolution or any other law, there shall be forty-seven permanent positions designated as Economic Development Representatives out of the total number of permanent positions funded in the Salaries and Expenses account of the Economic Development Administration for fiscal year 1982, and such positions shall be maintained in the various States within the approved organizational structure in place on June 1, 1981, and where possible, with those employees who filled those positions on that date.

SEC. 111. (a) The first section of the joint resolution relating to the payment of salaries of employees of the Senate, approved April 20, 1960 (Public Law 86-426, first section; 2 U.S.C. 60c-1), is amended—

(1) in the first sentence, by striking out clause (1),

(2) in the second sentence, by inserting "purposes of the Internal Revenue Code of 1954 and for" immediately after "For", and

(3) by striking out the last sentence thereof (as added by section 108 of the Supplemental Appropriations Act, 1979 (Public Law 96-38, sec. 108)).

93 Stat. 113.

Effective date. 2 USC 60c-1 note.

(b) The amendments made by subsection (a) shall be effective in the case of compensation payable for months after December 1982.

SEC. 112. (a) The first sentence of the first section of the joint resolution relating to the payment of salaries of employees of the Senate, approved April 20, 1960 (Public Law 86-426; 2 U.S.C. 60c-1), is

amended by striking out "Officers (other than Senators) and employees" and inserting in lieu thereof "Senators and officers and employees".

(b)(1) The second paragraph under the heading "SENATE" of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-four, and for other purposes" (approved March 3, 1883, c. 143, 22 Stat. 632) is repealed. 2 USC 33.

(2) The eighth paragraph under the heading "SENATE" of the Deficiency Appropriation Act, fiscal year 1934 (approved June 19, 1934, c. 648, title 1, sec. 1, 48 Stat. 1022; 2 U.S.C. 33) is amended by striking out "monthly".

(c) On and after the effective date of the amendments and repeals made by this section, section 39 of the Revised Statutes (2 U.S.C. 35) shall not be construed as being applicable to a Senator. 2 USC 35a.

(d) Section 40 of the Revised Statutes (2 U.S.C. 39) is amended by inserting "(or other periodic payments authorized by law)" immediately after "monthly payments".

(e) The amendments and repeals made by this section shall be effective in the case of compensation payable for months after December 1981. Effective date. 2 USC 33 note.

SEC. 113. Hereafter, the Secretary of the Senate as Disbursing Officer of the Senate is authorized to make such transfers between appropriations of funds available for disbursement by him for fiscal year 1982, as he deems appropriate, subject to the customary reprograming procedures of the Committee on Appropriations of the Senate. 2 USC 64-2 note.

SEC. 114. Effective October 1, 1981, all statutory positions in the Office of the Secretary (other than the positions of the Secretary of the Senate, Assistant Secretary of the Senate, Parliamentarian, Financial Clerk, and Director of the Office of Classified National Security Information) are abolished, and in lieu of the positions hereby abolished the Secretary of the Senate is authorized to establish such number of positions as he deems appropriate and appoint and fix the compensation of employees to fill the positions so established; except that the annual rate of compensation payable to any employee appointed to fill any position established by the Secretary of the Senate shall not, for any period of time, be in excess of $1,000 less than the annual rate of compensation of the Secretary of the Senate for that period of time; and except that nothing in this section shall be construed to affect any position authorized by statute, if the compensation for such position is to be paid from the contingent fund of the Senate. 2 USC 61a-11.

SEC. 115. Effective October 1, 1981, section 105 of the Legislative Branch Appropriation Act, 1979 (2 U.S.C. 72a note) is reenacted with the following amendments—

(1) in subsection (a), strike out "October 1, 1978, and ending on December 31, 1980," and insert in lieu thereof "October 1, 1981, and ending September 30, 1986,", and

(2) at the end thereof add the following new subsection: "(e) All records, documents, and data in the office for which funds were made available under Senate Resolution Numbered 570, Ninety-sixth Congress, are transferred to the Office established by subsection (a).".

SEC. 116. Effective October 1, 1981, all statutory positions in the Office of the Sergeant at Arms and Doorkeeper of the Senate (other than the positions of the Sergeant at Arms and Doorkeeper of the Senate, Deputy Sergeant at Arms and Doorkeeper, and Administra- 2 USC 61f-7.

tive Assistant) are abolished, and in lieu of the positions hereby abolished the Sergeant at Arms and Doorkeeper of the Senate is authorized to establish such number of positions as he deems appropriate and appoint and fix the compensation of employees to fill the positions so established; except that the annual rate of compensation payable to any employee appointed to fill any position established by the Sergeant at Arms and Doorkeeper of the Senate shall not, for any period of time, be in excess of $1,000 less than the annual rate of compensation of the Sergeant at Arms and Doorkeeper of the Senate for that period of time; and except that nothing in this section shall be construed to affect any position authorized by statute, if the compensation for such position is to be paid from the contingent fund of the Senate.

2 USC 61f-8.

SEC. 117. For each fiscal year (beginning with the fiscal year which ends September 30, 1982), the Sergeant at Arms and Doorkeeper of the Senate is hereby authorized to expend from the contingent fund of the Senate an amount not to exceed $60,000 for:

(1) the procurement of individual consultants, on a temporary or intermittent basis, at a daily rate of compensation not in excess of the per diem equivalent of the highest gross rate of annual compensation which may be paid to employees of a standing committee of the Senate with the prior consent of the Committee on Rules and Administration; and

(2) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, use on a reimbursable basis (with reimbursement payable at the end of each calendar quarter for services rendered during such quarter) of the services of personnel of any such department or agency.

Payments made under this section shall be made upon vouchers approved by the Sergeant at Arms and Doorkeeper of the Senate.

SEC. 118. Section 103 of the Legislative Branch Appropriation Act, 1978 (2 U.S.C. 59c) is amended to read as follows:

"SEC. 103. Effective October 1, 1981, the Sergeant at Arms and Doorkeeper of the Senate is authorized to dispose of used or surplus furniture and equipment by trade-in or by sale directly or through the General Services Administration. Receipts from the sale of such furniture and equipment shall be deposited in the United States Treasury for credit to the appropriation for 'Miscellaneous Items' under the heading 'Contingent Expenses of the Senate'.".

2 USC 65c.

SEC. 119. (a) Notwithstanding any other provision of law, there is hereby established an account, within the Senate, to be known as the "Expense Allowance for the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate and Secretaries for the Majority and for the Minority, of the Senate" (hereinafter in this section referred to as the "Expense Allowance"). For each fiscal year (commencing with the fiscal year ending September 30, 1981) there shall be available from the Expense Allowance an expense allotment not to exceed $2,000 for each of the above specified officers. Amounts paid from the expense allotment of any such officer shall be paid to him only as reimbursement for actual expenses incurred by him and upon certification and documentation by him of such expenses. Amounts paid to any such officer pursuant to this section shall not be reported as income and shall not be allowed as a deduction under the Internal Revenue Code of 1954.

26 USC 1 *et seq.*

(b) For the fiscal year ending September 30, 1981, and the succeeding fiscal year, the Secretary of the Senate shall transfer, for each such year, $8,000 to the Expense Allowance from "Miscellaneous

Items" in the contingent fund of the Senate. For the fiscal year ending September 30, 1983, and for each fiscal year thereafter, there are authorized to be appropriated to the Expense Allowance such funds as may be necessary to carry out the provisions of subsection (a) of this section.

SEC. 120. For each fiscal year (beginning with the fiscal year which ends September 30, 1982) there is authorized to be expended from the contingent fund of the Senate an amount, not in excess of $30,000, for the Conference of the Majority and an equal amount for the Conference of the Minority. Payments under this section shall be made only for expenses actually incurred by such a Conference in carrying out its functions, and shall be made upon certification and documentation of the expenses involved, by the Chairman of the Conference claiming payment hereunder and upon vouchers approved by such Chairman and by the Committee on Rules and Administration. 2 USC 61g-6.

SEC. 121. Notwithstanding the provisions of this joint resolution or any other provision of law, effective October 1, 1981, the compensation of the Chaplain of the Senate shall be $52,750 in lieu of $40,110. 2 USC 61d.

SEC. 122. Subsection (c) of section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(c)) is repealed effective January 1, 1982.

SEC. 123. For the purposes of this joint resolution section 304 of H.R. 4120 shall be deemed to read as follows:

"SEC. 304. (a) Subsections (c) and (d) of section 491 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 2 United States Code 88b-1 (c) and (d)) are repealed.

"(b) Section 303 of the Supplemental Appropriations Act, 1979 (Public Law 96-38) is repealed.". Repeal. 2 USC 88b-1 note.

SEC. 124. For the purposes of this joint resolution in applying section 305(c) of H.R. 4120, the term "20 per centum" shall be substituted for "25 per centum". 5 USC 5348 note.

SEC. 125. The first sentence of section 110(a) of the Supplemental Appropriations and Rescission Act, 1981 (Public Law 97-12) is amended by inserting immediately before the period at the end thereof the following: "; except that the total amount so transferred from any such balance remaining as of the close of the fiscal year 1982 shall not exceed an amount equal to $15,000 or 25 per centum of the amount of such Senator's Official Office Expense Account, whichever is greater, as determined under section 506(b)(1) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)(1)), for the calendar year 1982". *Ante*, p. 62. 2 USC 58b.

SEC. 126. The second proviso of the paragraph of section 101 of the Legislative Branch Appropriation Act, 1974, which appears under the heading "COMMITTEE EMPLOYEES" (87 Stat. 529; 2 U.S.C. 68-1) is amended by striking out "one committee employee" and inserting in lieu thereof "the committee Auditor and the committee Assistant Auditor".

SEC. 127. (a)(1) The Secretary of the Senate is authorized and directed to procure and furnish each fiscal year (commencing with the fiscal year ending September 30, 1982) to the President of the Senate, upon request by such person, United States special delivery postage stamps in such amount as may be necessary for the mailing of postal matters arising in connection with his official business. Postage allowances for Senate officers. 2 USC 42a.

(2) That part of the paragraph under the heading "CONTINGENT EXPENSES OF THE SENATE", relating to the procurement of air mail and special delivery postage stamps by the Secretary of the Senate, appearing under the heading "SENATE" in the Legislative Branch Appropriation Act, 1942, as amended and supplemented (2 U.S.C. 42a), is hereby repealed.

2 USC 61d-2.

(b)(1) The Secretary of the Senate is authorized and directed to procure and furnish each fiscal year (commencing with the fiscal year ending September 30, 1982) to the Chaplain of the Senate, upon the request of the Chaplain of the Senate, United States postage stamps in such amounts as may be necessary for the mailing of postal matters arising in connection with his official business.

(2) That paragraph of the Second Supplemental Appropriations Act, 1976, with the caption "POSTAGE STAMPS" and relating to postage allowance for the Office of the Chaplain of the Senate, appearing under the heading "SENATE", in the matter preceding section 115 of such Act (2 U.S.C. 61d-2), is hereby repealed.

Death, resignation, or disability of Sergeant at Arms and Doorkeeper. Designation of successor.
2 USC 61e-3.

SEC. 128. In the event of the death, resignation, or disability of the Sergeant at Arms and Doorkeeper of the Senate, the Deputy Sergeant at Arms and Doorkeeper shall act as Sergeant at Arms and Doorkeeper of the Senate in carrying out the duties and responsibilities of that office in all matters until such time as a new Sergeant at Arms and Doorkeeper of the Senate shall have been elected and qualified or such disability shall have been ended. For purposes of this section, the Sergeant at Arms and Doorkeeper of the Senate shall be considered as disabled only during such period of time as the Majority and Minority Leaders and the President Pro Tempore of the Senate certify jointly to the Senate that the Sergeant at Arms and Doorkeeper of the Senate is unable to perform his duties. In the event that the Sergeant at Arms and Doorkeeper of the Senate is absent, the Deputy Sergeant at Arms and Doorkeeper shall act during such absence as the Sergeant at Arms and Doorkeeper of the Senate in carrying out the duties and responsibilities of the office in all matters.

SEC. 129. Of the unexpended balance of the funds appropriated for the Senate under the appropriation account heading "Salaries, Officers and Employees" for the fiscal year ending September 30, 1980, $1,505,000 is rescinded.

2 USC 441i.

SEC. 130. (a) In section 323(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441(a))—

(1) strike out all after "shall accept" down to and including "(1) any" and insert "shall accept any"; and

(2) strike out all after the word "speech," down to and including "year." and insert "or article.".

(b) In section 102 (a)(1)(A) of the Ethics in Government Act of 1978 (2 U.S.C. 702 (a)(1)(A)), after the word "source" where it appears the last time in the paragraph insert "including speeches, appearances, articles, or other publications".

Effective date.
2 USC 31 note.

(c) Effective beginning with fiscal year 1983, and continuing each year thereafter, such sums as hereafter may be necessary for "Compensation of Members" (and administrative expenses related thereto), as authorized by law and at such level recommended by the President for Federal employees for that fiscal year are hereby appropriated from money in the Treasury not otherwise appropriated. Such sums when paid shall be in lieu of any sums accrued in prior years but not paid. For purposes of this subsection, the term "Member" means each Member of the Senate and the House of Representatives, the Resident Commissioner from Puerto Rico, the Delegates from the District of Columbia, Guam, Virgin Islands, and American Samoa, and the Vice President.

"Member."

SEC. 131. Sections 111 through 130 and sections 139 through 141 of this joint resolution shall be effective without regard to the provisions of sections 102 and 106 of this joint resolution.

SEC. 132. Effective September 23, 1981, the appropriation "Operations, research, and facilities" of the National Oceanic and Atmospheric Administration for Fiscal Year 1981 is amended by adding "purchase (one)," before the words "maintenance, operation, and hire of aircraft".

Community Services Administration close-out expenses.

SEC. 133. Notwithstanding any other provision of this joint resolution, such sums as may be necessary shall be available during fiscal year 1982 for close-out expenses of the Community Services Administration.

SEC. 134. Notwithstanding any other provision of this joint resolution, none of the appropriations and funds made available and none of the authority granted pursuant to this joint resolution shall be available for payments under section 5(b)(2) of Public Law 81-874.

20 USC 240.

SEC. 135. Notwithstanding any other provision of this joint resolution, for the acquisition and transportation of petroleum for the Strategic Petroleum Reserve such amount as provided in section 101 of this joint resolution shall be pursuant to and in accordance with section 167 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

Ante, p. 619.

SEC. 136. Notwithstanding any other provision of this joint resolution, the Department of Defense is authorized to obligate and expend not more than $600,000 of the funds provided by this joint resolution to support the Yorktown Bicentennial Celebration and to participate in and support such celebration as would be authorized by the Department of Defense Authorization Act, 1982, as passed by the Senate on May 14, 1981.

SEC. 137. Notwithstanding any other provision of law or this joint resolution, $250,000,000 shall be available for loans to be guaranteed under the Rural Development Insurance Fund for alcohol production facilities to applicants that the Secretary of Agriculture determines are qualified to receive such guarantees, and $93,200,000 shall be available for the Elderly Feeding Program authorized by section 311 of the Older Americans Act.

42 USC 3030a.

Multinational force implementing Egyptian-Israeli peace treaty.

SEC. 138. Notwithstanding any other provision of this joint resolution, $125,000,000 shall be available for expenses necessary for the participation of the United States in a Multinational Force and Observers to implement the Treaty of Peace between Egypt and Israel: *Provided*, That the facilities constructed by use of these funds shall not be available for participation of United States troops in the Multinational Force and Observers in the Sinai without prior authorization by Congress for the participation of United States troops.

Living expenses of Members of Congress.
26 USC 162 note.

SEC. 139. (a) It is the sense of the Congress that the dollar limits on tax deductions for living expenses of Members of Congress while away from home shall be the same as such limits for businessmen and other private citizens.

26 USC 162.

(b)(1) The last sentence of section 162(a) of the Internal Revenue Code of 1954 is amended by striking out all after "home" and inserting in lieu thereof a period.

(2) Public Law 471, Eighty-second Congress, approved July 9, 1952 (66 Stat. 464), is amended by striking out the proviso in the second paragraph of the matter under the heading "HOUSE OF REPRESENTATIVES, SALARIES, MILEAGE, AND EXPENSES OF MEMBERS" (66 Stat. 467; 2 U.S.C. 31c).

Effective date.
26 USC 162 note.

(3) The amendments made by this subsection shall apply to taxable years beginning after December 31, 1981.

Senate employees, funding limitations.

SEC. 140. None of the funds appropriated in this joint resolution shall be used to fund in excess of 8,037 full-time officers and

Rules and regulations.

employees of the Senate of the United States and full-time officers and employees in the Office of the Architect of the Capitol who are assigned to the Senate. The Committee on Rules and Administration, in cooperation with the Committee on Appropriations in the Senate, shall establish rules and regulations for the equitable allocation among the offices and committees of the Senate and the Office of the Architect of the Capitol of the total number of full-time officers and employees established by the preceding limitation.

Senate office buildings, funding limitation.

SEC. 141. None of the funds appropriated in this joint resolution shall be used for the development, initiation, or implementation of plans, drawings, architectural engineering work, design work, site preparation or acquisition for or the construction of any new Senate office building or addition to existing Senate office buildings. This provision does not apply to the construction and completion of the Philip A. Hart Senate Office Building currently under construction.

Approved October 1, 1981.

LEGISLATIVE HISTORY—H.J. Res. 325:

HOUSE REPORT No. 97-223 (Comm. on Appropriations) and No. 97-260 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Sept. 16, considered and passed House.

Sept. 24, 25, considered and passed Senate, amended.

Sept. 30, House agreed to conference report; receded from its disagreement and concurred with amendments to certain Senate amendments. Senate agreed to conference report; resolved amendments in disagreement.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 40 (1981):

Oct. 1, Presidential statement.

Public Law 97-52
97th Congress

Joint Resolution

To provide for the designation of October 2, 1981, as "American Enterprise Day".

Oct. 2, 1981
[S.J. Res. 78]

Whereas America's enterprise system is a cornerstone in our society; and

Whereas that system has produced the highest standard of living in the world; and

Whereas that system depends on and rewards individual initiative and innovation; and

Whereas American productivity is vital to the world's economy and must be encouraged; and

Whereas the continuance and growth of our enterprise system depends in large part on the education of America's young men and women concerning that system: Now, therefore, be it

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President of the United States is authorized and requested to issue a proclamation designating October 2, 1981, as "American Enterprise Day" and encouraging appropriate Government agencies to foster the recognition of the significance of America's enterprise system on that day.**

American Enterprise Day. Designation authorization.

Approved October 2, 1981.

LEGISLATIVE HISTORY—S.J. Res. 78:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 17, considered and passed Senate.
Sept. 30, considered and passed House.

Public Law 97-53
97th Congress

Joint Resolution

Oct. 2, 1981
[S.J. Res. 103]

To authorize and request the President of the United States to issue a proclamation designating the seven calendar days beginning October 4, 1981, as "National Port Week".

Whereas the past development of the public ports of the United States is the result of a fruitful partnership in which State and local authorities have assumed major responsibilities for land-based port development with the Federal Government constructing and maintaining the navigable waterways and harbors of the United States;

Whereas our Nation's commercial seaports and inland river ports are indispensable to foreign and domestic waterborne commerce and to the economic well-being and national security of the United States;

Whereas the maintenance and development of a national network of commercial ports is vital to expanded international trade and to the attainment of a favorable trade balance;

Whereas commercial ports serving the waterborne commerce of the United States are responsible for the continued employment of more than one million workers and in 1980 generated a total of $66,000,000,000 in direct and indirect dollar income from gross sales and services to their users;

Whereas there is a continuing need to focus public attention upon the value to our Nation of a viable and competitive system of commercial ports; and

Whereas the "National Port Week" observance promotes public recognition of the vital role that our ocean and inland ports have played in the economic growth and development of the United States: Now, therefore, be it

National Port Week. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the seven-day period beginning October 4, 1981, as "National Port Week" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe that week with appropriate ceremonies and activities.

Approved October 2, 1981.

LEGISLATIVE HISTORY—S.J. Res. 103:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 16, considered and passed Senate.
Sept. 30, considered and passed House.

Public Law 97-54
97th Congress

Joint Resolution

Proclaiming Raoul Wallenberg to be an honorary citizen of the United States, and requesting the President to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

Oct. 5, 1981
[S.J. Res. 65]

Whereas the United States has conferred honorary citizenship on only one occasion in its more than two hundred years, and honorary citizenship is and should remain an extraordinary honor not lightly conferred nor frequently granted;

Whereas during World War II the United States was at war with Hungary, and had no diplomatic relations with that country;

Whereas in 1944 the United States Government through Secretary of State Cordell Hull requested the cooperation of Sweden, as a neutral nation, in protecting the lives of Hungarian Jews facing extermination at the hands of the Nazis;

Whereas Raoul Wallenberg agreed to act at the behest of the United States in Hungary, and went to Hungary in the summer of 1944 as Secretary of the Swedish Legation;

Whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent men, women, and children;

Whereas Raoul Wallenberg, with funds and directives supplied by the United States, provided food, shelter, and medical care to those whom he had rescued;

Whereas the Soviet Union, in violation of Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

Whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

Whereas reports from former prisoners in the Soviet Union, as recent as January 1981, suggest that Raoul Wallenberg is alive;

Whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II; and

Whereas the significance of this symbol of man's concern for his fellow man has been tainted by the wall of silence that surrounds the fate of Wallenberg: Now, therefore, be it

Raoul Wallenberg, honorary U.S. citizenship.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Raoul Wallenberg is proclaimed to be an honorary citizen of the United States of America.

SEC. 2. The President is requested to take all possible steps to ascertain from the Soviet Union the whereabouts of Raoul Wallenberg and to secure his return to freedom.

Approved October 5, 1981.

LEGISLATIVE HISTORY—S.J. Res. 65 (H.J. Res. 220):

HOUSE REPORT No. 97-152, pt. 1, accompanying H.J. Res. 220 (Comm. on Foreign Affairs).

SENATE REPORT No. 97-169 (Comm. on Foreign Relations) and (Comm. on the Judiciary).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Aug. 3, considered and passed Senate.

Sept. 22, H.J. Res. 220 considered and passed House; proceedings vacated and S.J. Res. 65 passed in lieu.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 41 (1981):

Oct. 5, Presidential statement.

Public Law 97-55
97th Congress

An Act

To convey certain interests in public lands to the city of Angels, California.

Oct. 6, 1981
[H.R. 618]

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

City of Angels, Calif.
Land conveyance.

SECTION 1. The Secretary of the Interior (hereafter in this Act referred to as the "Secretary") shall convey by quitclaim deed, subject to the conditions in section 3 of this Act, to the city council of the City of Angels, California (hereafter in this Act referred to as the "council"), or, if the council so designates, to a trustee (hereafter in this Act referred to as the "trustee") which the council may designate pursuant to section 8 of this Act, all right, title, and interest, including any future interests described in sections 6 and 7 of this Act, of the United States in and to 601.51 acres of land in Calaveras County, California, further described as Mount Diablo meridian:

Township 3 North, Range 13 East

Section 28:
Lots 1 and 2,
North half southwest quarter,
Southwest quarter southwest quarter,
Section 29: East half southeast quarter,
Section 33:
Lots 1 through 4, 6, 16 through 18,
Northwest quarter northwest quarter,
Northeast quarter southeast quarter,
Section 34:
Lot 2,
Northwest quarter southwest quarter,
including mineral surveys 356, 370, 479, 743, 1245, 1345, 2036, 2682, 3040, 3065, 3066, 3067, 3068, 3085, 3882, and 4449.

Notification of owners.

SEC. 2. The council or the trustee shall notify, within one year after the date of enactment of this Act, all individuals or other legal entities which appear, as of the date of such notice, upon the secured tax rolls of Calaveras County, California, as the owners of lands referred to in the first section of this Act, or of interests in such lands—

(a) of the conveyance by the United States of its interests in such lands under the first section of this Act,

(b) of the possible defect in the title to such lands or interests resulting from such interests of the United States,

(c) of the possible interests in such lands arising out of the mining laws of the United States, and identified pursuant to the operation of section 6 of this Act, and

(d) of the opportunity to remedy such defect under this Act.

Conveyance conditions.

SEC. 3. The conveyance referred to in the first section of this Act shall be made without consideration, but shall be made upon the following conditions:

(a) The council or the trustee shall convey, at any time after two years from enactment of this Act, the interests conveyed to it under the first section of this Act to individuals or other legal entities—

(1) which have submitted to the council or the trustee an application for such interests, and

(2) which appear, or which are the heirs, successors, or assignees of individuals or other legal entities which appear upon the secured tax rolls of Calaveras County, California, as of July 1, 1978, as the owners of the lands or interests with respect to which such application was submitted.

(b) The conveyed property shall remain subject to all encumbrances, if any, existing on the date of enactment of this Act, including easements, servitudes, leases, and rights-of-way, except those encumbrances that are related to interests in mining claims which may be extinguished pursuant to sections 6 and 7 of this Act.

(c) Conveyance of the conveyed property shall be conditioned upon and subject to the right of mining claimants whose rights and interests were initiated pursuant to the mining laws prior to entry and patent under the Townsite Act (43 U.S.C. 711 et seq. (repealed)), and who initiate patent procedures pursuant to section 6 of this Act which result in the issuance of a patent under the mining laws.

Costs.

SEC. 4. Any administrative or recording costs incurred with respect to any conveyance made by the council or the trustee under section 3 of this Act shall be borne by the party to whom such conveyance is made.

SEC. 5. Any of the interests conveyed under the first section of this Act which do not appear on the secured tax rolls of Calaveras County, California, as of July 1, 1978, shall be conveyed to the council, if held by the trustee, and held or disposed of by the council for the benefit of the City of Angels, California.

Unpatented mining claims.

SEC. 6. (a) Any unpatented mining claim located within those lands described in the first section of this Act recorded pursuant to the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), for which the claimant has not made application for patent within two years after the date of the enactment of this Act shall be conclusively deemed to be abandoned and shall be void and all interests in such claim shall be deemed to have reverted to the United States for the purpose of this Act: *Provided, however,* That upon a showing that a mineral survey cannot be completed within said two-year period, the filing of an application for a mineral survey, which states on its face that it was filed for the purpose of proceeding to patent, shall be acceptable for the patent application purpose of this section if all other applicable requirements under the general mining laws and other laws have been met and if the applicant subsequently prosecutes diligently to completion his application for patent.

(b) Final rejection of any patent application filed under section 6 of this Act shall cause to lapse and be void the condition imposed by section 3(c) of this Act in the grant to any person receiving conveyance of lands embracing all or part of the mining claim which was the subject of the rejected patent application.

SEC. 7. For the purposes of this Act, any unpatented mining claim located within those lands described in the first section of this Act which on the date of enactment of this Act was not recorded pursuant to section 314 of the Federal Land Policy and Management Act of 1976, or which is not maintained by the annual filings required by

43 USC 1744.

section 314 of said Act, shall be conclusively deemed abandoned and shall be void, in accordance with the provisions of section 314 of said Act, and all interests in such claim shall be deemed to have reverted to the United States upon such failure to record or annually file.

43 USC 1744.

SEC. 8. The trustee designated by the council pursuant to section 1 of this Act shall be an individual, residing in Calaveras County, California, capable under the laws of that State to act in the capacity of trustee.

Trustee appointment.

Approved October 6, 1981.

LEGISLATIVE HISTORY—H.R. 618:

HOUSE REPORT No. 97-13 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-185 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Apr. 6, considered and passed House.
Sept. 22, considered and passed Senate.

Public Law 97-56
97th Congress

An Act

Oct. 6, 1981
[H.R. 2218]

To direct the Secretary of Agriculture to convey certain National Forest System lands in the State of Nevada, and for other purposes.

National Forest System lands, Nev.
Land conveyance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of Agriculture is directed to convey to the county of Douglas, Nevada, by quitclaim deed or other appropriate instrument, subject to the provisions of section 2 of this Act, all right, title, and interest of the United States in and to a certain tract of land and improvements thereon described as follows: Township 13 north, range 20 east, Mount Diablo base line and meridian, section 29, lot 3, block 1, north addition, town of Minden, county of Douglas, Nevada, containing 0.34 acre more or less.

SEC. 2. The county of Douglas, Nevada, shall, in consideration for the conveyance of the lands described in the first section—

(1) convey to the Secretary of Agriculture all right, title, and interest in and to a certain tract of land described as follows: That portion of the northwest quarter southeast quarter of section 8, township 13 north, range 20 east, Mount Diablo meridian, Douglas County, Nevada, beginning at the point on the northerly right-of-way line of Airport Road, said point bears south 7 degrees 35 minutes 52 seconds west, 14,708.02 feet from the northeast corner of section 32, township 14 north, range 20 east, Mount Diablo meridian; thence from the initial point south 89 degrees 43 minutes 16 seconds west along the northerly right-of-way line of said Airport Road 215.00 feet; thence north 0 degrees 16 minutes 44 seconds west, 145.88 feet; thence north 89 degrees 43 minutes 16 seconds east, 215.00 feet; thence south 0 degrees 16 minutes 44 seconds east, 145.88 feet to the point of beginning, containing 0.72 acre, more or less; and

(2) construct a warehouse on said tract of land of such design and quality acceptable to the Secretary of Agriculture.

SEC. 3. The lands acquired by the Secretary of Agriculture by this Act shall be added to the Toiyabe National Forest and shall be administered in accordance with the laws, rules, and regulations, applicable to the National Forest System.

Toiyabe National Forest, addition.

Approved October 6, 1981.

LEGISLATIVE HISTORY—H.R. 2218:

HOUSE REPORT No. 97-169 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-186 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 20, considered and passed House.
Sept. 22, considered and passed Senate.

Public Law 97-57
97th Congress

Joint Resolution

Oct. 9, 1981
[H.J. Res. 263]

To designate May 6, 1982, as "National Recognition Day for Nurses".

Whereas nursing women and men have provided significant contributions to the health care of our Nation's citizens of all ages, sex, and creeds for more than one hundred years;

Whereas nurses provide care in hospitals, nursing homes, extended care facilities, clinics, rehabilitation hospitals, physicians' offices, private duty nursing, and industrial nursing;

Whereas nurses' skills and knowledge provide disease and injury prevention, and aim toward restoration of health;

Whereas nurses strive to provide comfort, solace, and education to those entrusted to their care;

Whereas nursing is a highly technical, sophisticated, and exacting science: Now, therefore, be it

National Recognition Day for Nurses. Designation authorization.

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized and requested to designate May 6, 1982, as "National Recognition Day for Nurses", and to call upon the people of the United States to observe such day with appropriate programs, ceremonies, and activities.**

Approved October 9, 1981.

LEGISLATIVE HISTORY—H.J. Res. 263:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 30, considered and passed House.
Sept. 25, considered and passed Senate.

Public Law 97-58
97th Congress

An Act

To improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes.

Oct. 9, 1981
[H.R. 4084]

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

Marine Mammal Protection Act of 1972, amendment.

SECTION 1. OPTIMUM SUSTAINABLE POPULATION.

(a) BASIC AMENDMENT.—Paragraph (8) of section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(8)) (which Act shall hereafter in this Act be referred to as the "Act of 1972") is repealed.

(b) CONFORMING AMENDMENTS.—(1) Section 2(6) of the Act of 1972 (16 U.S.C. 1361(6)) is amended by striking out "optimum carrying capacity" and inserting in lieu thereof "carrying capacity".

(2) Section 3 of the Act of 1972 (16 U.S.C. 1362) is further amended—

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

"(1) The term 'depletion' or 'depleted' means any case in which— "Depletion" or "depleted."

"(A) the Secretary, after consultation with the Marine Mammal Commission and the Committee of Scientific Advisors on Marine Mammals established under title II of this Act, determines that a species or population stock is below its optimum sustainable population; 16 USC 1401.

"(B) a State, to which authority for the conservation and management of a species or population stock is transferred under section 109, determines that such species or stock is below its optimum sustainable population; or *Post*, p. 982.

"(C) a species or population stock is listed as an endangered species or a threatened species under the Endangered Species Act of 1973."; 16 USC 1531 note.

(B) by striking out "the optimum carrying capacity of their habitat" in paragraph (2) and inserting in lieu thereof "their optimum sustainable population";

(C) by redesignating paragraphs (9) through (15) as paragraphs (8) through (14), respectively;

(D) by striking out "optimum carrying capacity" in paragraph (8) (as so redesignated) and inserting in lieu thereof "carrying capacity"; and

(E) by amending paragraph (13) (as so redesignated) to read as follows:

"(13) The term 'United States' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, American Samoa, Guam, and Northern Mariana Islands.". "United States."

SEC. 2. MORATORIUM ON TAKING AND IMPORTING MARINE MAMMALS.

Section 101 of the Act of 1972 (16 U.S.C. 1371) is amended—

(1) by amending subsection (a)—

(A) by striking out the first four sentences of paragraph (2) and inserting in lieu thereof the following: "(2) Marine mammals may be taken incidentally in the course of com-

16 USC 1374.
16 USC 1373.

mercial fishing operations and permits may be issued therefor under section 104 subject to regulations prescribed by the Secretary in accordance with section 103. In any event it shall be the immediate goal that the incidental kill or incidental serious injury of marine mammals permitted in the course of commercial fishing operations be reduced to insignificant levels approaching a zero mortality and serious injury rate; provided that this goal shall be satisfied in the case of the incidental taking of marine mammals in the course of purse seine fishing for yellowfin tuna by a continuation of the application of the best marine mammal safety techniques and equipment that are economically and technologically practicable.",

(B) by striking out "is classified as belonging to an endangered species or threatened species pursuant to the Endangered Species Act of 1973 or" in paragraph (3)(B), and

16 USC 1531 note.

(C) by adding at the end thereof the following new paragraphs:

"(4)(A) During any period of five consecutive years, the Secretary shall allow the incidental, but not the intentional, taking, by citizens of the United States while engaging in commercial fishing operations, of small numbers of marine mammals of a species or population stock that is not depleted if the Secretary, after notice and opportunity for public comment—

"(i) finds that the total of such taking during such five-year period will have a negligible impact on such species or stock; and

"(ii) provides guidelines pertaining to the establishment of a cooperative system among the fishermen involved for the monitoring of such taking.

"(B) The Secretary shall withdraw, or suspend for a time certain, the permission to take marine mammals under subparagraph (A) if the Secretary finds, after notice and opportunity for public comment, that—

"(i) the taking allowed under subparagraph (A) is having more than a negligible impact on the species or stock concerned; or

"(ii) the policies, purposes and goals of this Act would be better served through the application of this title without regard to this subsection.

Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this paragraph.

Notice, publication in Federal Register.

"(5)(A) Upon request therefor by citizens of the United States who engage in a specified activity (other than commercial fishing) within a specified geographical region, the Secretary shall allow, during periods of not more than five consecutive years each, the incidental, but not intentional, taking by citizens while engaging in that activity within that region of small numbers of marine mammals of a species or population stock that is not depleted if the Secretary, after notice (in the Federal Register and in newspapers of general circulation, and through appropriate electronic media, in the coastal areas that may be affected by such activity) and opportunity for public comment—

"(i) finds that the total of such taking during each five-year (or less) period concerned will have a negligible impact on such species or stock and its habitat, and on the availability of such species or stock for taking for subsistence uses pursuant to subsection (b) or section 109(f); and

Post, p. 982.

"(ii) prescribes regulations setting forth—

"(I) permissible methods of taking pursuant to such activity, and other means of effecting the least practicable

adverse impact on such species or stock and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance; and

"(II) requirements pertaining to the monitoring and reporting of such taking.

"(B) The Secretary shall withdraw, or suspend for a time certain (either on an individual or class basis, as appropriate) the permission to take marine mammals under subparagraph (A) pursuant to a specified activity within a specified geographical region if the Secretary finds, after notice and opportunity for public comment (as required under subparagraph (A) unless subparagraph (C)(i) applies), that—

"(i) the regulations prescribed under subparagraph (A) regarding methods of taking, monitoring, or reporting are not being substantially complied with by a person engaging in such activity; or

"(ii) the taking allowed under subparagraph (A) pursuant to one or more activities within one or more regions is having, or may have, more than a negligible impact on the species or stock concerned.

"(C)(i) The requirement for notice and opportunity for public comment in subparagraph (B) shall not apply in the case of a suspension of permission to take if the Secretary determines that an emergency exists which poses a significant risk to the well-being of the species or stock concerned.

Emergency situation.

"(ii) Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this paragraph."; and

16 USC 1373, 1374.

(2) by amending subsection (b)—

(A) by amending the matter preceding paragraph (1) to read as follows: "Except as provided in section 109, the provisions of this Act shall not apply with respect to the taking of any marine mammal by any Indian, Aleut, or Eskimo who resides in Alaska and who dwells on the coast of the North Pacific Ocean or the Arctic Ocean if such taking—", and

Post, p. 982.

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

"(1) is for subsistence purposes; or".

SEC. 3. PROHIBITIONS AND PENALTIES.

(a) PROHIBITIONS.—(1) Section 102(a) of the Act of 1972 (16 U.S.C. 1372(a)) is amended—

(A) by inserting "109," immediately after "104," in the matter preceding paragraph (1);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) for any person, with respect to any marine mammal taken in violation of this title, to possess that mammal or any product from that mammal;

"(4) for any person to transport, purchase, sell, or offer to purchase or sell any marine mammal or marine mammal product; and".

(2) Section 102(b)(3) of such Act is amended by striking out "or which has been listed as an endangered species or threatened species pursuant to the Endangered Species Act of 1973".

16 USC 1531 note.

(3) Section 102(d)(1) of such Act is amended by striking out "or endangered".

(b) PENALTIES.—Section 105(a) of the Act of 1972 (16 U.S.C. 1375(a)) is amended by inserting "(1)" immediately after "(a)" and by inserting at the end thereof the following new paragraph:

"(2) In any case involving an alleged unlawful importation of a marine mammal or marine mammal product, if such importation is made by an individual for his own personal or family use (which does not include importation as an accommodation to others or for sale or other commercial use), the Secretary may, in lieu of instituting a proceeding under paragraph (1), allow the individual to abandon the mammal or product, under procedures to be prescribed by the Secretary, to the enforcement officer at the port of entry.".

SEC. 4. STATE MANAGEMENT.

(a) TRANSFER OF MANAGEMENT AUTHORITY.—Section 109 of the Act of 1972 (16 U.S.C. 1379) is amended—

(1) by redesignating subsections (c) and (d) as subsections (k) and (l), respectively; and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"SEC. 109. (a) No State may enforce, or attempt to enforce, any State law or regulation relating to the taking of any species (which term for purposes of this section includes any population stock) of marine mammal within the State unless the Secretary has transferred authority for the conservation and management of that species (hereinafter referred to in this section as 'management authority') to the State under subsection (b)(1).

State conservation and management programs.

"(b)(1) Subject to paragraph (2) and subsection (f), the Secretary shall transfer management authority for a species of marine mammal to a State if the Secretary finds, after notice and opportunity for public comment, that the State has developed and will implement a program for the conservation and management of the species that—

"(A) is consistent with the purposes, policies, and goals of this Act and with international treaty obligations;

"(B) requires that all taking of the species be humane;

"(C) does not permit the taking of the species unless and until—

"(i) the State has determined, under a process consistent with the standards set forth in subsection (c)—

"(I) that the species is at its optimum sustainable population (hereinafter in this section referred to as 'OSP'), and

"(II) the maximum number of animals of that species that may be taken without reducing the species below its OSP, and

"(ii) the determination required under clause (i) is final and implemented under State law, and, if a cooperative allocation agreement for the species is required under subsection (d)(1), such an agreement is implemented;

"(D) does not permit the taking of a number of animals of the species that exceeds the maximum number determined pursuant to subparagraph (C)(i)(II), and, in the case of taking for subsistence uses (as defined in subsection (f)(2)), does not permit the taking of a number of animals that would be inconsistent with the maintenance of the species at its OSP;

"(E) does not permit the taking of the species for scientific research and public display purposes, except for taking for such purposes that is undertaken by, or on behalf of, the State;

"(F) provides procedures for acquiring data, and evaluating such data and other new evidence, relating to the OSP of the species, and the maximum take that would maintain the species at that level, and, if required on the basis of such evaluation, for amending determinations under subparagraph (C)(i);

"(G) provides procedures for the resolution of differences between the State and the Secretary that might arise during the development of a cooperative allocation agreement under subsection (d)(1); and

"(H) provides for the submission of an annual report to the Secretary regarding the administration of the program during the reporting period.

"(2) During the period between the transfer of management authority for a species to a State under paragraph (1) and the time at which the implementation requirements under paragraph (1)(C)(ii) are complied with—

"(A) the State program shall not apply with respect to the taking of the species within the State for any purpose, or under any condition, provided for under section 101; and

16 USC 1371.

"(B) the Secretary shall continue to regulate, under this title, all takings of the species within the State.

"(3) After the determination required under paragraph (1)(C)(i) regarding a species is final and implemented under State law and after a cooperative allocation agreement described in subsection (d)(1), if required, is implemented for such species—

"(A) such determination shall be treated, for purposes of applying this title beyond the territory of the State, as a determination made in accordance with section 103 and as an applicable waiver under section 101(a)(3);

16 USC 1373.

"(B) the Secretary shall regulate, without regard to this section other than the allocations specified under such an agreement, the taking of the species—

"(i) incidentally in the course of commercial fishing operations (whether provided for under section 101(a) (2) or (4)), or in the course of other specified activities provided for under section 101(a)(5), in the zone described in section 3(14)(B), and

Ante, pp. 979, 980.

Ante, p. 979.

"(ii) for scientific research or public display purposes (other than by, or on behalf of, the State), except that any taking authorized under a permit issued pursuant to section 101(a)(1) after the date of the enactment of the 1981 amendment to this subsection allowing the removal of live animals from habitat within the State shall not be effective if the State agency disapproves, on or before the date of issuance of the permit, such taking as being inconsistent with the State program; and

"(C) section 101(b) shall not apply.

"(c) The State process required under subsection (b)(1)(C) must comply with the following standards:

Compliance standards.

"(1) The State agency with management authority for the species (hereinafter in this section referred to as the 'State agency') must make an initial determination regarding the factors described in clause (i) of that subsection. The State agency must identify, and make available to the public under reasonable circumstances, the documentation supporting such initial determination. Unless request for a hearing under paragraph (2) regarding the initial determination is timely made, the initial determination shall be treated as final under State law.

Hearing.

"(2) The State agency shall provide opportunity, at the request of any interested party, for a hearing with respect to the initial determination made by it under paragraph (1) at which interested parties may—

"(A) present oral and written evidence in support of or against such determination; and

"(B) cross-examine persons presenting evidence at the hearing.

Public notice.

The State agency must give public notice of the hearing and make available to the public within a reasonable time before commencing the hearing a list of the witnesses for the State and a general description of the documentation and other evidence that will be relied upon by such witnesses.

"(3) The State agency, solely on the basis of the record developed at a hearing held pursuant to paragraph (2), must make a decision regarding its initial determination under paragraph (1) and shall include with the record a statement of the findings and conclusions, and the reason or basis therefor, on all material issues.

Judicial review.

"(4) Opportunity for judicial review of the decision made by the State agency on the record under paragraph (3), under scope of review equivalent to that provided for in section 706(2) (A) through (E) of title 5, United States Code, must be available under State law. The Secretary may not initiate judicial review of any such decision.

Cooperative allocation agreement.

"(d)(1) If the range of a species with respect to which a determination under paragraph (1)(C)(i) of subsection (b) is made extends beyond the territorial waters of the State, the State agency and the Secretary (who shall first coordinate with the Marine Mammal Commission and the appropriate Regional Fishery Management Council established under section 302 of the Act of April 13, 1976 (16 U.S.C. 1852)) shall enter into a cooperative allocation agreement providing procedures for allocating, on a timely basis, such of the number of animals, as determined under paragraph (1)(C)(i)(II) of subsection (b), as may be appropriate with priority of allocation being given firstly to taking for subsistence uses in the case of the State of Alaska, and secondly to taking for purposes provided for under section 101(a) within the zone described in section 3(14)(B).

16 USC 1371.
Ante, p. 979.

"(2) If the State agency requests the Secretary to regulate the taking of a species to which paragraph (1) applies within the zone described in section 3(14)(B) for subsistence uses or for hunting, or both, in a manner consistent with the regulation by the State agency of such taking within the State, the Secretary shall adopt, and enforce within such zone, such of the State agency's regulatory provisions as the Secretary considers to be consistent with his administration of section 101(a) within such zone. The Secretary shall adopt such provisions through the issuance of regulations under section 553 of title 5, United States Code, and with respect to such issuance the Regulatory Flexibility Act, the Paperwork Reduction Act, Executive Order Numbered 12291, dated February 17, 1981, and the thirty-day notice requirement in subsection (d) of such section 553 shall not apply. For purposes of sections 105, 106, and 107, such regulations shall be treated as having been issued under this title.

Regulations.

5 USC 601 note.
44 USC 101 note.
46 FR 13193.

16 USC 1375-1377.

Revocation of authority transfer.

"(e)(1) Subject to paragraph (2), the Secretary shall revoke, after opportunity for a hearing, any transfer of management authority made to a State under subsection (b)(1) if the Secretary finds that the State program for the conservation and management of the species concerned is not being implemented, or is being implemented in a

manner inconsistent with the provisions of this section or the provisions of the program. The Secretary shall also establish a procedure for the voluntary return by a State to the Secretary of species management authority that was previously transferred to the State under subsection (b)(1).

Revocation conditions.

"(2)(A) The Secretary may not revoke a transfer of management authority under paragraph (1) unless—

"(i) the Secretary provides to the State a written notice of intent to revoke together with a statement, in detail, of those actions, or failures to act, on which such intent is based; and

"(ii) during the ninety-day period after the date of the notice of intent to revoke—

"(I) the Secretary provides opportunity for consultation between him and the State concerning such State actions or failures to act and the remedial measures that should be taken by the State, and

"(II) the State does not take such remedial measures as are necessary, in the judgment of the Secretary, to bring its conservation and management program, or the administration or enforcement of the program, into compliance with the provisions of this section.

"(B) When a revocation by the Secretary of a transfer of management authority to a State becomes final, or the State voluntarily returns management authority to the Secretary, the Secretary shall regulate the taking, and provide for the conservation and management, of the species within the State in accordance with the provisions of this Act (and in the case of Alaskan Natives, section 101(b) and subsection (i) of this section shall apply upon such revocation or return of management authority).

Ante, p. 981.

Authority transfer to State of Alaska, restrictions.

"(f)(1) The Secretary may not transfer management authority to the State of Alaska under subsection (b)(1) for any species of marine mammal unless—

"(A) the State has adopted and will implement a statute and regulations that insure that the taking of the species for subsistence uses—

"(i) is accomplished in a nonwasteful manner,

"(ii) will be the priority consumptive use of the species, and

"(iii) if required to be restricted, such restriction will be based upon—

"(I) the customary and direct dependence upon the species as the mainstay of livelihood,

"(II) local residency, and

"(III) the availability of alternative resources; and

"(B) the State has adopted a statute or regulation that requires that any consumptive use of marine mammal species, other than for subsistence uses, will be authorized during a regulatory year only if the appropriate agency first makes findings, based on an administrative record before it, that—

"(i) such use will have no significant adverse impact upon subsistence uses of the species, and

"(ii) the regulation of such use, including, but not limited to, licensing of marine mammal hunting guides and the assignment of guiding areas, will, to the maximum extent practicable, provide economic opportunities for the residents of the rural coastal villages of Alaska who engage in subsistence uses of that species.

Definitions.

"(2) For purposes of paragraph (1), the term 'subsistence uses' means the customary and traditional uses by rural Alaska residents of marine mammals for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation; for the making and selling of handicraft articles out of nonedible byproducts of marine mammals taken for personal or family consumption; and for barter, or sharing for personal or family consumption. As used in this paragraph—

"(A) The term 'family' means all persons related by blood, marriage, or adoption, or any person living within a household on a permanent basis.

"(B) The term 'barter' means the exchange of marine mammals or their parts, taken for subsistence uses—

"(i) for other wildlife or fish or their parts, or

"(ii) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

"(g) Neither the transfer of management authority to a State under subsection (b)(1), nor the revocation or voluntary return of such authority under subsection (e), shall be deemed to be an action for which an environmental impact statement is required under section 102 of the National Environmental Policy Act of 1969.

42 USC 4332.

"(h) Nothing in this title shall prevent a Federal, State, or local government official or employee or a person designated under section 112(c) from taking, in the course of his duties as an official, employee, or designee, a marine mammal in a humane manner (including euthanasia) if such taking is for—

16 USC 1382.

"(1) the protection or welfare of the mammal,

"(2) the protection of the public health and welfare, or

"(3) the nonlethal removal of nuisance animals,

and, in any case in which the return of the mammal to its natural habitat is feasible, includes steps designed to achieve that result.

"(i) The Secretary may (after providing notice thereof in the Federal Register and in newspapers of general circulation, and through appropriate electronic media, in the affected area and providing opportunity for a hearing thereon in such area) prescribe regulations requiring the marking, tagging, and reporting of animals taken pursuant to section 101(b).

16 USC 1371.

Grants.

"(j) The Secretary may make grants to States to assist them—

"(1) in developing programs, to be submitted for approval under subsection (b), for the conservation and management of species of marine mammals; and

"(2) in administering such programs if management authority for such species is transferred to the State under such subsection.

Grants made under this subsection may not exceed 50 per centum of the costs of developing a State program before Secretarial approval, or of administering the program thereafter.".

16 USC 1379 note.

(b) No Effect on Certain Cooperative Agreements.—Nothing in the amendments made by subsection (a) shall be construed as affecting in any manner, or to any extent, any cooperative agreement entered into by a State under section 6(c) of the Endangered Species Act of 1973 (16 U.S.C. 1535(c)) before, on, or after the date of the enactment of this Act.

SEC. 5. MARINE MAMMAL RESEARCH.

Section 110(a) of the Act of 1972 (16 U.S.C. 1380(a)) is amended by adding at the end thereof the following new sentences: "In carrying out this subsection, the Secretary shall undertake a program of, and shall provide financial assistance for, research into new methods of

locating and catching yellowfin tuna without the incidental taking of marine mammals. The Secretary shall include a description of the annual results of research carried out under this section in the report required under section 103(f).". 16 USC 1373.

SEC. 6. MARINE MAMMAL COMMISSION.

Title II of the Act of 1972 (16 U.S.C. 1401-1407) is amended—

(1) by striking out "furnish its reports and recommendations to him, before publication, for his comment." in section 202(b) and inserting in lieu thereof "provide each annual report required under section 204, before submission to Congress, to the Secretary for comment."; and 16 USC 1402.

(2) by inserting ", or provide such grants to," immediately after "agreements with" in section 206(3). 16 USC 1406.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

(a) DEPARTMENT OF COMMERCE.—There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $7,223,000 for fiscal year 1982, $8,000,000 for fiscal year 1983, and $8,800,000 for fiscal year 1984. 16 USC 1384. 16 USC 1371.

(b) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of the Interior, for purposes of carrying out such functions and responsibilities as it may have been given under such title I, $1,600,000 for fiscal year 1982, $1,760,000 for fiscal year 1983, and $2,000,000 for fiscal year 1984. 16 USC 1384.

(c) MARINE MAMMAL COMMISSION.—There are authorized to be appropriated to the Marine Mammal Commission, for purposes of carrying out title II of such Act of 1972, $672,000 for fiscal year 1982, $1,000,000 for fiscal year 1983, and $1,100,000 for fiscal year 1984. 16 USC 1407. 16 USC 1401.

Approved October 9, 1981.

LEGISLATIVE HISTORY—H.R. 4084:

HOUSE REPORT No. 97-228 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 21, considered and passed House.
Sept. 29, considered and passed Senate.

Public Law 97-59
97th Congress

An Act

Oct. 9, 1981
[S. 1033]

Granting the consent of Congress to the agreement between the States of North Carolina and South Carolina establishing their lateral seaward boundary.

North Carolina-South Carolina. Boundary agreement.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress consents to the agreement between the States of North Carolina and South Carolina establishing their mutual seaward boundary, which agreement was proposed by the joint resolution of the boundary commissions for North Carolina and South Carolina regarding the delimitation of the lateral seaward boundary between the two States, executed January 20, 1978, and was adopted by the States of North Carolina and South Carolina, and which agreement is substantially as follows:

"The lateral seaward boundary between North Carolina and South Carolina from the low-water mark of the Atlantic Ocean shall be and is hereby designated as a continuation of the North Carolina-South Carolina boundary line as described by monuments located at latitude 33 degrees, 51 minutes, 50.7214 seconds north, longitude 78 degrees, 33 minutes, 22.9448 seconds west, at latitude 33 degrees, 51 minutes, 36.4626 seconds north, longitude 78 degrees, 33 minutes, 06.1937 seconds west, and at latitude 33 degrees, 51 minutes, 07.8792 seconds north, longitude 78 degrees, 32 minutes, 32.6210 seconds west, in a straight line projection of said line to the seaward limits of the States' territorial jurisdiction, such line to be extended on the same bearing insofar as a need for further delimitation may arise.".

SEC. 2. Nothing contained in the agreement described in the first section of this Act shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the agreement.

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

Approved October 9, 1981.

LEGISLATIVE HISTORY—S. 1033 (H.R. 2896):

HOUSE REPORT No. 97-238 accompanying H.R. 2896 (Comm. on the Judiciary).
SENATE REPORT No. 97-129 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 9, considered and passed Senate.
Sept. 29, H.R. 2896 considered and passed House; proceedings vacated and S. 1033 passed in lieu.

Public Law 97-60
97th Congress

An Act

To increase the pay and allowances of members of the uniformed services, and for other purposes.

Oct. 14, 1981
[S. 1181]

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 "Uniformed Services Pay Act of 1981".

Uniformed Services Pay Act of 1981.
37 USC 101 note.

TITLE I—PAY AND ALLOWANCES

PART A—ANNUAL COMPENSATION INCREASE

INCREASE IN BASIC PAY AND ALLOWANCES

SEC. 101. (a) The adjustment required by section 1009 of title 37, United States Code, in certain elements of the compensation of members of the uniformed services to become effective on October 1, 1981, shall not be made, and no adjustment of the compensation of any member of a uniformed service shall be made pursuant to such section for the period beginning on October 1, 1981, and ending on the date of the enactment of this Act. Effective as of October 1, 1981, the rates for each element of compensation specified in section 1009(a) of such title are as provided in subsection (b).

37 USC 1009 note.

Effective date.

(b)(1) The rates of monthly basic pay for members of the uniformed services entitled to basic pay under section 204 of title 37, United States Code, based on years of service computed under section 205 of such title, are as follows:

37 USC 205.

COMMISSIONED OFFICERS [1]

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	2 or less	Over 2	Over 3	Over 4	Over 6
O-10 [2]	$4,506.60	$4,665.30	$4,665.30	$4,665.30	$4,665.30
O-9	3,994.20	4,098.90	4,186.20	4,186.20	4,186.20
O-8	3,617.70	3,726.00	3,814.50	3,814.50	3,814.50
O-7	3,006.00	3,210.60	3,210.60	3,210.60	3,354.30
O-6	2,228.10	2,448.30	2,608.20	2,608.20	2,608.20
O-5	1,782.00	2,092.80	2,237.10	2,237.10	2,237.10
O-4	1,502.10	1,828.80	1,951.20	1,951.20	1,986.90
O-3 [3]	1,395.90	1,560.60	1,668.30	1,845.90	1,934.10
O-2 [3]	1,217.10	1,329.30	1,596.90	1,650.60	1,685.10
O-1 [3]	1,056.60	1,099.80	1,329.30	1,329.30	1,329.30

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	Over 8	Over 10	Over 12	Over 14	Over 16
O-10 [2]	$4,844.10	$4,844.10	$5,215.20	$5,215.20	$5,588.10
O-9	4,292.70	4,292.70	4,471.20	4,471.20	4,844.10
O-8	4,098.90	4,098.90	4,292.70	4,292.70	4,471.20
O-7	3,354.30	3,549.00	3,549.00	3,726.00	4,098.90

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	Over 8	Over 10	Over 12	Over 14	Over 16
O-6	2,608.20	2,608.20	2,608.20	2,696.70	3,123.60
O-5	2,237.10	2,305.20	2,428.80	2,591.40	2,785.50
O-4	2,075.10	2,216.40	2,341.20	2,448.30	2,555.40
O-3[3]	2,004.00	2,111.70	2,216.40	2,271.00	2,271.00
O-2[3]	1,685.10	1,685.10	1,685.10	1,685.10	1,685.10
O-1[3]	1,329.30	1,329.30	1,329.30	1,329.30	1,329.30

Pay grade	Years of service computed under section 205 of title 37, United States Code			
	Over 18	Over 20	Over 22	Over 26
O-10[2]	$5,588.10	$5,961.90	$5,961.90	$6,333.90
O-9	4,844.10	5,215.20	5,215.20	5,588.10
O-8	4,665.30	4,844.10	5,038.20	5,038.20
O-7	4,380.60	4,380.60	4,380.60	4,380.60
O-6	3,283.20	3,354.30	3,549.00	3,849.00
O-5	2,945.40	3,034.20	3,140.40	3,140.40
O-4	2,626.20	2,626.20	2,626.20	2,626.20
O-3[3]	2,271.00	2,271.00	2,271.00	2,271.00
O-2[3]	1,685.10	1,685.10	1,685.10	1,685.10
O-1[3]	1,329.30	1,329.30	1,329.30	1,329.30

[1] Basic pay is limited to the rate of basic pay payable for level V of the Executive Schedule.
[2] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $6,988.50 regardless of cumulative years of service computed under section 205 ot title 37, United States Code.
[3] Does not apply to commissioned officers who have been credited with over 4 years of active service as enlisted members or warrant officers.

Commissioned Officers Who Have Been Credited With Over 4 Years Active Service as Enlisted Members or Warrant Officers

Pay grade	Years of service computed under section 205 of title 37, United States Code					
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14
O-3	$1,845.90	$1,934.10	$2,004.00	$2,111.70	$2,216.40	$2,305.20
O-2	1,650.60	1,685.10	1,738.50	1,828.80	1,899.00	1,951.20
O-1	1,329.30	1,419.90	1,472.40	1,525.50	1,578.60	1,650.60

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	Over 16	Over 18	Over 20	Over 22	Over 26
O-3	$2,305.20	$2,305.20	$2,305.20	$2,305.20	$2,305.20
O-2	1,951.20	1,951.20	1,951.20	1,951.20	1,951.20
O-1	1,650.60	1,650.60	1,650.60	1,650.60	1,650.60

WARRANT OFFICERS

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	2 or less	Over 2	Over 3	Over 4	Over 6
W-4	$1,422.00	$1,525.50	$1,525.50	$1,560.60	$1,631.40
W-3	1,292.70	1,402.20	1,402.20	1,419.90	1,436.70
W-2	1,132.20	1,224.60	1,224.60	1,260.30	1,329.30
W-1	943.20	1,081.50	1,081.50	1,171.80	1,224.60

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	Over 8	Over 10	Over 12	Over 14	Over 16
W-4	$1,703.40	$1,774.80	$1,899.00	$1,986.90	$2,057.10
W-3	1,541.70	1,631.40	1,685.10	1,738.50	1,790.70
W-2	1,402.20	1,455.00	1,508.40	1,560.60	1,615.20
W-1	1,277.40	1,329.30	1,384.20	1,436.70	1,489.50

Pay grade	Years of service computed under section 205 of title 37, United States Code			
	Over 18	Over 20	Over 22	Over 26
W-4	$2,111.70	$2,180.40	$2,253.60	$2,428.80
W-3	1,845.90	1,917.30	1,986.90	2,057.10
W-2	1,668.30	1,721.10	1,790.70	1,790.70
W-1	1,541.70	1,596.90	1,596.90	1,596.90

ENLISTED MEMBERS

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	2 or less	Over 2	Over 3	Over 4	Over 6
E-9 [1]					
E-8					
E-7	$968.70	$1,045.50	$1,084.50	$1,122.00	$1,160.70
E-6	833.10	908.40	946.50	986.40	1,023.00
E-5	731.40	796.20	834.60	870.90	927.90
E-4	682.20	720.30	762.30	821.70	854.40
E-3	642.60	677.70	705.00	732.90	732.90
E-2	618.30	618.30	618.30	618.30	618.30
E-1	551.40	551.40	551.40	551.40	551.40

Pay grade	Years of service computed under section 205 of title 37, United States Code				
	Over 8	Over 10	Over 12	Over 14	Over 16
E-9 [1]		$1,653.90	$1,691.40	$1,729.80	$1,769.70
E-8	$1,387.50	1,426.60	1,464.30	1,502.70	1,542.00
E-7	1,197.30	1,236.00	1,274.10	1,331.70	1,369.50
E-6	1,060.50	1,099.20	1,155.90	1,192.20	1,230.60
E-5	965.70	1,004.40	1,041.30	1,060.50	1,060.50
E-4	854.40	854.40	854.40	854.40	854.40
E-3	732.90	732.90	732.90	732.90	732.90
E-2	618.30	618.30	618.30	618.30	618.30
E-1	551.40	551.40	551.40	551.40	551.40

Pay grade	Years of service computed under section 205 of title 37, United States Code			
	Over 18	Over 20	Over 22	Over 26
E-9 [1]	$1,809.00	$1,844.10	$1,941.30	$2,130.00
E-8	1,577.70	1,616.40	1,711.50	1,902.30
E-7	1,408.20	1,426.50	1,522.20	1,711.50
E-6	1,249.20	1,249.20	1,249.20	1,249.20
E-5	1,060.50	1,060.50	1,060.50	1,060.50
E-4	854.40	854.40	854.40	854.40
E-3	732.90	732.90	732.90	732.90
E-2	618.30	618.30	618.30	618.30
E-1	551.40	551.40	551.40	551.40

[1] While serving as sergeant major of the Army, master chief petty officer of the Navy or Coast Guard, chief master sergeant of the Air Force, or sergeant major of the Marine Corps, basic pay for this grade is $2,589.00 regardless of cumulative years of service computed under section 205 of title 37, United States Code.

(2) The rates of basic allowance for subsistence for members of the uniformed services entitled to such allowance under section 402 of title 37, United States Code, are as follows:

Officers	**$94.39 per month**
Enlisted members:	
When on leave or authorized to mess separately	**$4.50 per day**
When rations in-kind are not available	**$5.09 per day**
When assigned to duty under emergency conditions where no messing facilities of the United States are available.	**$6.73 per day**

(3) The rates of basic allowance for quarters for members of the uniformed services entitled to such allowance under section 403 of title 37, United States Code, are as follows:

Pay grade	Without dependents		With dependents
	Full rate	Partial rate[1]	
Commissioned officers:			
O-10	$489.00	$50.70	$611.70
O-9	489.00	50.70	611.70
O-8	489.00	50.70	611.70
O-7	489.00	50.70	611.70
O-6	438.90	39.60	535.50
O-5	404.70	33.00	487.20
O-4	360.30	26.70	434.70
O-3	316.80	22.20	390.90
O-2	275.10	17.70	348.00
O-1	214.80	13.20	279.60
Warrant officers:			
W-4	347.10	25.20	419.10
W-3	309.60	20.70	381.60
W-2	269.10	15.90	342.60
W-1	243.00	13.80	314.70
Enlisted members:			
E-9	261.90	18.60	368.70
E-8	241.50	15.30	340.50
E-7	205.50	12.00	316.80
E-6	186.60	9.90	291.60
E-5	179.40	8.70	267.90
E-4	158.10	8.10	235.50
E-3	141.30	7.80	205.50
E-2	124.80	7.20	205.50
E-1	117.90	6.90	205.50

[1] Payable to a member without dependents who, under section 403 (b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters.

"Uniformed services."

(c) In this section, the term "uniformed services" has the meaning given to that term by section 101(3) of title 37, United States Code.

MONTHLY PAY OF CADETS AND MIDSHIPMEN

SEC. 102. (a) Section 203(c)(1) of title 37, United States Code, is amended by striking out "$313.20" and inserting in lieu thereof "$461.40".

Effective date. 37 USC 203 note.

(b) The amendment made by subsection (a) shall take effect as of October 1, 1981.

PART B—SPECIAL AND INCENTIVE PAYS

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTY

94 Stat. 3360.

SEC. 111. (a) Subsection (a) of section 301 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by striking out clause (10) and inserting in lieu thereof the following:

"(10) involving frequent and regular participation in flight operations on the flight deck of an aircraft carrier or of a ship other than an aircraft carrier from which aircraft are launched;

"(11) involving frequent and regular exposure to highly toxic pesticides or involving laboratory work that utilizes live dangerous viruses or bacteria;

"(12) involving the servicing of aircraft or missiles with highly toxic fuels or propellants; or

"(13) involving frequent and regular participation in aerial flight by an officer (other than a warrant officer) who is serving as an air weapons controller crew member (as defined by the Secretary concerned) aboard an airborne warning and control system aircraft (as designated by such Secretary) and who is not entitled to incentive pay under section 301a of this title.". 37 USC 301a.

(b) The table contained in subsection (b) of such section is amended to read as follows:

"Pay grade	Years of service computed under section 205						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
E-9	$131	$131	$131	$131	$131	$131	$131
E-8	131	131	131	131	131	131	131
E-7	100	106	106	106	113	119	131
E-6	88	94	94	100	106	113	119
E-5	83	88	88	100	100	106	113
E-4	83	83	83	88	94	100	100
E-3	83	83	83	83	83	83	83
E-2	83	83	83	83	83	83	83
E-1	83	83	83	83	83	83	83
E-4 under 4 months	83	...	...	...	...	...	...
Aviation cadets	83	...	...	...	...	...	...

"Pay grade	Years of service computed under section 205						
	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
E-9	$131	$131	$131	$131	$131	$131	$131
E-8	131	131	131	131	131	131	131
E-7	131	131	131	131	131	131	131
E-6	119	125	125	125	125	125	125
E-5	119	119	119	119	119	119	119
E-4	100	100	100	100	100	100	100
E-3	83	83	83	83	83	83	83
E-2	83	83	83	83	83	83	83
E-1	83	83	83	83	83	83	83".

(c) Subsection (c) of such section is amended—

(1) by inserting "(1)" before "For the performance";

(2) by striking out "or (10)," and inserting in lieu thereof "(10), (11), or (12),";

(3) by striking out "$55" and inserting in lieu thereof "$83"; and

(4) by adding at the end thereof the following new paragraph:

"(2)(A) For the performance of hazardous duty described in clause (13) of subsection (a) of this section, an officer is entitled to monthly incentive pay based upon his years of service as an air weapons controller as follows:

"Pay grade	Years of service as an air weapons controller						
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
O-7 and above	$200	$200	$200	$200	$200	$200	$200
O-6	225	250	300	325	350	350	350
O-5	200	250	300	325	350	350	350
O-4	175	225	275	300	350	350	350
O-3	125	156	188	206	350	350	350
O-2	125	156	188	206	250	300	300
O-1	125	156	188	206	250	250	250

"Pay grade	Years of service as an air weapons controller							
	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
O-7 and above	$200	$200	$200	$200	$200	$200	$200	$110
O-6	350	350	350	350	300	250	250	225
O-5	350	350	350	350	300	250	250	225
O-4	350	350	350	350	300	250	250	225
O-3	350	350	350	300	275	250	225	200
O-2	300	300	300	275	245	210	200	180
O-1	250	250	250	245	210	200	180	150

"(B) For purposes of this paragraph, the years of service of an officer as an air weapons controller shall be computed, under regulations prescribed by the Secretary concerned, from the date the officer begins training leading to a designation as an air weapons controller, but there shall be excluded from such computation any period of more than 90 days during which the officer performs primary duties other than as an air weapons controller.".

Effective date.
37 USC 301 note.

(d) The amendments made by this section shall take effect as of October 1, 1981.

AVIATION CAREER INCENTIVE PAY

SEC. 112. (a) Section 301a(a)(4) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "Entitlement to continuous monthly incentive pay ceases for an officer (other than a warrant officer) upon completion of 25 years of service as an officer (as computed under section 205 of this title), but such an officer in a pay grade below pay grade O-7 remains entitled to monthly incentive pay under subsection (b)(1) of this section for the performance of operational flying duty.".

37 USC 301a.

(b)(1) The tables in clause (1) of section 301a(b) of such title are amended to read as follows:

"Phase I

"Years of aviation service (including flight training) as an officer:	Monthly rate
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	400

"Phase II

"Years of service as an officer as computed under section 205:	Monthly rate
Over 18	$370
Over 20	340
Over 22	310
Over 24	280
Over 25	250".

(2) The table in clause (2) of section 301a(b) of such title is amended to read as follows: 37 USC 301a.

"Years of aviation service as an officer:	Monthly rate
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	400".

(c) The amendments made by this section shall take effect as of October 1, 1981. Effective date. 37 USC 301a note.

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION OFFICERS

SEC. 113. Section 301b of title 37, United States Code, is amended by adding at the end thereof the following new subsections: 94 Stat. 1095.

"(e)(1) An officer who receives special pay for any period under an agreement under this section is not entitled to aviation career incentive pay under section 301a of this title during such period at a rate that exceeds the rate for such pay in effect on September 30, 1981.

"(2) During the period beginning on the date of the enactment of the Uniformed Services Pay Act of 1981 and ending on September 30, 1982, only agreements executed by officers of the Navy or Marine Corps may be accepted under this section. *Ante*, p. 989.

"(f) Special pay may not be paid under this section for an agreement that applies to a period of active duty that begins after September 30, 1982.". Effective date.

YEARS-OF-SERVICE FOR COMPUTATION OF SUBMARINE DUTY INCENTIVE PAY

SEC. 114. Paragraphs (3) and (4) of section 301c(a) of title 37, United States Code, are amended by inserting ", but excluding, in the case of an officer, periods as an enlisted member before initial appointment as an officer" after "title" each place it appears. 94 Stat. 3360.

SPECIAL PAY FOR DIVING DUTY

SEC. 115. Section 304 of title 37, United States Code, is amended to read as follows:

"§ 304. Special pay: diving duty

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay is entitled to special pay, in the amount set forth in subsection (b) of this section, for periods during which the member—

"(1) is assigned by orders to the duty of diving;

"(2) is required to maintain proficiency as a diver by frequent and regular dives; and

"(3) actually performs diving duty.

"(b) Special pay payable under subsection (a) of this section shall be paid at a rate of not more than $200 a month, in the case of an officer, and at a rate of not more than $300 a month, in the case of an enlisted member.

"(c) A member may be paid special pay under this section and incentive pay under section 301 of this title for the same period of service only if the member is assigned by orders to a hazardous duty described in section 301(a) of this title in addition to diving duty. However, if a member is paid special pay under this section, the member is not entitled to more than one payment of incentive pay under section 301 of this title.

Suspension.

"(d) In time of war, the President may suspend the payment of diving duty pay.".

SEA PAY FOR MEMBERS OF TWO-CREW SUBMARINES

94 Stat. 3365.

SEC. 116. Section 305a(d)(1) of title 37, United States Code, is amended by inserting "or while serving as a member of the off crew of a two-crewed submarine" after "underway".

REENLISTMENT AND ENLISTMENT BONUSES

SEC. 117. (a) Section 308(e) of title 37, United States Code, is amended to read as follows:

"(e) For the purposes of determining the eligibility of a member for a bonus under this section and of computing the amount of that bonus—

"(1) any period of enlistment (including any extension of an enlistment) (A) that is incurred by the member for the purpose of continuing to qualify for continuous submarine duty incentive pay under section 301c of this title, and (B) for which no bonus is otherwise payable; or

"(2) any unserved period of two years or less of an extension of an enlistment for which no bonus has been paid or for which no bonus is otherwise payable under this section,

may, under regulations prescribed by the Secretary concerned, be considered as part of an immediately subsequent term of reenlistment (or as part of an immediately subsequent voluntary extension of an enlistment).".

94 Stat. 1092.
37 USC 308a.

(b) Section 308a(a) of such title is amended—

(1) by striking out "$5,000" and inserting in lieu thereof "$8,000"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "The bonus shall be paid in periodic installments, as determined by the appropriate Secretary, except that the first installment may not exceed $5,000 and the remainder shall be paid in equal periodic installments which may not be paid less frequently than once every 3 months.".

(c)(1) Chapter 5 of such title is amended by inserting after section 308e the following new section:

37 USC 308f.

"§ 308f. Special pay: bonus for enlistment in the Army

"(a) Under regulations prescribed by the Secretary of the Army, a person—

"(1) who is a high school graduate (or has received a high school education equivalency certificate);

"(2) whose score on the Armed Forces Qualification Test is at or above the fiftieth percentile; and

"(3) who enlists in the Army for a period of at least 3 years in a skill designated as critical,

may be paid a bonus in an amount prescribed by the Secretary of the Army not to exceed $4,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary of the Army.

"(b)(1) Under regulations prescribed by the Secretary of the Army, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section, or a person who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct), shall refund to the United States that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid. Refund to U.S.

"(2) An obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981. Discharge in bankruptcy. 11 USC 101.

"(c) No bonus may be paid under this section with respect to an enlistment in the Army after September 30, 1983.". Restriction.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308e the following new item:

"308f. Special pay: bonus for enlistment in the Army.".

(d) The amendments made by this section shall apply to enlistments and reenlistments after the date of the enactment of this Act. Effective date. 37 USC 308 note.

ACTIVE-SERVICE AGREEMENTS FOR NUCLEAR QUALIFIED OFFICERS

SEC. 118. Notwithstanding subsections (a) and (b) of section 312 of title 37, United States Code, and under regulations prescribed by the Secretary of the Navy, the Secretary of the Navy may permit an officer of the naval service who is performing obligated service as the result of an active-service agreement executed under such section before January 1, 1981, to cancel that active-service agreement effective on the day before an anniversary of the day on which that agreement was executed and execute a new active-service agreement under such section for one period of four years. Any such cancellation of an existing agreement and execution of a new agreement may be effective on the day before an anniversary date occurring on or after January 1, 1981. Cancellation 37 USC 312 note. Effective date.

ACCESSION BONUS FOR SURFACE NUCLEAR POWER APPLICANTS

SEC. 119. Section 312b(a)(1) of title 37, United States Code, is amended by striking out "submarine". 94 Stat. 3359.

BONUS FOR ENGINEERING OR SCIENTIFIC SKILLS DESIGNATED AS CRITICAL

SEC. 120. (a) Chapter 5 of title 37, United States Code, is amended by adding at the end thereof the following new section:

37 USC 315.

"§ 315. Special pay: engineering and scientific career continuation pay

"Engineering or scientific duty."

"(a) In this section, the term 'engineering or scientific duty' means service performed by an officer that requires an engineering or science degree and that requires a skill designated under regulations prescribed by the Secretary of Defense as critical and as a skill in which there is a critical shortage of officers in the armed force concerned.

"(b) Under regulations prescribed by the Secretary of Defense, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) is below the pay grade of O-7;

"(3) holds a degree in engineering or science from an accredited college or university;

"(4) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty;

"(5) has completed at least three but less than nineteen years of engineering or scientific duty as an officer; and

"(6) executes a written agreement to remain on active duty for detail to engineering or scientific duty for at least one year, but not more than four years;

may, upon acceptance of the written agreement by the Secretary concerned, be paid, in addition to all other compensation to which the officer is entitled, an amount not to exceed $3,000 multiplied by the number of years, or monthly fraction thereof, of obligated service to which the officer agrees under the agreement. The total amount payable may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

Refund to U.S.

"(c)(1) An officer who does not serve on active duty for the entire period for which he has been paid under subsection (b) of this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made. Nothing in this subsection shall alter or modify the obligation of a regular officer to perform active service at the pleasure of the President. Completion by a regular officer of the total period of obligated service specified in an agreement under subsection (b) of this section does not obligate the President to accept a resignation submitted by that officer.

"(2) Subject to paragraph (3) of this subsection, an obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

Waiver.

"(3) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

Discharge in bankruptcy. 11 USC 101.

"(4) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this

subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.". Effective date.

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"315. Special pay: engineering and scientific career continuation pay.".

PART C—TRAVEL AND TRANSPORTATION ALLOWANCES

GENERAL TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 121. (a)(1) Subsection (a) of section 404 of title 37, United States Code, is amended by striking out "Under regulations" and inserting in lieu thereof "Except as provided in subsection (f) of this section and under regulations".

(2) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)";

(B) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(C) by adding at the end thereof the following new paragraph:

"(2) In prescribing such conditions and allowances, the Secretaries concerned shall provide that a member who is performing travel under orders away from his designated post of duty and who is authorized a per diem under clause (2) of subsection (d) of this section shall be paid for the meals portion of that per diem in a cash amount at a rate that is not less than the rate established under section 1011(a) of this title for meals sold to members. The preceding sentence shall not apply with respect to a member on field duty or sea duty (as defined in regulations prescribed under section 402(e) of this title) or a member of a unit with respect to which the Secretary concerned has determined that unit messing is essential to the accomplishment of the unit's training and readiness.".

(3) Subsection (c) of such section is amended—

(A) by inserting "(1)" after "(c)";

(B) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(C) by inserting "and as provided in paragraph (2) of this subsection" after "Secretaries concerned" the first place it appears; and

(D) by adding at the end thereof the following new paragraph:

"(2) A member authorized under paragraph (1) of this subsection to select a home for the purposes of such allowances may select as his home— Home selection.

"(A) any place within the United States;

"(B) the place outside the United States from which the member was called or ordered to active duty to his first duty station; or

"(C) any other place.

However, if the member selects as his home a place other than a place described in clause (A) or (B) of the preceding sentence, the travel and transportation allowances authorized by subsection (a) of this section may not exceed the allowances which would be payable if the place selected as his home were in the United States (other than Hawaii or Alaska).".

(4) Subsection (f) of such section is amended to read as follows:

"(f)(1) The travel and transportation allowances authorized under this section for a member who is separated from the service or released from active duty may be paid or provided only for travel actually performed.

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Separation from service.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a member who is separated from the service or released from active duty and who—

"(i) on the date of his separation from the service or release from active duty, has not served on active duty for a period of time equal to at least 90 percent of the period of time for which he initially enlisted or otherwise initially agreed to serve; or

"(ii) is separated from the service or released from active duty under other than honorable conditions, as determined by the Secretary concerned;

may be provided travel and transportation under this section only by transportation in kind by the least expensive mode of transportation available or by a monetary allowance that does not exceed the cost to the Government of such transportation in kind.

"(B) Subparagraph (A) of this paragraph does not apply to a member—

10 USC 1201 *et seq.*

"(i) who is retired, or is placed on the temporary disability retired list, under chapter 61 of title 10;

"(ii) who is separated from the service or released from active duty for a medical condition affecting the member, as determined by the Secretary concerned;

"(iii) who is separated from the service or released from active duty because the period of time for which the member initially enlisted or otherwise initially agreed to serve has been reduced by the Secretary concerned and is separated or released under honorable conditions; or

"(iv) who is discharged under section 1173 of title 10.".

37 USC 406.

(b)(1) Subsection (a) of section 406 of such title is amended—

(A) by inserting "(1)" after "(a)";

(B) by inserting "paragraph (2) of this subsection and" before "subsection (i) of this section"; and

(C) by adding at the end thereof the following new paragraphs:

Dependents.

"(2)(A) Except as provided in subparagraph (B) of this paragraph, a member who is separated from the service or released from active duty and who—

"(i) on the date of his separation from the service or release from active duty, has not served on active duty for a period of time equal to at least 90 percent of the period of time for which he initially enlisted or otherwise initially agreed to serve; or

"(ii) is separated from the service or released from active duty under other than honorable conditions, as determined by the Secretary concerned;

may be provided transportation under this subsection for his dependents only by transportation in kind by the least expensive mode of transportation available or by a monetary allowance that does not exceed the cost to the Government of such transportation in kind.

Ineligible members.

"(B) Subparagraph (A) of this paragraph does not apply to a member—

"(i) who is retired, or is placed on the temporary disability retired list, under chapter 61 of title 10;

"(ii) who is separated from the service or released from active duty for a medical condition affecting the member, as determined by the Secretary concerned;

"(iii) who is separated from the service or released from active duty because the period of time for which the member initially enlisted or otherwise initially agreed to serve has been reduced by the Secretary concerned and is separated or released under honorable conditions; or

"(iv) who is discharged under section 1173 of title 10.

"(3) The allowances authorized under this subsection may be paid in advance.".

(2) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)";

(B) by striking out "In" and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, in";

(C) by adding at the end of paragraph (1), as designated by clause (A), the following new sentences: "Temporary storage in excess of 180 days may be authorized. Subject to regulations prescribed by the Secretaries concerned, in the case of a change of permanent station in which the Secretary concerned has authorized transportation under section 2634 of title 10 of a motor vehicle that is owned by the member (or a dependent of the member) and is for the personal use of the member or his dependents, the member is entitled to a monetary allowance for transportation of that motor vehicle to the point at which transportation authorized under section 2634 of title 10 commences and from the point at which transportation authorized under that section terminates. Such monetary allowance shall be established at a rate per mile that does not exceed the rate established under section 404(d)(1) of this title."; and

10 USC 2634.

37 USC 404.

(D) by adding at the end thereof the following new paragraph:

"(2) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if the member applies for the transportation and allowances not later than 180 days after the date of his separation or release from active duty. If a member to whom this paragraph applies has been authorized nontemporary storage under subsection (d) of this section, the 180-day period shall not begin until such authorization for nontemporary storage expires. This paragraph does not apply to a member to whom subsection (g)(1) of this section applies.".

(3) Subsection (g) of such section is amended—

(A) by inserting "(1)" after "(g)";

(B) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively; and

(C) by striking out all after the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) If baggage and household effects of a member are shipped to a place selected by a member as his home under section 404(c) of this title that is not a place described in clause (A) or (B) of section 404(c)(2) of this title or to a location other than the home selected by the member, or if transportation is provided for a member's dependents to a place selected by the member as his home under section 404(c) of this title that is not a place described in clause (A) or (B) of section 404(c)(2) of this title, and the costs of that shipment or transportation are in excess of those that would have been incurred if the shipment had been made or the transportation had been provided to a location in the United States (other than Alaska or Hawaii), the member shall pay that excess cost.

Baggage shipment.

"(3) If a member authorized to select a home under section 404(c) of this title accrues that right or any entitlement under this subsection but dies before he exercises it, that right or entitlement accrues to and may be exercised by his surviving dependents or, if there are no surviving dependents, his baggage and household effects may be shipped to the home of the person legally entitled to such baggage and effects. However, if baggage and household effects are shipped

Surviving dependents.

under circumstances described in paragraph (2) of this subsection in which the member would have been required to pay the excess costs of that shipment, the surviving dependents or the person legally entitled to the baggage and household effects, as the case may be, shall pay that excess cost.".

(4) Subsection (h) of such section is amended by striking out "owned by the member and for his or his dependents' personal use" in clause (2) and inserting in lieu thereof "that is owned by the member (or a dependent of the member) and is for the personal use of the member or his dependents".

37 USC 405a.

(c) Section 405a(b) of such title is amended by striking out "owned by him and for his personal use, or the use of the dependents," and inserting in lieu thereof "that is owned by the member (or a dependent of the member) and is for the personal use of the member or his dependents".

Effective dates.
37 USC 404 note.

(d)(1) Except as provided in paragraphs (2), (3), (4), and (5), the amendments made by this section shall take effect on November 1, 1981, and shall apply to members who are separated from the service or released from active duty on or after November 1, 1981.

(2) Paragraph (2) of section 404(b) of title 37, United States Code, as added by subsection (a)(2)(C), shall apply to travel performed after October 31, 1981.

(3) Paragraph (3) of section 406(a) of title 37, United States Code, as added by subsection (b)(1)(C), shall take effect on the date of the enactment of this Act.

(4) The amendments made by subsections (a)(3) and (b)(3) shall take effect on November 1, 1981, and shall apply to members who are retired, placed on the temporary disability retired list, discharged, or involuntarily released on or after November 1, 1981, except that such amendments shall not apply to any member who before November 1, 1981, had completed eighteen years of active service.

(5) The amendment made by subsection (b)(2)(C) shall take effect on the date of the enactment of this Act.

TEMPORARY LODGING EXPENSES

SEC. 122. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

37 USC 404a.

"§ 404a. Travel and transportation allowances: temporary lodging expenses

"(a) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station—

"(1) from any duty station to a duty station in the United States (other than Hawaii or Alaska); or

"(2) from a duty station in the United States (other than Hawaii or Alaska) to a duty station outside the United States or in Hawaii or Alaska;

may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents while occupying temporary quarters incident to that change of permanent station. In the case of a change of permanent station described in clause (1) of this subsection, the period for which such expenses may be paid or reimbursed may not exceed four days. In the case of a change of permanent station described in clause (2) of this subsection, the period for which such expenses may be paid or reimbursed may not exceed two days and such payment or reimbursement may be

provided only for expenses incurred before leaving the United States (other than Hawaii or Alaska).

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed under section 404(d) of this title for the area where the temporary quarters are located. 37 USC 404.

"(c) A member may not be paid or reimbursed more than $110 a day under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)-(f),". 37 USC 411.

(c) The amendments made by this section shall take effect on April 1, 1982. Effective date. 37 USC 404a note.

ADVANCE PAYMENT OF EVACUATION ALLOWANCES

SEC. 123. Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence the following new sentence: "Such allowances may be paid in advance.".

ADVANCE PAYMENT OF DISLOCATION ALLOWANCE

SEC. 124. Section 407(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 125. Section 411b(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty outside the forty-eight contiguous States and the District of Columbia, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

ENVIRONMENTAL AND EMERGENCY TRAVEL

SEC. 126. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries 37 USC 411c.

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service who is serving at a duty station outside the United States in an area specifically designated

for the purposes of this section by the Secretary concerned may be paid for or provided transportation for himself and his dependents authorized to reside at his duty station—

"(1) to another location outside the United States having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to transportation of the member, and of each dependent of the member, for one roundtrip during any tour of at least 24, but less than 36, consecutive months or two roundtrips during any tour of at least 36 consecutive months.

37 USC 411d.

"§ 411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad

"(a) Under uniform regulations prescribed by the Secretaries concerned, transportation for a member of a uniformed service stationed outside the United States (other than Hawaii and Alaska) and for dependents of the member authorized to reside at the member's duty station may be provided from the area of the member's duty station to the United States, Puerto Rico, or the possessions of the United States incident to emergency leave granted for reasons of a personal emergency (or, in the case of transportation provided only for a dependent, under circumstances involving a personal emergency similar to the circumstances for which emergency leave could be granted a member).

"(b) Transportation under this section may be authorized only upon a determination that, considering the nature of the personal emergency involved, Government transportation is not reasonably available. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the international airport nearest the location of the member and dependents at the time notification of the personal emergency is received or the international airport nearest the member's duty station—

"(1) to the international airport within the United States (other than Hawaii and Alaska) closest to the airport from which the member or dependents departed; or

"(2) to an airport in Alaska, Hawaii, Puerto Rico, or the possessions of the United States, as determined by the Secretary concerned,

and return to either the international airport from which the member or dependents departed or the international airport nearest the member's duty station.

37 USC 411e.

"§ 411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station (or who is assigned to a ship or unit operating away from its home port) may be provided the travel and transportation authorized by section 404 of this title for travel performed by the member from his place of temporary duty (or from his ship or unit) to his permanent duty station (or the home port of the ship or unit) or to any other location, and return (if applicable), if such travel has been approved incident to

the serious illness or injury or the death of a dependent of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the member's place of temporary duty (or from his ship or unit) to the member's permanent duty station (or the home port of the ship or unit), and return (if applicable).".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.
"411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad.
"411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.".

PART D—MISCELLANEOUS

UNIFORM ALLOWANCES AND ADVANCE PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 131. (a) Section 415(a) of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10 as a member of the Armed Forces Health Professions Scholarship program.".

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection: 37 USC 1006.

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship program upon reporting for a period of active duty required by section 2121(c) of title 10.".

TITLE II—MISCELLANEOUS ADMINISTRATIVE IMPROVEMENTS

INCREASE IN RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 201. Section 2107(h) of title 10, United States Code, is amended by striking out "6,000" and "6,500" and inserting in lieu thereof "8,000" and "9,500", respectively.

CLARIFICATION OF AUTHORITY TO TRANSPORT CERTAIN MOTOR VEHICLES

SEC. 202. Section 2634(a) of title 10, United States Code, is amended—

(1) by striking out "owned by the member and for his personal use or the use of his dependents" in the first sentence and inserting in lieu thereof "that is owned by the member (or a

dependent of the member) and is for the personal use of the member or his dependents";

(2) by inserting "(or a dependent of his)" after "unless a motor vehicle owned by him" in the first sentence; and

(3) by inserting "(or a dependent of the member)" in the second sentence after "motor vehicle of the member".

NOMINATIONS BY SUPERINTENDENTS OF THE SERVICE ACADEMIES

SEC. 203. (a)(1) Section 4342 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d) The Superintendent may nominate for appointment each year 50 persons from the country at large. Persons nominated under this paragraph may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of the Corps of Cadets to exceed the authorized number.".

(2)(A) Chapter 403 of such title is amended by inserting after section 4341 the following new section:

10 USC 4341a.

"§ 4341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4341 the following new item:

"4341a. Cadets: appointment by the President.".

10 USC 6953.

(b)(1) Section 6953 of such title is amended by adding at the end thereof the following new sentence: "An appointment is conditional until the midshipman is admitted.".

10 USC 6954.

(2) Section 6954 of such title is amended—

(A) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(B) by inserting after subsection (c) the following new subsection (d):

Nominations.

"(d) The Superintendent of the Naval Academy may nominate for appointment each year 50 persons from the country at large. Persons nominated under this paragraph may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of midshipmen at the Naval Academy to exceed the authorized number.".

10 USC 9342.

(c)(1) Section 9342 of such title is amended by striking out subsection (d) and inserting in lieu thereof the following:

Nominations.

"(d) The Superintendent may nominate for appointment each year 50 persons from the country at large. Persons nominated under this paragraph may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of Air Force Cadets to exceed the authorized number.".

(2)(A) Chapter 903 of such title is amended by inserting after section 9341 the following new section:

10 USC 9341a.

"§ 9341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9341 the following new item:

"9341a. Cadets: appointment by the President.".

(d) The amendments made by this section shall take effect with respect to nominations for appointment to the first class admitted to each Academy after the date of the enactment of this Act.

Effective date. 10 USC 4341a note.

AUTHORITY OF THE SECRETARY OF THE NAVY TO ISSUE REGULATIONS

SEC. 204. (a)(1) Section 5031 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Navy may prescribe regulations to carry out his functions, powers, and duties under this title. The authority of the Secretary under the preceding sentence is in addition to the authority of the Secretary under section 6011 of this title.".

10 USC 6011.

(2) Section 6011 of such title is amended by striking out "with the approval of the President".

(b) United States Navy regulations issued under section 6011 of title 10, United States Code, before the date of the enactment of this Act shall remain in effect in accordance with their terms until amended or revoked by the Secretary of the Navy.

10 USC 6011 note.

PER DIEM FOR MEMBERS OF THE NAVAL RESEARCH ADVISORY COMMITTEE

SEC. 205. Section 5153 of title 10, United States Code, is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

REPEAL OF DEADLINE FOR NOMINATIONS TO THE NAVAL ACADEMY

SEC. 206. Section 6956 of title 10, United States Code, is amended by striking out subsections (b) and (c) and redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS

SEC. 207. (a) Section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(b) Section 7572(b) of title 10, United States Code, as amended by section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note), is amended to read as follows:

"(b)(1) Under such regulations as the Secretary prescribes, a member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a) may be reimbursed for expenses incurred in obtaining quarters in an amount not more than the total of—

"(A) the basic allowance for quarters payable to a member of the same pay grade without dependents for the period during which the member is deprived of quarters on board ship; and

"(B) the variable housing allowance that could be paid to a member of the same pay grade under section 403 of title 37 at the location where the member is deprived of quarters onboard ship for the period during which the member is deprived of quarters on board ship.

37 USC 403.

"(2) A member entitled to receipt of basic allowance for quarters may not be reimbursed for expenses under this subsection when

deprived of quarters on board ship at a location at which the member can reside with such member's dependents.

"(3) The total amount of reimbursement under this subsection may not exceed $9,000,000 for fiscal year 1981 and $6,300,000 for fiscal year 1982.".

Effective date. 10 USC 7572 note.

(c) The amendments made by this section shall take effect as of October 1, 1981.

AUTHORITY FOR PERSONS OVER 65 YEARS OF AGE TO SERVE ON LOCAL SELECTIVE SERVICE BOARDS

SEC. 208. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b)(3)) is amended by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof.

Approved October 14, 1981.

LEGISLATIVE HISTORY—S. 1181 (H.R. 3380):

HOUSE REPORTS: No. 97-109 (Comm. on Armed Services) and No. 97-109, Pt. 2 (Comm. on Armed Services) both accompanying H.R. 3380, and No. 97-265 (Comm. of Conference).

SENATE REPORT No. 97-146 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Sept. 10, 11, considered and passed Senate.

Sept. 14, 15, H.R. 3380 considered and passed House; proceedings vacated and S. 1181, amended, passed in lieu.

Oct. 7, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 42 (1981):

Oct. 14, Presidential statement.

Public Law 97-61
97th Congress

Joint Resolution

To authorize and request the President to issue a proclamation designating October 16, 1981, as "World Food Day".

Oct. 14, 1981
[S.J. Res. 98]

Whereas hunger and chronic malnutrition remain daily facts of life for hundreds of millions of people throughout the world;

Whereas children are the ones suffering the most serious effects of hunger and malnutrition, with millions of children dying each year from hunger-related illness and disease, and many others suffering permanent physical or mental impairment, including blindness, because of vitamin and protein deficiencies;

Whereas although progress has been made in reducing the incidence of hunger and malnutrition in the United States, certain groups, notably among native Americans, migrant workers, and the elderly remain vulnerable to malnutrition and related diseases;

Whereas the United States, as the world's largest producer and trader of food, has a key role to play in efforts to assist nations and peoples to improve their ability to feed themselves;

Whereas a major global food supply crisis appears likely to occur within the next twenty years unless the level of world food production is significantly increased, and the means for the distribution of food and of the resources required for its production are improved;

Whereas the world hunger problem is critical to the security of the United States and the international community;

Whereas a key recommendation of the Presidential Commission on World Hunger was that efforts be undertaken to increase public awareness of the world hunger problem; and

Whereas the one hundred and forty-seven member nations of the Food and Agriculture Organization of the United Nations designated October 16, 1981, as "World Food Day" because of the need to alert the public to the increasingly dangerous world food situation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 16, 1981, as "World Food Day", and calling upon the people of the United States to observe such day with appropriate activities.

World Food Day. Designation authorization.

Approved October 14, 1981.

LEGISLATIVE HISTORY—S.J. Res. 98:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 31, considered and passed Senate.
Sept. 30, considered and passed House.

Public Law 97-62
97th Congress

An Act

Oct. 14, 1981
[S. 1712]

To extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1982.

Wheat.
Marketing quota referendum.
Ante, p. 143.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out "October 15, 1981" and inserting in lieu thereof "November 15, 1981".

Approved October 14, 1981.

LEGISLATIVE HISTORY—S. 1712:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct 7, considered and passed Senate and House.

Public Law 97-63
97th Congress

An Act

To amend the International Travel Act of 1961 to establish a national tourism policy, and for other purposes.

Oct. 16, 1981
[S. 304]

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

National Tourism Policy Act.

SHORT TITLE

SECTION 1. This Act may be cited as the "National Tourism Policy Act".

22 USC 2121 note.

NATIONAL TOURISM POLICY

SEC. 2. (a) The International Travel Act of 1961 (hereinafter in this Act referred to as the "Act") is amended by striking out the first section and inserting in lieu thereof the following: "That this Act may be cited as the 'International Travel Act of 1961'.

22 USC 2121 note.

"TITLE I—NATIONAL TOURISM POLICY

"SEC. 101. (a) The Congress finds that—

22 USC 2121.

"(1) the tourism and recreation industries are important to the United States, not only because of the numbers of people they serve and the vast human, financial, and physical resources they employ, but because of the great benefits tourism, recreation, and related activities confer on individuals and on society as a whole;

"(2) the Federal Government for many years has encouraged tourism and recreation implicitly in its statutory commitments to the shorter workyear and to the national passenger transportation system, and explicitly in a number of legislative enactments to promote tourism and support development of outdoor recreation, cultural attractions, and historic and natural heritage resources;

"(3) as incomes and leisure time continue to increase, and as our economic and political systems develop more complex global relationships, tourism and recreation will become ever more important aspects of our daily lives; and

"(4) the existing extensive Federal Government involvement in tourism, recreation, and other related activities needs to be better coordinated to effectively respond to the national interest in tourism and recreation and, where appropriate, to meet the needs of State and local governments and the private sector.

"(b) There is established a national tourism policy to—

"(1) optimize the contribution of the tourism and recreation industries to economic prosperity, full employment, and the international balance of payments of the United States;

"(2) make the opportunity for and benefits of tourism and recreation in the United States universally accessible to resi-

dents of the United States and foreign countries and insure that present and future generations are afforded adequate tourism and recreation resources;

"(3) contribute to personal growth, health, education, and intercultural appreciation of the geography, history, and ethnicity of the United States;

"(4) encourage the free and welcome entry of individuals traveling to the United States, in order to enhance international understanding and goodwill, consistent with immigration laws, the laws protecting the public health, and laws governing the importation of goods into the United States;

"(5) eliminate unnecessary trade barriers to the United States tourism industry operating throughout the world;

"(6) encourage competition in the tourism industry and maximum consumer choice through the continued viability of the retail travel agent industry and the independent tour operator industry;

"(7) promote the continued development and availability of alternative personal payment mechanisms which facilitate national and international travel;

"(8) promote quality, integrity, and reliability in all tourism and tourism-related services offered to visitors to the United States;

"(9) preserve the historical and cultural foundations of the Nation as a living part of community life and development, and insure future generations an opportunity to appreciate and enjoy the rich heritage of the Nation;

"(10) insure the compatibility of tourism and recreation with other national interests in energy development and conservation, environmental protection, and the judicious use of natural resources;

"(11) assist in the collection, analysis, and dissemination of data which accurately measure the economic and social impact of tourism to and within the United States, in order to facilitate planning in the public and private sectors; and

"(12) harmonize, to the maximum extent possible, all Federal activities in support of tourism and recreation with the needs of the general public and the States, territories, local governments, and the tourism and recreation industry, and to give leadership to all concerned with tourism, recreation, and national heritage preservation in the United States.".

DUTIES

SEC. 3. (a) The following heading is inserted before section 2 of the Act:

"TITLE II—DUTIES".

(b) Section 2 of the Act (22 U.S.C. 2122) is amended by striking out "purpose of this Act" and inserting in lieu thereof "the national tourism policy established by section 101(b)".

Ante, p. 1011.

(c) Section 3(a) of the Act (22 U.S.C. 2123(a)) is amended by striking out "section 2" and inserting in lieu thereof "section 201", by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof a semicolon, and by adding after paragraph (7) the following new paragraphs:

"(8) shall establish facilitation services at major ports-of-entry of the United States;

"(9) shall consult with foreign governments on travel and tourism matters and, in accordance with applicable law, represent United States travel and tourism interests before international and intergovernmental meetings;

"(10) shall develop and administer a comprehensive program relating to travel industry information, data service, training and education, and technical assistance;

"(11) shall develop a program to seek and to receive information on a continuing basis from the tourism industry, including consumer and travel trade associations, regarding needs and interests which should be met by a Federal agency or program and to direct that information to the appropriate agency or program;

"(12) shall encourage to the maximum extent feasible travel to and from the United States on United States carriers;

"(13) shall assure coordination within the Department of Commerce so that, to the extent practicable, all the resources of the Department are used to effectively and efficiently carry out the national tourism policy;

"(14) may only promulgate, issue, rescind, and amend such interpretive rules, general statements of policy, and rules of agency organization, procedure, and practice as may be necessary to carry out this Act; and

"(15) shall develop and submit annually to the Congress, within six weeks of transmittal to the Congress of the President's recommended budget for implementing this Act, a detailed marketing plan to stimulate and encourage travel to the United States during the fiscal year for which such budget is submitted and include in the plan the estimated funding and personnel levels required to implement the plan and alternate means of funding activities under this Act.".

(d)(1) Paragraph (5) of section 3(a) of the Act is amended (A) by striking out "foreign countries." and inserting in lieu thereof "foreign countries;", (B) by striking out "this clause;" and inserting in lieu thereof "this paragraph.", (C) by inserting the last two sentences before the first sentence of subsection (c), and (D) by striking out "this clause" in such sentences and inserting in lieu thereof "paragraph (5) of subsection (a)". 22 USC 2123.

(2) Paragraph (7) of section 3(a) of the Act is amended by striking out "countries. The Secretary is authorized to" and inserting in lieu thereof "countries; and the Secretary may" and by striking out "this clause" and inserting in lieu thereof "this paragraph".

(3) Section 3 of the Act is amended by striking out "clause (5)" each place it appears and inserting in lieu thereof "paragraph (5)".

(e)(1) Sections 2 and 3 of the Act are redesignated as sections 201 and 202, respectively, and section 5 is inserted after section 202 (as so redesignated) and redesignated as section 203. 22 USC 2122, 2123, 2123a.

(2) Section 203 of the Act (as so redesignated) is amended by striking out "semi-annually" and inserting in lieu thereof "annually". 22 USC 2123a.

(f) The following section is inserted after section 203 of the Act (as so redesignated):

"SEC. 204. (a) The Secretary is authorized to provide, in accordance with subsections (b) and (c), financial assistance to a region of not less than two States or portions of two States to assist in the implementation of a regional tourism promotional and marketing program. Such assistance shall include— Regional assistance. 22 USC 2123b.

"(1) technical assistance for advancing the promotion of travel to such region by foreign visitors;

"(2) expert consultants; and

"(3) marketing and promotional assistance.

"(b) Any program carried out with assistance under subsection (a) shall serve as a demonstration project for future program development for regional tourism promotion.

"(c) The Secretary may provide assistance under subsection (a) for a region if the applicant for the assistance demonstrates to the satisfaction of the Secretary that—

"(1) such region has in the past been an area that has attracted foreign visitors, but such visits have significantly decreased;

"(2) facilities are being developed or improved to reattract such foreign visitors;

"(3) a joint venture in such region will increase the travel to such region by foreign visitors;

"(4) such regional programs will contribute to the economic well-being of the region;

"(5) such region is developing or has developed a regional transportation system that will enhance travel to the facilities and attractions within such region; and

"(6) a correlation exists between increased tourism to such region and the lowering of the unemployment rate in such region.".

ADMINISTRATION

United States Travel and Tourism Administration, establishment.

SEC. 4. (a)(1) The first sentence of section 4 of the Act (22 U.S.C. 2124) is amended to read as follows: "There is established in the Department of Commerce a United States Travel and Tourism Administration which shall be headed by an Under Secretary of Commerce for Travel and Tourism who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall report directly to the Secretary.".

(2) The second sentence of section 4 of the Act is amended by striking out "Assistant Secretary of Commerce for Tourism" and inserting in lieu thereof "Under Secretary of Commerce for Travel and Tourism".

(3) Section 4 of the Act is amended by striking out the last sentence and inserting in lieu thereof the following: "The Secretary shall designate an Assistant Secretary of Commerce for Tourism Marketing who shall be under the supervision of the Under Secretary of Commerce for Travel and Tourism. The Secretary shall delegate to the Assistant Secretary responsibility for the development and submission of the marketing plan required by section 202(a)(15).".

Ante, p. 1012.

(4) Section 5314 of title 5, United States Code, is amended by striking out "Under Secretary of Commerce" and inserting in lieu thereof "Under Secretary of Commerce and Under Secretary of Commerce for Travel and Tourism".

(b) Section 4 of the Act is amended by inserting "(a)" after "SEC. 4.", and by adding at the end the following:

"(b)(1) The Secretary may not reduce the total number of foreign offices of the United States Travel and Tourism Administration or the number of employees assigned to the offices of the Administration in foreign countries to a number which is less than the total number of employees of the United States Travel Service assigned to offices of the Service in foreign countries in fiscal year 1979.

"(2) In any fiscal year the amount of funds which shall be made available from appropriations under this Act for obligation for the

activities of the offices of the United States Travel and Tourism Administration in foreign countries shall not be less than the amount obligated in fiscal year 1980 for the activities of the offices of the United States Travel Service in foreign countries.".

(c)(1) The following heading is inserted before section 4 of the Act:

"TITLE III—ADMINISTRATION".

(2) Section 4 of the Act is redesignated as section 301 and the following new sections are inserted after that section: 22 USC 2124.

"SEC. 302. (a) In order to assure that the national interest in tourism is fully considered in Federal decisionmaking, there is established an interagency coordinating council to be known as the Tourism Policy Council (hereinafter in this section referred to as the 'Council'). Tourism Policy Council, establishment. 22 USC 2124a.

"(b)(1) The Council shall consist of— Membership.

"(A) the Secretary of Commerce who shall serve as Chairman of the Council;

"(B) the Under Secretary for Travel and Tourism who shall serve as the Vice Chairman of the Council and who shall act as Chairman of the Council in the absence of the Chairman;

"(C) the Director of the Office of Management and Budget or the individual designated by the Director from the Office;

"(D) an individual designated by the Secretary of Commerce from the International Trade Administration of the Department of Commerce;

"(E) the Secretary of Energy or the individual designated by such Secretary from the Department of Energy;

"(F) the Secretary of State or the individual designated by such Secretary from the Department of State;

"(G) the Secretary of the Interior or the individual designated by such Secretary from the National Park Service or the Heritage Conservation and Recreation Service of the Department of the Interior;

"(H) the Secretary of Labor or the individual designated by such Secretary from the Department of Labor; and

"(I) the Secretary of Transportation or the individual designated by such Secretary from the Department of Transportation.

"(2) Members of the Council shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Council. Compensation; travel expenses.

"(3) Each member of the Council, other than the Vice Chairman, may designate an alternate, who shall serve as a member of the Council whenever the regular member is unable to attend a meeting of the Council or any committee of the Council. The designation by a member of the Council of an alternate under the preceding sentence shall be made for the duration of the member's term on the Council. Any such designated alternate shall be selected from individuals who exercise significant decisionmaking authority in the Federal agency involved and shall be authorized to make decisions on behalf of the member for whom he or she is serving. Alternate, designation.

"(c)(1) Whenever the Council, or a committee of the Council, considers matters that affect the interests of Federal agencies that are not represented on the Council or the committee, the Chairman may invite the heads of such agencies, or their alternates, to participate in the deliberations of the Council or committee.

Meetings.

"(2) The Council shall conduct its first meeting not later than ninety days after the date of enactment of this section. Thereafter the Council shall meet not less than four times each year.

Functions.

"(d)(1) The Council shall coordinate policies, programs, and issues relating to tourism, recreation, or national heritage resources involving Federal departments, agencies, or other entities. Among other things, the Council shall—

"(A) coordinate the policies and programs of member agencies that have a significant effect on tourism, recreation, and national heritage preservation;

"(B) develop areas of cooperative program activity;

"(C) assist in resolving interagency program and policy conflicts; and

"(D) seek and receive concerns and views of State and local governments and the Travel and Tourism Advisory Board with respect to Federal programs and policies deemed to conflict with the orderly growth and development of tourism.

"(2) To enable the Council to carry out its functions—

"(A) the Council may request directly from any Federal department or agency such personnel, information, services, or facilities, on a compensated or uncompensated basis, as he determines necessary to carry out the functions of the Council;

"(B) each Federal department or agency shall furnish the Council with such information, services, and facilities as it may request to the extent permitted by law and within the limits of available funds; and

"(C) Federal agencies and departments may, in their discretion, detail to temporary duty with the Council, such personnel as the Council may request for carrying out the functions of the Council, each such detail to be without loss of seniority, pay, or other employee status.

"(3) The Administrator of the General Services Administration shall provide administrative support services for the Council on a reimbursable basis.

Policy committees, establishment.

"(e) The Council shall establish such policy committees as it considers necessary and appropriate, each of which shall be comprised of any or all of the members of the Council and representatives from Federal departments, agencies, and instrumentalities not represented on the Council. Each such policy committee shall be designed—

"(1) to monitor a specific area of Federal Government activity, such as transportation, energy and natural resources, economic development, or other such activities related to tourism; and

"(2) to review and evaluate the relation of the policies and activities of the Federal Government in that specific area to tourism, recreation, and national heritage conservation in the United States.

Report to President.

"(f) The Council shall submit an annual report for the preceding fiscal year to the President for transmittal to Congress on or before the thirty-first day of December of each year. The report shall include—

"(1) a comprehensive and detailed report of the activities and accomplishments of the Council and its policy committees;

"(2) the results of Council efforts to coordinate the policies and programs of member agencies that have a significant effect on tourism, recreation, and national heritage preservation, resolve interagency conflicts, and develop areas of cooperative program activity;

"(3) an analysis of problems referred to the Council by State and local governments, the tourism industry, the Secretary of Commerce, or any of the Council's policy committees along with a detailed statement of any actions taken or anticipated to be taken to resolve such problems; and

"(4) such recommendations as the Council deems appropriate.

Travel and Tourism Advisory Board, establishment. 22 USC 2124b.

"SEC. 303. (a) There is established the Travel and Tourism Advisory Board (hereinafter in this section referred to as the 'Board') to be composed of fifteen members appointed by the Secretary. The members of the Board shall be appointed as follows:

Members, appointments.

"(1) Not more than eight members of the Board shall be appointed from the same political party.

"(2) The members of the Board shall be appointed from among citizens of the United States who are not regular full-time employees of the United States and shall be selected for appointment so as to provide as nearly as practicable a broad representation of different geographical regions within the United States and of the diverse and varied segments of the tourism industry.

"(3) Twelve of the members shall be appointed from senior executive officers of organizations engaged in the travel and tourism industry. Of such members—

"(A) at least one shall be a senior representative from a labor organization representing employees of the tourism industry; and

"(B) at least one shall be a representative of the States who is knowledgeable of tourism promotion.

"(4) Of the remaining three members of the Board—

"(A) one member shall be a consumer advocate or ombudsman from the organized public interest community;

"(B) one member shall be an economist, statistician, or accountant; and

"(C) one member shall be an individual from the academic community who is knowledgeable in tourism, recreation, or national heritage conservation.

The Secretary shall serve as an ex officio member of the Board. The duration of the Board shall not be subject to the Federal Advisory Committee Act. A list of the members appointed to the Board shall be forwarded by the Secretary to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Energy and Commerce.

5 USC app.

Terms of office.

"(b) The members of the Board shall be appointed for a term of office of three years, except that of the members first appointed—

"(1) four members shall be appointed for terms of one year, and

"(2) four members shall be appointed for terms of two years, as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office. Vacancies on the Board shall be filled in the same manner in which the original appointments were made. No member of the Board shall be eligible to serve in excess of two consecutive terms of three years each.

"(c) The Chairman and Vice Chairman and other appropriate officers of the Board shall be elected by and from members of the Board other than the Secretary.

Compensation; travel expenses.

"(d) The members of the Board shall receive no compensation for their services as such, but shall be allowed such necessary travel

expenses and per diem as are authorized by section 5703 of title 5, United States Code. The Secretary shall pay the reasonable and necessary expenses incurred by the Board in connection with the coordination of Board activities, announcement and reporting of meetings, and preparation of such reports as are required by subsection (f).

Meetings.

"(e) The Board shall meet at least semi-annually and shall hold such other meetings at the call of the Chairman, the Vice Chairman, or a majority of its members.

"(f) The Board shall advise the Secretary with respect to the implementation of this Act and shall advise the Assistant Secretary for Tourism Marketing with respect to the preparation of the marketing plan under section 202(a)(15). The Board shall prepare an annual report concerning its activities and include therein such recommendations as it deems appropriate with respect to the performance of the Secretary under this Act and the operation and effectiveness of programs under this Act. Each annual report shall cover a fiscal year and shall be submitted on or before the thirty-first day of December following the close of the fiscal year.".

Ante, p. 1012.
Report.

AUTHORIZATIONS

SEC. 5. (a) Section 6 of the Act (22 U.S.C. 2126) is redesignated as section 304 and the first sentence is amended to read as follows: "For the purpose of carrying out this Act there is authorized to be appropriated an amount not to exceed $8,600,000 for the fiscal year ending September 30, 1982.".

Repeal.
22 USC 2121 note.

(b) Section 7 of the Act (22 U.S.C. 2127) is redesignated as section 305 and sections 8 and 9 of the Act (22 U.S.C. 2128) are repealed.

EFFECTIVE DATE

22 USC 2121 note.

SEC. 6. The amendments made by this Act shall take effect October 1, 1981.

Approved October 16, 1981.

LEGISLATIVE HISTORY—S. 304 (H.R. 1311):

HOUSE REPORTS: No. 97-107, Pt. I, accompanying H.R. 1311 (Comm. on Energy and Commerce) and No. 97-252 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Jan. 27, considered and passed Senate.

July 28, H.R. 1311 considered and passed House; proceedings vacated and S. 304, amended, passed in lieu.

Sept. 29, Senate agreed to conference report.

Sept. 29, Oct. 1, House considered and agreed to conference report.

Public Law 97-64
97th Congress

An Act

Granting the consent of Congress to the agreement between the States of Kansas and Missouri establishing their mutual boundary in the vicinity of the French Bottoms near Saint Joseph, Missouri, and Elwood, Kansas.

Oct. 16, 1981
[H.R. 4048]

Kansas-Missouri. Boundary agreement.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress consents to the agreement between the States of Kansas and Missouri establishing their mutual boundary in the vicinity of the Gladden-French-Elwood Bottoms near Saint Joseph, Missouri, and Elwood, Kansas, as the thalweg line of the channel of the Missouri River abandoned by avulsion in April 1952, which is more particularly described in the project maps, reports, and documents submitted April 30, 1980, by Williamson Engineering and Surveying, Saint Joseph, Missouri, consisting of sheets one to sixteen, inclusive, and filed in the Office of the Secretary of State for the State of Kansas, and in the Office of the State Land Surveyor, Division of Research and Technical Information, Department of Natural Resources, State of Missouri. Such agreement was approved by the State of Kansas on May 8, 1980, by the State of Missouri on June 25, 1981, and is substantially as follows:

The true and permanent boundary line between the State of Missouri and the State of Kansas follows the thalweg line at the time of the April 1952 avulsion and sudden change of the Missouri River Channel and is more particularly described as beginning at the intersection of the present thalweg line of the Missouri River Channel and the thalweg line of the Missouri River Channel as it existed prior to the April 1952 avulsion and having Kansas State coordinate of 540240.22 feet north and 2878720.31 feet east of the Kansas north zone; thence along the thalweg line as it existed prior to the April 1952 avulsion the following courses and distances: north 85 degrees 50 minutes 30 seconds west to an aluminum monument, 482.0 feet; south 67 degrees 13 minutes 0 seconds west, 814.0 feet to an aluminum monument; south 51 degrees 09 minutes 0 seconds west, 693.0 feet; south 78 degrees 58 minutes 0 seconds west, 601.0 feet to an aluminum monument; south 59 degrees 11 minutes 0 seconds west, 996.0 feet to an aluminum monument; south 20 degrees 57 minutes 30 seconds west, 1,725.0 feet; south 51 degrees 36 minutes 0 seconds west, 658.0 feet; south 42 degrees 12 minutes 30 seconds west, 1,596.0 feet; south 55 degrees 30 minutes 30 seconds west, 597.0 feet; south 60 degrees 26 minutes 30 seconds west, 1,601.0 feet; south 64 degrees 34 minutes 30 seconds west, 1,237.0 feet; south 87 degrees 02 minutes 30 seconds west, 368.0 feet; south 73 degrees 47 minutes 30 seconds west, 602.0 feet; south 85 degrees 54 minutes 0 seconds west, 1,146.0 feet; north 75 degrees 38 minutes 30 seconds west, 565.0 feet; north 68 degrees 54 minutes 30 seconds west, 806.0 feet; north 61 degrees 58 minutes 0 seconds west, 787.0 feet; north 55 degrees 20 minutes 0 seconds west, 1,793.0 feet; north 48 degrees 13 minutes 0 seconds

west, 2,897.0 feet; north 43 degrees 25 minutes 30 seconds west, 902.0 feet; north 28 degrees 04 minutes 30 seconds west, 1,190.0 feet; north 22 degrees 01 minutes 30 seconds west, 1,101.0 feet; north 10 degrees 19 minutes 30 seconds east, 825.0 feet; north 17 degrees 07 minutes 30 seconds west, 662.0 feet to an aluminum monument; north 8 degrees 48 minutes 0 seconds east, 556.0 feet; north 4 degrees 33 minutes 30 seconds west, 692.0 feet to an aluminum monument; north 29 degrees 27 minutes 0 seconds east, 1,200.0 feet; north 44 degrees 15 minutes 0 seconds east, 1,096.0 feet to an aluminum monument; north 58 degrees 32 minutes 30 seconds east, 1,112.0 feet; north 74 degrees 17 minutes 0 seconds east, 1,181.0 feet; south 55 degrees 0 minutes 30 seconds east, 855.0 feet; south 89 degrees 49 minutes 30 seconds east, 1,640.0 feet; south 78 degrees 07 minutes 30 seconds east, 996.0 feet; south 89 degrees 07 minutes 0 seconds east, 650.0 feet to an aluminum monument; north 70 degrees 10 minutes 30 seconds east, 781.0 feet; south 81 degrees 27 minutes 30 seconds east, 1,042.0 feet to an aluminum monument; north 69 degrees 36 minutes 0 seconds east, 1,707.0 feet; north 71 degrees 34 minutes 0 seconds east, 2,498.0 feet to an aluminum monument; north 55 degrees 57 minutes 0 seconds east, 1,098.0 feet to an aluminum monument; north 48 degrees 55 minutes 30 seconds east, 982.0 feet to an aluminum monument; north 19 degrees 01 minutes 30 seconds east, 491.0 feet to an aluminum monument; north 51 degrees 47 minutes 0 seconds east, 503.0 feet; north 34 degrees 27 minutes 0 seconds east, 521.0 feet; north 40 degrees 06 minutes 0 seconds east, 373.0 feet to the point of intersection of the thalweg line of the current Missouri River Channel and the thalweg line as it existed prior to the April 1952 avulsion and having Kansas State coordinate values of 549195.06 feet north and 2876850.19 feet east of the Kansas north zone, according to a survey executed by Williamson Engineering and Surveying dated April 30, 1980, and hereby made a part of the legal description.

SEC. 2. Nothing contained in the agreement described in the first section of this Act shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the agreement.

SEC. 3. The right to alter, amend, or repeal this Act is expressly reserved.

Approved October 16, 1981.

LEGISLATIVE HISTORY—H.R. 4048:

HOUSE REPORT No. 97-239 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 29, considered and passed House.
Oct. 1, considered and passed Senate.

Public Law 97-65
97th Congress

An Act

To amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

Oct. 16, 1981
[H.R. 3136]

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

Overseas Private Investment Corporation Amendments Act of 1981.
22 USC 2151 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Overseas Private Investment Corporation Amendments Act of 1981".

CREATION, PURPOSE AND POLICY

SEC. 2. Section 231 of the Foreign Assistance Act of 1961 (22 U.S.C. 2191) is amended—

(1) in paragraph (2)—

(A) by striking out "$520 or less in 1975 United States dollars" and inserting in lieu thereof "$680 or less in 1979 United States dollars"; and

(B) by striking out "$1,000 or more in 1975 United States dollars" and inserting in lieu thereof "$2,950 or more in 1979 United States dollars";

(2) in subsection (i) by inserting immediately before the semicolon the following: ", and to seek to support those developmental projects having positive trade benefits for the United States"; and

(3)(A) in subsection (k) by striking out "and" after "required by clause (1);";

(B) in subsection (l) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new subsection: "(m) to refuse to insure, reinsure, or finance any investment subject to performance requirements which would reduce substantially the positive trade benefits likely to accrue to the United States from the investment.".

ORGANIZATION AND MANAGEMENT

SEC. 3. (a) The first paragraph of section 233(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended—

(1) by striking out in the first sentence "eleven" and "six" and inserting in lieu thereof "fifteen" and "eight", respectively;

(2) by inserting after the second sentence the following: "The United States Trade Representative shall be the Vice Chairman of the Board, ex officio, except that the United States Trade Representative may designate the Deputy United States Trade Representative to serve as Vice Chairman of the Board in place of the United States Trade Representative.";

(3) by striking out "Six", "six", and "two" in the fourth, fifth, and seventh sentences of such section, as amended by paragraph (2), and inserting in lieu thereof "Eight", "eight", and "three", respectively;

(4) by striking out in the fifth sentence of such section, as amended by paragraph (2), "one" the first place it appears and inserting in lieu thereof "two"; and

(5) by striking out in the fourth sentence of such section, as amended by paragraph (2), "also serve as a Director" and inserting in lieu thereof "serve as a Director, ex officio".

(b) The second paragraph of such section is amended by inserting "including an official of the Department of Labor," after "United States,".

Effective date. 22 USC 2193 note.

(c) The amendments made by this section shall take effect on October 1, 1981.

INVESTMENT INSURANCE AND OTHER PROGRAMS

SEC. 4. (a) Section 234 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194) is amended—

(1) in subsection (a)(1)(C), by striking out "or insurrection" and inserting in lieu thereof ", insurrection, or civil strife";

(2) in subsection (a)(2), by striking out "total" and "financing" at the end thereof;

(3) in subsection (a)(3), by striking out "authorized to issue under this subsection" and inserting in lieu thereof "permitted to have outstanding under section 235(a)(1)"; and

Report to congressional committees.

(4) by adding at the end of subsection (a) the following new paragraph:

"(4) Before issuing civil strife insurance for the first time, and in each subsequent instance in which a significant expansion is proposed in the type of risk to be insured under the definition of civil strife, the Corporation shall, at least sixty days before such insurance is issued, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report with respect to such insurance, including a thorough analysis of the risks to be covered, anticipated losses, and proposed rates and reserves.".

(b) Section 234 of such Act is further amended—

(1) in subsection (b), by striking out in the last proviso "authorized to issue under this subsection" and inserting in lieu thereof "permitted to have outstanding under section 235(a)(2)";

(2) in subsection (f)(1), by striking out "(A)" and by striking out ", and (B)" and all that follows through the end of the paragraph and inserting in lieu thereof a period; and

(3) in the last paragraph of subsection (f)—

(A) by striking out in the second sentence "exceed $600,000,000 in any one year, and the amount of such reinsurance shall not"; and

(B) by striking out in the last sentence ", and the Corporation" and all that follows through the end of the sentence and inserting in lieu thereof a period.

ISSUING AUTHORITY, DIRECT INVESTMENT FUND AND RESERVES

SEC. 5. (a)(1) Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended in paragraph (2) by striking out ": *Provided*" and all that follows through the end of the paragraph and inserting in lieu thereof a period and the following: "Commit-

ments to guarantee loans are authorized for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.".

(2) Section 235(a) of such Act is further amended— 22 USC 2195.

(A) By redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(B) by inserting the following after paragraph (2):

"(3) The Corporation shall not make any commitment to issue any guaranty which would result in a reserve less than 25 per centum of the maximum contingent liability then outstanding against guaranties issued or commitments made pursuant to section 234(b) or similar predecessor guaranty authority.". 22 USC 2194.

(b)(1) Section 235(a)(5) of such Act, as redesignated by subsection (a)(2)(A) of this section, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

(2) The authority of the Overseas Private Investment Corporation to enter into contracts under section 234(a) of the Foreign Assistance Act of 1961 shall be effective for any fiscal year beginning after September 30, 1981, only to such extent or in such amounts as are provided in appropriation Acts. Contract authority. 22 USC 2194a.

(c) Section 235(b) of such Act is amended by adding at the end thereof the following: "The Corporation shall transfer to the Fund in the fiscal year 1982, and in each fiscal year thereafter—

"(1) at least 10 per centum of the net income of the Corporation for the preceding fiscal year, and

"(2) all amounts received by the Corporation during the preceding fiscal year as repayment of principal and interest on loans made under section 234(c), to the extent such amounts have not been expended or obligated before the effective date of the Overseas Private Investment Corporation Amendments Act of 1981, 22 USC 2194. *Ante*, p. 1021.

and the Corporation shall use the funds so transferred to make loans under section 234(c) to the extent that there are eligible projects which meet the Corporation's criteria for funding: *Provided, however,* That loans from the Direct Investment Fund are authorized for any fiscal year only to the extent or in such amounts as provided in advance in appropriation Acts.".

GENERAL PROVISIONS RELATING TO INSURANCE AND GUARANTY PROGRAM

SEC. 6. (a) Section 237(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2197(f)) is amended by amending the first sentence to read as follows: "Compensation for insurance, reinsurance, or guaranties issued under this title shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings, or profits actually accrued on such investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide that (1) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets, and (2) compensation for a claim of loss under insurance of an equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss.".

(b) Such section is further amended by striking out the last sentence.

DEFINITIONS

SEC. 7. Section 238(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(a)) is amended by inserting "or commitment" after "includes any contribution".

GENERAL PROVISIONS AND POWERS

SEC. 8. Section 239 of the Foreign Assistance Act of 1961 (22 U.S.C. 2199) is amended—

(1) in subsection (d), by inserting after the last semicolon the following: "to collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation;";

(2) in subsection (e)—

(A) by striking out "Auditor-General" each place it appears and inserting in lieu thereof "Inspector General"; and

(B) by striking out in the first sentence "shall have the responsibility for planning and directing the execution of audits," and inserting in lieu thereof "may conduct"; and

(3) by striking out subsections (f), (j), and (k) and redesignating subsections (g), (h), (i), and (l) as subsections (f), (g), (h), and (i), respectively.

REPORTS

SEC. 9. (a) Section 240A of the Foreign Assistance Act of 1961 (22 U.S.C. 2200a) is amended—

(1) in subsection (a)—

(A) by striking out "(a)";

(B) in paragraph (1), by striking out "239(i)" and inserting in lieu thereof "239(h)"; and

(C) in paragraph (2)(A), by striking out "239(l)" and inserting in lieu thereof "239(i)"; and

(2) by striking out subsection (b).

Submittal to Congress. 22 USC 2200a note.

(b) The Overseas Private Investment Corporation shall prepare and submit to the Congress, not later than June 30, 1982, a report on methods for estimating the probability that particular investments or types of investments will or will not be made if insurance or other support by the Corporation is not provided. The report should review methods of taking into consideration the availability of insurance in the private sector as well as the self-insurance capabilities of investors. The report shall include recommendations on how the Corporation can incorporate consideration of such estimates when deciding which investments to support, particularly if not all applications of eligible investors can be approved. The report shall be based on studies conducted by persons who are not officers or employees of the Corporation as well as on studies conducted by the Corporation.

RETURN OF APPROPRIATED FUNDS

SEC. 10. Title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

22 USC 2200b.

"SEC. 240B. RETURN OF APPROPRIATED FUNDS.—The Corporation shall return to the general fund of the Treasury, in a manner consistent with the objectives set forth in section 231, amounts equal to the total amounts which were appropriated to the Corporation

22 USC 2191.

before January 1, 1975, pursuant to section 235(f). In order to carry out the preceding sentence, the Corporation shall, in each fiscal year, pay to the Treasury an amount equal to 25 per centum of the net income of the Corporation for the preceding fiscal year, after making suitable provisions for transfers to reserves and capital, until the aggregate amount of such payments equals the amounts required to be returned to the Treasury by the preceding sentence.".

22 USC 2195.

Approved October 16, 1981.

LEGISLATIVE HISTORY—H.R. 3136 (H.R. 3566) (S. 1196):

HOUSE REPORT No. 97-195 (Comm. on Foreign Affairs).
SENATE REPORT No. 97-83 accompanying S. 1196 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 21, 22, considered and passed House.
Sept. 23, 24, 30, S. 1196 considered in Senate.
Sept. 25, considered and passed Senate, amended.
Sept. 28, House concurred in Senate amendment with an amendment.
Sept. 30, Senate concurred in House amendment with an amendment.
Oct. 2, House concurred in Senate amendment.

Public Law 97-66
97th Congress

An Act

Oct. 17, 1981
[S. 917]

To amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for the surviving spouses and children of disabled veterans, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans, to increase the maximum amount payable under the Veterans' Administration automobile assistance and specially adapted housing assistance programs, to expand eligibility for memorial markers, to require advance notification to Congress regarding certain Veterans' Administration reorganizations, and to limit expenditures of medical appropriations in connection with contracting-out studies; and for other purposes.

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

Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981.
38 USC 101 note.

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS' DISABILITY COMPENSATION BENEFITS

INCREASES IN RATES OF DISABILITY COMPENSATION

94 Stat. 1528.
38 USC 314.

SEC. 101. (a) Section 314 is amended—

(1) by striking out "$54" in subsection (a) and inserting in lieu thereof "$58";

(2) by striking out "$99" in subsection (b) and inserting in lieu thereof "$107";

(3) by striking out "$150" in subsection (c) and inserting in lieu thereof "$162";

(4) by striking out "$206" in subsection (d) and inserting in lieu thereof "$232";

(5) by striking out "$291" in subsection (e) and inserting in lieu thereof "$328";

(6) by striking out "$367" in subsection (f) and inserting in lieu thereof "$413";

(7) by striking out "$434" in subsection (g) and inserting in lieu thereof "$521";

(8) by striking out "$503" in subsection (h) and inserting in lieu thereof "$604";

(9) by striking out "$566" in subsection (i) and inserting in lieu thereof "$679";

(10) by striking out "$1,016" in subsection (j) and inserting in lieu thereof "$1,130";

(11) by striking out "$1,262" and "$1,768" in subsection (k) and inserting in lieu thereof "$1,403" and "$1,966", respectively;

(12) by striking out "$1,262" in subsection (l) and inserting in lieu thereof "$1,403";

(13) by striking out "$1,391" in subsection (m) and inserting in lieu thereof "$1,547";

(14) by striking out "$1,581" in subsection (n) and inserting in lieu thereof "$1,758";

(15) by striking out "$1,768" each place it appears in subsections (o) and (p) and inserting in lieu thereof "$1,966";

(16) by striking out "$759" and "$1,130" in subsection (r) and inserting in lieu thereof "$844" and "$1,257", respectively;

(17) by striking out "$1,137" in subsection (s) and inserting in lieu thereof "$1,264"; and

(18) by striking out "$219" in subsection (t) and inserting in lieu thereof "$244".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

38 USC 314 note.

38 USC note prec. 101.

38 USC 301 *et seq.*

INCREASES IN RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 102. Section 315(1) is amended—

94 Stat. 1529.
38 USC 315.

(1) by striking out "$62" in clause (A) and inserting in lieu thereof "$69";

(2) by striking out "$104" in clause (B) and inserting in lieu thereof "$116";

(3) by striking out "$138" in clause (C) and inserting in lieu thereof "$153";

(4) by striking out "$173" and "$34" in clause (D) and inserting in lieu thereof "$192" and "$38", respectively;

(5) by striking out "$42" in clause (E) and inserting in lieu thereof "$47";

(6) by striking out "$77" in clause (F) and inserting in lieu thereof "$86";

(7) by striking out "$111" and "$34" in clause (G) and inserting in lieu thereof "$123" and "$38", respectively;

(8) by striking out "$50" in clause (H) and inserting in lieu thereof "$56";

(9) by striking out "$112" in clause (I) and inserting in lieu thereof "$125"; and

(10) by striking out "$94" in clause (J) and inserting in lieu thereof "$105".

INCREASE IN CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS

SEC. 103. Section 362 is amended by striking out "$274" and inserting in lieu thereof "$305".

94 Stat. 1529.
38 USC 362.

INCREASES IN COMPENSATION PAYABLE TO CERTAIN SEVERELY DISABLED VETERANS

SEC. 104. Section 314 is amended—

38 USC 314.

(1) in subsection (l), by striking out "both hands, or";

(2) in subsection (m), by striking out "two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis" and inserting in lieu thereof "both hands, or of both legs at a level, or with complications, preventing natural knee action with prostheses in place, or of one arm and one leg at levels, or with complications, preventing natural elbow and knee action with prostheses";

(3) in subsection (n), by striking out "of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance" and inserting in lieu thereof "or loss of use of both arms at levels, or with complications, preventing natural elbow action with prostheses in place, has suffered the anatomical loss of both legs so near the hip as to prevent the use of prosthetic appliances, or has suffered the anatomical loss of one arm and one leg so near the shoulder and hip as to prevent the use of prosthetic appliances,"; and

(4) in subsection (o), by inserting "or if the veteran has suffered the anatomical loss of both arms so near the shoulder as to prevent the use of prosthetic appliances," after "less,".

TITLE II—SURVIVORS' DEPENDENCY AND INDEMNITY COMPENSATION BENEFITS

INCREASES IN RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES

94 Stat. 1529.
38 USC 411.

SEC. 201. (a) Subsection (a) of section 411 is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a surviving spouse, based on the pay grade of the person upon whose death entitlement is predicated, at monthly rates set forth in the following table:

"Pay grade	Monthly rate	"Pay grade	Monthly rate
E-1	$415	W-4	$595
E-2	428	O-1	525
E-3	438	O-2	542
E-4	466	O-3	580
E-5	479	O-4	613
E-6	490	O-5	676
E-7	514	O-6	761
E-8	542	O-7	824
E-9	[1] 567	O-8	903
W-1	525	O-9	970
W-2	546	O-10	[2] 1,061
W-3	562		

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $610.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be $1,138.".

(b) Subsection (b) of such section is amended by striking out "$43" and inserting in lieu thereof "$48".

(c) Subsection (c) of such section is amended by striking out "$112" and inserting in lieu thereof "$125".

(d) Subsection (d) of such section is amended by striking out "$56" and inserting in lieu thereof "$62".

INCREASES IN RATES OF DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 202. Section 413 is amended— 94 Stat. 1530. 38 USC 413.

(1) by striking out "$189" in clause (1) and inserting in lieu thereof "$210";

(2) by striking out "$271" in clause (2) and inserting in lieu thereof "$301";

(3) by striking out "$350" in clause (3) and inserting in lieu thereof "$389"; and

(4) by striking out "$350" and "$71" in clause (4) and inserting in lieu thereof "$389" and "$79", respectively.

INCREASES IN RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN

SEC. 203. Section 414 is amended— 94 Stat. 1530. 38 USC 414.

(1) by striking out "$112" in subsection (a) and inserting in lieu thereof "$125";

(2) by striking out "$189" in subsection (b) and inserting in lieu thereof "$210"; and

(3) by striking out "$96" in subsection (c) and inserting in lieu thereof "$107".

MISCELLANEOUS DEPENDENCY AND INDEMNITY COMPENSATION AMENDMENTS

SEC. 204. (a) Section 413 is amended by inserting "(a)" before "Whenever", and by adding at the end the following new subsection: 38 USC 413.

"(b) If dependency and indemnity compensation has been awarded under this section to a veteran's child or children and the entitlement to dependency and indemnity compensation under this section of an additional child of that veteran who is over the age of eighteen years and who had previously been entitled to dependency and indemnity compensation under this section before becoming eighteen years of age is later reestablished effective retroactively upon determination that such child is pursuing a course of instruction at an approved educational institution, the amount payable retroactively to the additional child is the amount equal to the difference between the total of the increased award payable under this section to the children of the deceased veteran for the retroactive period and the prior total award for such purpose for that period.".

(b) Section 3010(e) is amended— 38 USC 3010.

(1) by striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2) of this subsection, the"; and

(2) by adding at the end the following new paragraph:

"(2) In the case of a child who is eighteen years of age or over and who immediately before becoming eighteen years of age was counted under section 411(b) of this title in determining the amount of the dependency and indemnity compensation of a surviving spouse, the effective date of an award of dependency and indemnity compensation to such child shall be the date the child attains the age of eighteen years if application therefor is received within one year from such date.". *Ante*, p. 1028.

TITLE III—AUTOMOBILE ASSISTANCE AND ADAPTIVE EQUIPMENT

INCREASE IN AUTOMOBILE ASSISTANCE AMOUNT

38 USC 1902.

SEC. 301. Section 1902(a) is amended by striking out "$3,800" and inserting in lieu thereof "$4,400".

EXTENSION OF ELIGIBILITY FOR ADAPTIVE EQUIPMENT ASSISTANCE

SEC. 302. Section 1902(b) is amended—

(1) by inserting "(1)" before "The"; and

(2) by adding at the end the following new paragraph:

"(2) In the case of any veteran (other than a person eligible for assistance under paragraph (1) of this subsection) who is entitled to compensation for ankylosis of one or both knees, or one or both hips, the Administrator, under the terms and conditions set forth in subsections (a), (c), and (d) of section 1903 of this title and under regulations which the Administrator shall prescribe, shall provide such adaptive equipment to overcome the disability resulting from such ankylosis as (A) is necessary to meet the applicable standards of licensure established by the State of such veteran's residency or other proper licensing authority for the operation of such veteran's automobile or other conveyance by such veteran, and (B) is determined to be necessary by the Chief Medical Director for the safe operation of such automobile or other conveyance by such veteran.".

TECHNICAL AMENDMENTS

38 USC 1902, 1903.

SEC. 303. Sections 1902 and 1903(b) are amended by striking out "he" each place it appears and inserting in lieu thereof "the Administrator" and by striking out "his" each place it appears and inserting in lieu thereof "such person's".

TITLE IV—LIFE INSURANCE PROGRAM AMENDMENTS

INCREASES IN MAXIMUM AMOUNTS OF LIFE INSURANCE

38 USC 767.

SEC. 401. (a) Section 767 is amended—

(1) in subsection (a)—

(A) by striking out "$20,000" and inserting in lieu thereof "$35,000"; and

(B) by inserting "$30,000, $25,000, $20,000" after "or (B) to be insured in the amount of";

(2) in subsection (c)—

(A) by inserting "$30,000, $25,000, $20,000" after "or to be insured in the amount of"; and

(B) by inserting "$35,000, $30,000, $25,000" after "or insured in the amount of"; and

(3) by adding at the end of such section the following new subsection:

"(d) Notwithstanding any other provision of this section, any member who on the effective date of this subsection is a member of the Retired Reserve of a uniformed service (or who upon application would be eligible for assignment to the Retired Reserve of a uniformed service) may obtain increased insurance coverage up to a maximum of $35,000 (in any amount divisible by $5,000) if—

"(1) the member—

"(A) is insured under this subchapter on the effective date of this subsection; or

"(B) within one year after the effective date of this subsection, reinstates insurance under this subchapter that had lapsed for nonpayment of premiums; and

"(2) the member submits a written application for the increased coverage to the office established pursuant to section 766(b) of this title within one year after the effective date of this subsection.".

(b) Section 777(a) is amended— 38 USC 777.

(1) by striking out "or $20,000" in the first sentence and inserting in lieu thereof "$20,000, $25,000, $30,000, or $35,000";

(2) by striking out "$20,000" in the second sentence and inserting in lieu thereof "$35,000"; and

(3) by striking out "$20,000" both places it appears in the fourth sentence and inserting in lieu thereof "$35,000".

COLLECTION OF AMOUNTS FOR SERVICEMEN'S GROUP LIFE INSURANCE PROGRAM

SEC. 402. Section 769 is amended by adding at the end the following new subsection: Regulations. 38 USC 769.

"(f) The Secretary of Defense shall prescribe regulations for the administration of the functions of the Secretaries of the military departments under this section. Such regulations shall prescribe such procedures as the Secretary of Defense, after consultation with the Administrator, may consider necessary to ensure that such functions are carried out in a timely and complete manner and in accordance with the provisions of this section, including specifically the provisions of subsection (a)(2) of this section relating to contributions from appropriations made for active duty pay.".

BENEFICIARY'S RIGHT TO ELECT ONE-SUM PAYMENT

SEC. 403. (a) Section 717(c) is amended— 38 USC 717.

(1) by striking out "Unless" in the first sentence and inserting in lieu thereof "Except as provided in the second and third sentences of this subsection, unless"; and

(2) by inserting the following new sentence after the second sentence: "In the case of insurance maturing after September 30, 1981, and for which no option has been elected by the insured, the first beneficiary may elect to receive payment in one sum.".

(b) Section 752(a) is amended by adding at the end the following new sentence: "Notwithstanding any provision to the contrary in any insurance contract, the beneficiary may, in the case of insurance maturing after September 30, 1981, and for which the insured has not exercised the right of election of the insured as provided in this subchapter, elect to receive payment of the insurance in one sum.". 38 USC 752.

TITLE V—VETERANS' ADMINISTRATION HOUSING BENEFITS

ESTABLISHMENT OF GRADUATED-PAYMENT PLANS IN VETERANS' ADMINISTRATION LOAN GUARANTY PROGRAM

SEC. 501. (a) Section 1803(d)(2) is amended— 38 USC 1803.

(1) by inserting "(A)" after "(2)"; and

(2) by adding at the end the following new subparagraphs:

Loan guarantee.

"(B) The Administrator may guarantee loans with provisions for various rates of amortization corresponding to anticipated variations in family income. With respect to any loan guaranteed under this subparagraph—

"(i) the initial principal amount of the loan may not exceed the reasonable value of the property as of the time the loan is made; and

"(ii) the principal amount of the loan thereafter (including the amount of all interest to be deferred and added to principal) may not at any time be scheduled to exceed the projected value of the property.

"(C) For the purposes of subparagraph (B) of this paragraph, the projected value of the property shall be calculated by the Administrator by increasing the reasonable value of the property as of the time the loan is made at a rate not in excess of 2.5 percent per year, but in no event may the projected value of the property for the purposes of such subparagraph exceed 115 percent of such reasonable value. A loan made for a purpose other than the acquisition of a single-family dwelling unit may not be guaranteed under such subparagraph.".

38 USC 1828.

(b) Section 1828 is amended—

(1) by inserting "(1)" after "constitution or law"; and

(2) by inserting "(2) restricting the manner of calculating such interest (including prohibition of the charging of interest on interest), or (3) requiring a minimum amortization of principal," after "lenders,".

INCREASE IN MAXIMUM AMOUNTS OF SPECIALLY ADAPTED HOUSING ASSISTANCE

94 Stat. 1531.
38 USC 802.

SEC. 502. Section 802 is amended—

(1) in subsection (a)—

(A) by striking out "$30,000" and inserting in lieu thereof "$32,500";

(B) by striking out "him" each place it appears and inserting in lieu thereof "such veteran"; and

(C) by striking out "his" in clause (3) and inserting in lieu thereof "such veteran's"; and

(2) by striking out "section 804(b)(2)" in subsection (b) and inserting in lieu thereof "section 804(b)".

EXTENSIONS OF MAXIMUM TERMS OF GUARANTEED LOANS FOR MOBILE-HOME PURCHASES

38 USC 1819.

SEC. 503. Paragraph (1) of section 1819(d) is amended to read as follows:

"(1) The maturity of any loan guaranteed under this section shall not be more than—

"(A) fifteen years and thirty-two days, in the case of a loan for the purchase of a lot;

"(B) twenty years and thirty-two days, in the case of a loan for the purchase of—

"(i) a single-wide mobile home; or

"(ii) a single-wide mobile home and a lot;

"(C) twenty-three years and thirty-two days, in the case of a loan for the purchase of a double-wide mobile home; or

"(D) twenty-five years and thirty-two days, in the case of a loan for the purchase of a double-wide mobile home and a lot.".

TECHNICAL AMENDMENTS

SEC. 504. Section 1826 is amended— 38 USC 1826.

(1) by striking out subsection (a); and

(2) by striking out "(b)".

TITLE VI—MISCELLANEOUS PROVISIONS

VETERANS' ADMINISTRATION ADMINISTRATIVE REORGANIZATIONS; REQUIRED STAFFING LEVEL AUTHORITIES

SEC. 601. (a)(1) Section 210(b) is amended— 38 USC 210.

(A) by inserting "(1)" after "(b)"; and

(B) by adding at the end the following new paragraph:

Report to congressional committees.

"(2)(A) The Administrator may not in any fiscal year implement an administrative reorganization described in subparagraph (B) of this paragraph unless the Administrator first submits to the appropriate committees of the Congress a report containing a detailed plan and justification for the administrative reorganization. Any such report shall be submitted not later than the day on which the President, pursuant to section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), submits to the Congress the Budget for the fiscal year in which the administrative reorganization is to be implemented. No action to carry out such reorganization may be taken after the submission of such report until the first day of such fiscal year.

"(B) Subparagraph (A) of this paragraph applies only to an administrative reorganization within the Veterans' Administration that involves a reduction during any fiscal year in the number of full-time equivalent employees with permanent duty stations at a covered office or facility—

"(i) by 10 percent or more, or

"(ii) by a percent which, when added to the percent reduction under this subsection in the number of such employees with permanent duty stations at such office or facility during the preceding fiscal year, is 15 percent or more.

"(C) For the purposes of this paragraph—

"(i) The term 'administrative reorganization' means a consolidation, elimination, abolition, or redistribution of functions under the authority granted the Administrator under the second sentence of paragraph (1) of this subsection. "Administrative reorganization."

"(ii) The term 'covered office or facility' means a Veterans' Administration office or facility that is the permanent duty station for 25 or more employees or that is a free-standing outpatient clinic.". "Covered office or facility."

(2) Paragraph (2) of section 210(b) of title 38, United States Code, as added by paragraph (1), does not apply to an administrative reorganization (as defined in such paragraph (2)) that is fully accomplished before the date of the enactment of this Act. 38 USC 210 note.

(b) Section 5010(a) is amended— 38 USC 5010.

(1) in paragraph (4)—

(A) by inserting "for any fiscal year (or any part of a fiscal year)" in subparagraph (A) after "for the Veterans' Administration"; and

(B) by inserting "(or part of a fiscal year)" after "fiscal year" the first place it appears in subparagraph (B) and both places it appears in subparagraph (D); and

(2) by adding at the end the following new paragraph:

"(5) Notwithstanding any other provision of this title or of any other law, funds appropriated for the Veterans' Administration under the appropriation accounts for medical care, medical and prosthetic research, and medical administration and miscellaneous operating expenses may not be used for, and no employee compensated from such funds may carry out any activity in connection with, the conduct of any study comparing the cost of the provision by private contractors with the cost of the provision by the Veterans' Administration of commercial or industrial products and services for the Department of Medicine and Surgery unless such funds have been specifically appropriated for that purpose.".

CONTINUED PAYMENT OF PENSION TO CERTAIN HOSPITALIZED VETERANS UNDERGOING A PRESCRIBED PROGRAM OF REHABILITATION

38 USC 3203.

SEC. 602. Paragraph (1) of section 3203(a) is amended—

(1) by striking out "Where" in subparagraph (B) and inserting in lieu thereof "Except as provided in subparagraph (D) of this paragraph, where"; and

(2) by adding at the end the following new subparagraph:

"(D) In the case of a veteran being furnished hospital or nursing home care by the Veterans' Administration and with respect to whom subparagraph (B) of this paragraph requires a reduction in pension, such reduction shall not be made for a period of up to three additional calendar months after the last day of the third month referred to in such subparagraph if the Administrator determines that the primary purpose for the furnishing of such care during such additional period is for the Veterans' Administration to provide such veteran with a prescribed program of rehabilitation services, under chapter 17 of this title, designed to restore such veteran's ability to function within such veteran's family and community. If the Administrator determines that it is necessary, after such period, for the veteran to continue such program of rehabilitation services in order to achieve the purposes of such program and that the primary purpose of furnishing hospital or nursing home care to the veteran continues to be the provision of such program to the veteran, the reduction in pension required by subparagraph (B) of this paragraph shall not be made for the number of calendar months that the Administrator determines is necessary for the veteran to achieve the purposes of such program.".

38 USC 601 *et seq.*

HEADSTONES, MARKERS, AND MEMORIAL AREAS

38 USC 906.

SEC. 603. (a) Subsection (b) of section 906 is amended to read as follows:

"(b) The Administrator shall furnish, when requested, an appropriate memorial headstone or marker for the purpose of commemorating any veteran—

"(1) whose remains have not been recovered or identified,

"(2) whose remains were buried at sea, whether by the veteran's own choice or otherwise,

"(3) whose remains were donated to science, or

"(4) whose remains were cremated and the ashes scattered without interment of any portion of the ashes,

for placement by the applicant in a national cemetery area reserved for such purpose under the provisions of section 1003 of this title or in a State, local, or private cemetery.".

38 USC 1003.

(b) Subsection (a) of section 1003 is amended to read as follows:

"(a) The Administrator shall set aside, when available, suitable areas in national cemeteries to honor the memory of members of the Armed Forces and veterans—

"(1) who are missing in action;

"(2) whose remains have not been recovered or identified;

"(3) whose remains were buried at sea, whether by the member's or veteran's own choice or otherwise;

"(4) whose remains were donated to science; or

"(5) whose remains were cremated and the ashes scattered without interment of any portion of the ashes.".

MINIMUM ACTIVE-DUTY SERVICE REQUIREMENT FOR BENEFITS

SEC. 604. (a)(1) Chapter 53 is amended by inserting after section 3103 the following new section:

"§ 3103A. Minimum active-duty service requirement 38 USC 3103A.

"(a) Notwithstanding any other provision of law, any requirements for eligibility for or entitlement to any benefit under this title or any other law administered by the Veterans' Administration that are based on the length of active duty served by a person who initially enters such service after September 7, 1980, shall be exclusively as prescribed in this title.

"(b)(1) Except as provided in paragraph (3) of this subsection, a person described in paragraph (2) of this subsection who is discharged or released from a period of active duty before completing the shorter of—

"(A) 24 months of continuous active duty, or

"(B) the full period for which such person was called or ordered to active duty,

is not eligible by reason of such period of active duty for any benefit under this title or any other law administered by the Veterans' Administration.

"(2) Paragraph (1) of this subsection applies—

"(A) to any person who originally enlists in a regular component of the Armed Forces after September 7, 1980; and

"(B) to any other person who enters on active duty on or after the date of the enactment of the Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981 and has not previously completed a continuous period of active duty of at least 24 months or been discharged or released from active duty under section 1171 of title 10. *Ante*, p. 1026.

"(3) Paragraph (1) of this subsection does not apply—

"(A) to a person who is discharged or released from active duty under section 1171 or 1173 of title 10;

"(B) to a person who is discharged or released from active duty for a disability incurred or aggravated in line of duty;

"(C) to a person who has a disability that the Administrator has determined to be compensable under chapter 11 of this title; 38 USC 301 *et seq.*

"(D) to the provision of a benefit for or in connection with a service-connected disability, condition, or death; or

"(E) to benefits under chapter 19 of this title. 38 USC 701 *et seq.*

"(c)(1) Except as provided in paragraph (2) of this subsection, no dependent or survivor of a person as to whom subsection (b) of this section requires the denial of benefits shall, by reason of such person's period of active duty, be provided with any benefit under this title or any other law administered by the Veterans' Administration.

38 USC 701 *et seq.*, 1801 *et seq.*
"Benefit."

"(2) Paragraph (1) of this subsection does not apply to benefits under chapters 19 and 37 of this title.

"(d) For the purposes of this section, the term 'benefit' includes a right or privilege, but does not include a refund of a participant's contributions to the educational benefits program provided by chapter 32 of this title.".

38 USC 1601 *et seq.*

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3103 the following:

"3103A. Minimum active-duty service requirement.".

38 USC 3103A note.

(b) Section 3103A of title 38, United States Code, as added by subsection (a), shall not apply with respect to the receipt by any person of any benefit provided by or pursuant to law before the date of the enactment of this Act. Notwithstanding such section, a person who before such date has received a certificate of eligibility from the Administrator of Veterans' Affairs for benefits under chapter 37 of title 38, United States Code, is eligible for such benefits after such date.

38 USC 1801 *et seq.*

DELIMITING DATES FOR SURVIVING SPOUSES OF CERTAIN SERVICE-CONNECTED DISABLED VETERANS

38 USC 1712.

SEC. 605. (a) Section 1712(b)(1) is amended—

(1) by inserting "of the following" after "whichever";

(2) by striking out "the date" in clause (A) and inserting in lieu thereof "The date";

(3) by striking out the comma and "or" at the end of clause (A) and inserting in lieu thereof a period; and

(4) by striking out clause (B) and inserting in lieu thereof the following:

"(B) The date of death of the spouse from whom eligibility is derived who dies while a total disability evaluated as permanent in nature was in existence.

"(C) The date on which the Administrator determines that the spouse from whom eligibility is derived died of a service-connected disability.".

38 USC 1712 note.

(b) Subsection (f) of section 2 of Public Law 90-631 (82 Stat. 1331) is amended to read as follows:

"(f)(1) Except as provided in paragraph (2) of this subsection, in the case of any person who is an eligible person by reason of subparagraph (B) or (D) of section 1701(a)(1) of title 38, United States Code, if the date of death or the date of the determination of service-connected total disability permanent in nature of the person from whom eligibility is derived occurred before December 1, 1968, the 10-year delimiting period referred to in section 1712(b)(1) of such title shall run from such date.

"(2) If the death of the person from whom such eligibility is derived occurred before December 1, 1968, and the date on which the Administrator of Veterans' Affairs determines that such person died of a service-connected disability is later than December 1, 1968, the delimiting period referred to in section 1712(b)(1) of such title shall run from the date on which the Administrator makes such determination.".

WAIVER OF PRO RATA REFUND REQUIREMENT IN THE CASE OF CERTAIN INSTITUTIONS

SEC. 606. Section 1776 is amended by adding at the end the following new subsection: 38 USC 1776.

"(d) The Administrator may waive, in whole or in part, the requirements of subsection (c)(13) of this section in the case of an educational institution which—

"(1) is a college, university, or similar institution offering postsecondary level academic instruction that leads to an associate or higher degree,

"(2) is operated by an agency of a State or of a unit of local government,

"(3) is located within such State or, in the case of an institution operated by an agency of a unit of local government, within the boundaries of the area over which such unit has taxing jurisdiction, and

"(4) is a candidate for accreditation by a regional accrediting association,

if the Administrator determines, pursuant to regulations which the Administrator shall prescribe, that such requirements would work an undue administrative hardship because the total amount of tuition, fees, and other charges at such institution is nominal.".

NAMING OF VETERANS' ADMINISTRATION MEDICAL CENTERS

SEC. 607. (a) The Veterans' Administration Medical Center in Reno, Nevada, shall after the date of the enactment of this Act be known and designated as the "Ioannis A. Lougaris Veterans' Administration Medical Center". Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall after such date be deemed to be a reference to the Ioannis A. Lougaris Veterans' Administration Medical Center. Ioannis A. Lougaris.

(b) The Veterans' Administration Medical Center in Clarksburg, West Virginia, shall after the date of the enactment of this Act be known and designated as the "Louis A. Johnson Veterans' Administration Medical Center". Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall after such date be deemed to be a reference to the Louis A. Johnson Veterans' Administration Medical Center. Louis A. Johnson.

TITLE VII—EFFECTIVE DATES

SEC. 701. (a) The amendments made by titles I, II, and III shall take effect as of October 1, 1981. *Ante*, pp. 1026, 1028, 1030. 38 USC 314 note.

(b)(1) Except as otherwise provided in this subsection, the amendments made by titles IV, V, and VI shall take effect on the date of the enactment of this Act. *Ante*, pp. 1030, 1031, 1033.

(2) The amendments made by section 401 shall take effect on December 1, 1981.

(3) The amendments made by section 504 shall take effect as of October 17, 1980.

(4) The amendments made by section 601(b)(1) shall take effect as of October 1, 1981.

(5) The amendments made by section 602 shall take effect on the date of the enactment of this Act and shall apply with respect to veterans admitted to a Veterans' Administration hospital or nursing home on or after such date.

(6) The amendments made by section 603 shall apply with respect to veterans dying before, on, or after the date of the enactment of this Act.

Approved October 17, 1981.

LEGISLATIVE HISTORY—S. 917 (H.R. 3995):

HOUSE REPORT No. 97-179 accompanying H.R. 3995 (Comm. on Veterans' Affairs).
SENATE REPORT No. 97-153 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 24, considered and passed Senate.
Sept. 21, H.R. 3995 considered and passed House; proceedings vacated and S. 917, amended, passed in lieu.
Oct. 1, Senate concurred in House amendments with amendments.
Oct. 2, House concurred in Senate amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 43 (1981):
Oct. 17, Presidential statement.

Public Law 97-67
97th Congress

An Act

To temporarily delay the October 1, 1981, increase in the price support level for milk and to extend the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning June 1, 1982.

Oct. 20, 1981
[H.R. 4612]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That notwithstanding the provisions of section 201(c) of the Agricultural Act of 1949, as amended, the price of milk shall be supported at the level of $13.10 per hundredweight for milk containing 3.67 per centum butterfat for the period beginning October 1, 1981, and ending November 15, 1981.**

Milk price support level.
Wheat marketing quota.

SEC. 2. The last sentence of section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out "October 15, 1981" and inserting in lieu thereof "November 15, 1981".

7 USC 1446 note.
Ante, p. 1010.

Approved October 20, 1981.

LEGISLATIVE HISTORY—H.R. 4612:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 1, considered and passed House.
Oct. 16, 19, considered and passed Senate.

Public Law 97-68
97th Congress

An Act

Oct. 26, 1981
[S. 1191]

To extend for three additional years the provisions of the Fishermen's Protective Act of 1967 relating to the reimbursement of United States commercial fishermen for certain losses incurred incident to the seizure of their vessels by foreign nations; and for other purposes.

Fishermen's Protective Act of 1967, amendment.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1977) is amended—

(1) by adding immediately after the fourth sentence of subsection (c) the following new sentence: "Those fees not currently needed for payments under this section shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all revenues accruing from such deposits or investments shall be credited to such separate account."; and

(2) in subsection (e), by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1984".

SEC. 2. (a)(1) The first section of the Act of June 29, 1935 (relating to certain seagoing vessels) (46 U.S.C. 367), as amended, is further amended by striking "January 1, 1983" and inserting in lieu thereof "January 1, 1988".

(2) Section 10(c) of the Act of May 28, 1908 (relating to seagoing barges) (46 U.S.C. 395(c)) is amended by striking "January 1, 1982," and inserting in lieu thereof "January 1, 1988,".

(3) The last sentence of section 4426 of the Revised Statutes of the United States (46 U.S.C. 404), as amended, is amended by striking "January 1, 1983" and inserting in lieu thereof "January 1, 1988".

33 USC 59s.

(b) For the purposes of section 9 of the Rivers and Harbors Appropriation Act of 1899, as amended (33 U.S.C. 401), the portion of the Green River in the State of Washington lying upstream from that State Highway 516 bridge which is in existence on the date of enactment of this Act is hereby declared to be not a navigable waterway.

Approved October 26, 1981.

LEGISLATIVE HISTORY—S. 1191 (H.R. 3016):

HOUSE REPORT No. 97-54 accompanying H.R. 3016 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 97-69 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Aug. 3, considered and passed Senate.
Sept. 21, H.R. 3016 considered and passed House; proceedings vacated and S. 1191, amended, passed in lieu.
Sept. 30, Senate concurred in House amendments with amendments.
Oct. 7, House agreed to Senate amendments.

Public Law 97-69
97th Congress

An Act

To amend the provisions of title 39, United States Code, relating to the use of the frank, and for other purposes.

Oct. 26, 1981
[S. 1224]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3210(a)(3)(F) of title 39, United States Code, is amended to read as follows:

Congressional franked mail, amendment.

"(F) mail matter expressing congratulations to a person who has achieved some public distinction;".

SEC. 2. (a) Section 3210(a)(5) of title 39, United States Code, is amended—

(1) by inserting the words "unless it is a brief reference in otherwise frankable mail" before the semicolon at the end of subparagraph (B)(i);

(2) by inserting the word "or" after the semicolon at the end of subparagraph (B)(iii);

(3) by striking out the semicolon and the word "or" at the end of subparagraph (C) and substituting a period; and

(4) by striking out subparagraph (D).

(b) Section 3210(a) of title 39, United States Code, is amended by adding the following new paragraph:

Mass mailing.

"(6)(A) It is the intent of Congress that a Member of, or Member-elect to, Congress may not mail any mass mailing as franked mail—

"(i) if the mass mailing is mailed fewer than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) in which the Member is a candidate for reelection; or

"(ii) in the case of a Member of, or Member-elect to, the House who is a candidate for any other public office, if the mass mailing—

"(I) is prepared for delivery within any portion of the jurisdiction of or the area covered by the public office which is outside the area constituting the congressional district from which the Member or Member-elect was elected; or

"(II) is mailed fewer than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) in which the Member or Member-elect is a candidate for any other public office.

"(B) Any mass mailing which is mailed by the chairman of any organization referred to in the last sentence of section 3215 of this title which relates to the normal and regular business of the organization may be mailed without regard to the provisions of this paragraph.

"(C) No Member of the Senate may mail any mass mailing as franked mail if such mass mailing is mailed fewer than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) for any national, State or local office in which such Member is a candidate for election.

Rules and regulations.

"(D) The Select Committee on Ethics of the Senate and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses rules and regulations, and shall take other action as the Committee or the Commission considers necessary and proper for Members and Members-elect to comply with the provisions of this paragraph and applicable rules and regulations. The rules and regulations shall include provisions prescribing the time within which mailings shall be mailed at or delivered to any postal facility and the time when the mailings shall be deemed to have been mailed or delivered to comply with the provisions of this paragraph.

"Mass mailing."

"(E) For purposes of this section, the term 'mass mailing' means newsletters and similar mailings of more than five hundred pieces in which the content of the matter mailed is substantially identical but shall not apply to mailings—

"(i) which are in direct response to communications from persons to whom the matter is mailed;

"(ii) to colleagues in the Congress or to government officials (whether Federal, State, or local); or

"(iii) of news releases to the communications media.".

SEC. 3. (a) Section 3210(d) of title 39, United States Code, is amended by—

(1) striking "the House" and substituting "Congress" in paragraph (1);

(2) inserting "or State" after "district" in subparagraph (A) of paragraph (1);

(3) inserting "with respect to a Member of the House of Representatives" after "(B)" in subparagraph (B) of paragraph (1);

(4) striking "House of Representatives" and substituting "Congress" in paragraph (2);

(5) inserting "or the State" after "district" in paragraph (2);

(6) redesignating paragraph (4) and paragraph (5) as paragraph (7) and paragraph (8), respectively; and

(7) inserting after paragraph (3) the following new paragraphs:

"(4) Any franked mail which is mailed under this subsection shall be mailed at the equivalent rate of postage which assures that the mail will be sent by the most economical means practicable.

Rules and regulations.

"(5) The Senate Committee on Rules and Administration and the House Commission on Congressional Mailing Standards shall prescribe for their respective Houses rules and regulations governing any franked mail which is mailed under this subsection and shall by regulation limit the number of such mailings allowed under this subsection.

Samples.

"(6)(A) Any Member of, or Member-elect to, the House of Representatives entitled to make any mailing as franked mail under this subsection shall, before making any mailing, submit a sample or description of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether the proposed mailing is in compliance with the provisions of this subsection.

"(B) The Senate Select Committee on Ethics may require any Member of, or Member-elect to, the Senate entitled to make any mailings as franked mail under this subsection to submit a sample or description of the mail matter to the Committee for an advisory opinion as to whether the proposed mailing is in compliance with the provisions of this subsection.".

Effective date. 39 USC 3210 note.

(b) This section shall become effective 120 days after the date of enactment of this Act.

SEC. 4. (a) Section 3210(e) of title 39, United States Code, is amended by striking out the last sentence.

(b) Section 3210 of title 39, United States Code, is amended by redesignating subsection (f) as subsection (g), and by inserting after subsection (e) the following new subsection:

"(f) Any mass mailing which otherwise would be permitted to be mailed as franked mail under this section shall not be so mailed unless the cost of preparing and printing the mail matter is paid exclusively from funds appropriated by Congress, except that an otherwise frankable mass mailing may contain, as an enclosure or supplement, any public service material which is purely instructional or informational in nature, and which in content is frankable under this section.". Restrictions.

SEC. 5. (a) Section 3211 of title 39, United States Code, is amended by striking out "until the first day of April" and substituting "during the 90-day period immediately".

(b) Section 3213(2) of title 39, United States Code, is amended by striking out "until the thirtieth day of June" and substituting "during the 90-day period immediately".

SEC. 6. (a) Section 3216(a)(1)(B) of title 39, United States Code, is amended by striking out "surviving spouse" and substituting "survivors".

(b) Section 3218 of title 39, United States Code, is amended by inserting after "such Member" the following: "(or, if there is no surviving spouse, a member of the immediate family of the Member designated by the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, in accordance with rules and procedures established by the Secretary or the Clerk)".

(c)(1) The heading for section 3218 of title 39, United States Code, is amended by striking out "surviving spouses" and substituting "survivors".

(2) The table of sections for chapter 32 of title 39, United States Code, is amended by striking out the item relating to section 3218 and substituting the following new item:

"3218. Franked mail for survivors of Members of Congress.".

SEC. 7. (a)(1) Section 5(d) of the Act entitled "An Act to amend title 39, United States Code, to clarify the proper use of the franking privilege by Members of Congress, and for other purposes", approved December 18, 1973 (Public Law 93-191; 87 Stat. 742), is amended by striking out "and" the second place it appears therein, and by inserting after "United States Code," the following: "and in connection with any other Federal law (other than any law which imposes any criminal penalty) or any rule of the House of Representatives relating to franked mail,". 2 USC 501.

(2) The first sentence of section 5(e) of such Act is amended by inserting after "of this section" the following: "(or any other Federal law which does not include any criminal penalty or any rule of the House of Representatives relating to franked mail)".

(b) Section 5(d) of such Act is amended—

(1) by inserting "any former Member of the House or former Member-elect, Resident Commissioner or Resident Commissioner-elect, Delegate or Delegate-elect, any" after "Delegate-elect,";

(2) by inserting "(or any individual designated by the Clerk of the House under section 3218 of title 39, United States Code)" after "any of the foregoing";

(3) by inserting "any" before "other House official"; and

(4) by inserting "or former House official" after "House official".

Violations.
2 USC 501.

(c) Section 5(e) of such Act is amended by inserting after the eighth sentence thereof the following new sentence: "In the case of a former Member of the House or a former Member-elect, a former Resident Commissioner or Delegate or Resident Commissioner-elect or Delegate-elect, any surviving spouse of any of the foregoing (or any individual designated by the Clerk of the House under section 3218 of title 39, United States Code), or any other former House official, if the Commission finds in its written decision that any serious and willful violation has occurred or is about to occur, then the Commission may refer the matter to any appropriate law enforcement agency or official for appropriate remedial action.".

Approved October 26, 1981.

LEGISLATIVE HISTORY—S. 1224:

SENATE REPORT No. 97-155 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 20, considered and passed Senate.
Oct. 13, considered and passed House.

Public Law 97-70
97th Congress

An Act

To make a technical amendment to the International Investment Survey Act of 1976.

Oct. 26, 1981
[S. 1687]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That section 4(b) of the International Investment Survey Act of 1976 (22 U.S.C. 3103(b)) is amended by striking the word "calendar" each time it appears therein.**

International Investment Survey Act of 1976, amendment.
Ante, p. 170.

Approved October 26, 1981.

LEGISLATIVE HISTORY—S. 1687:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 30, considered and passed Senate.
Oct. 14, considered and passed House.

Public Law 97-71
97th Congress

Joint Resolution

Oct. 26, 1981
[H.J. Res. 268]

To designate October 23, 1981, as "Hungarian Freedom Fighters Day".

Whereas on October 23, 1956, Hungarian freedom fighters attempted to establish a coalition government and to end Soviet political and economic domination in Hungary; and

Whereas on October 23, 1956, the Hungarian freedom fighters and other participants in the Hungarian revolution attempted to free the Hungarian people from the oppression of the Soviet police state; and

Whereas the Congress supports the efforts of all freedom-loving peoples to protect their individual human rights and other rights of self-determination: Now, therefore, be it

Hungarian Freedom Fighters Day. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 23, 1981, as "Hungarian Freedom Fighters Day", and calling upon the people of the United States to reaffirm our belief in the eventual victory of the freedom-loving human spirit over oppression.

Approved October 26, 1981.

LEGISLATIVE HISTORY—H.J. Res. 268:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 14, considered and passed House.
Oct. 20, considered and passed Senate.

Public Law 97-72
97th Congress

An Act

Nov. 3, 1981
[H.R. 3499]

To amend title 38, United States Code, to extend the period for Vietnam-era veterans to request counseling under the veterans' readjustment counseling program, to provide medical care eligibility for veterans exposed to herbicides or defoliants (including Agent Orange), or to nuclear radiation, to establish a minimum total number of operating beds in Veterans' Administration hospital and nursing home facilities, to extend for certain Vietnam-era veterans the period of time in which GI Bill educational assistance benefits may be used for the pursuit of certain training, to provide a small business loan program for Vietnam era and disabled veterans, and to extend the authority for veterans readjustment appointments in the civil service; and for other purposes.

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

Veterans' Health Care, Training, and Small Business Loan Act of 1981.
38 USC 101 note.

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Health Care, Training, and Small Business Loan Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH CARE

EXTENSION OF AUTHORITY TO PROVIDE CERTAIN CONTRACT HOSPITAL CARE AND MEDICAL SERVICES IN PUERTO RICO, THE VIRGIN ISLANDS, AND OTHER TERRITORIES

SEC. 101. Section 601(4)(C)(v) is amended by striking out "December 31, 1981" and inserting in lieu thereof "September 30, 1982". 38 USC 601.

MEDICAL CARE FOR DISABILITIES THAT MAY BE RELATED TO EXPOSURE TO AGENT ORANGE, CERTAIN OTHER HAZARDOUS SUBSTANCES, OR NUCLEAR RADIATION

SEC. 102. (a) Section 610 is amended— 38 USC 610.

(1) in subsection (a)—

(A) by striking out "and" at the end of clause (4);

(B) by redesignating clause (5) as clause (6); and

(C) by inserting after clause (4) the following new clause (5):

"(5) a veteran who meets the conditions of subsection (e) of this section; and"; and

(2) by adding at the end the following new subsection:

"(e)(1)(A) Subject to paragraphs (2) and (3) of this subsection, a veteran—

"(i) who served on active duty in the Republic of Vietnam during the Vietnam era, and

"(ii) who the Administrator finds may have been exposed during such service to dioxin or was exposed during such service to a toxic substance found in a herbicide or defoliant used in connection with military purposes during such era,

may be furnished hospital care or nursing home care under subsection (a)(5) of this section for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

"(B) Subject to paragraphs (2) and (3) of this subsection, a veteran who the Administrator finds was exposed while serving on active duty to ionizing radiation from the detonation of a nuclear device in connection with such veteran's participation in the test of such a device or with the American occupation of Hiroshima and Nagasaki, Japan, during the period beginning on September 11, 1945, and ending on July 1, 1946, may be furnished hospital care or nursing home care under subsection (a)(5) of this section for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

"(2) Hospital and nursing home care may not be provided under subsection (a)(5) of this section with respect to a disability that is found, in accordance with guidelines issued by the Chief Medical Director, to have resulted from a cause other than an exposure described in subparagraph (A) or (B) of paragraph (1) of this subsection.

"(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(5) of this section after the end of the one-year period beginning on the date the Administrator submits to the appropriate committees of Congress the first report required by section 307(b)(2) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1098).".

38 USC 219 note.

38 USC 612.

(b) Clause (4) of section 612(i) is amended to read as follows:

"(4) To any veteran (A) who is a former prisoner of war, or (B) who is eligible for care under section 610(a)(5) of this title.".

Ante, p. 1047.

OUTPATIENT DENTAL CARE

SEC. 103. (a) Subsection (b) of section 612 is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating clause (1) as clause (A);

(3) by striking out clause (2) and inserting in lieu thereof the following:

"(B) which is service-connected, but not compensable in degree, but only if—

"(i) the dental condition or disability is shown to have been in existence at time of discharge or release from active military, naval, or air service;

"(ii) the veteran had served on active duty for a period of not less than one hundred and eighty days immediately before such discharge or release;

"(iii) application for treatment is made within ninety days after such discharge or release, except that (I) in the case of a veteran who reentered active military, naval, or air service within ninety days after the date of such veteran's prior discharge or release from such service, application may be made within ninety days from the date of such veteran's subsequent discharge or release from such service, and (II) if a disqualifying discharge or release has been corrected by

competent authority, application may be made within ninety days after the date of correction; and

"(iv) the veteran's certificate of discharge or release from active duty does not bear a certification that the veteran was provided, within the ninety-day period immediately before the date of such discharge or release, a complete dental examination (including dental X-rays) and all appropriate dental services and treatment indicated by the examination to be needed;";

(4) by redesignating clauses (3), (4), (5), (6), (7), and (8) as clauses (C), (D), (E), (F), (G), and (H), respectively;

(5) by designating the second sentence of such subsection as paragraph (2) and by striking out "clause (2)" in such sentence and inserting in lieu thereof "clause (B) of paragraph (1)"; *Ante*, p. 781.

(6) by designating the third sentence of such subsection as paragraph (3);

(7) by designating the fourth sentence of such subsection and all that follows in such subsection as paragraph (4); and

(8) by striking out "pursuant to this subsection" in the last sentence and inserting in lieu thereof "pursuant to this paragraph".

(b)(1) Section 612(c) is amended by striking out "clause (2)" and inserting in lieu thereof "paragraph (1)(B)". 38 USC 612.

(2) The last sentence of section 612(f) is amended by striking out "subsection (b)(7)" and inserting in lieu thereof "clause (G) of subsection (b)(1)".

(c)(1) Section 612(b)(1)(B)(iii)(I) of title 38, United States Code, shall apply only to veterans discharged or released from active military, naval, or air service after August 12, 1981. 38 USC 612 note.

(2) A veteran who before August 13, 1981—

(A) was discharged or released from active military, naval, or air service,

(B) reentered such service within one year after the date of such discharge or release, and

(C) was discharged or released from such subsequent service, may be provided dental services and treatment in the same manner as provided for in section 612(b) of title 38, United States Code, if the veteran is otherwise eligible for such services and treatment and if application for such services and treatment is or was made within one year from the date of such subsequent discharge or release.

EXTENSION OF PERIOD FOR VIETNAM-ERA VETERANS TO REQUEST READJUSTMENT COUNSELING

SEC. 104. (a)(1) Section 612A(a) is amended by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984". 38 USC 612A.

(2) The amendment made by paragraph (1) shall take effect as of October 1, 1981. Effective date. 38 USC 612A note.

(b) Section 612A is further amended by adding at the end the following new subsection:

"(g)(1) During the twelve-month period ending on September 30, 1984, the Administrator shall take appropriate steps to ensure—

"(A) the orderly transition, by October 1, 1984, of that part of the program established under this section for the provision of readjustment counseling services by Veterans' Administration personnel from a program providing such services primarily through centers located in facilities situated apart from the

health-care facilities operated by the Veterans' Administration for the provision of other health-care services under other provisions of this chapter to a program providing readjustment counseling services primarily through such health-care facilities; and

"(B) the continued availability after such date of readjustment counseling and related mental health services under this section to veterans eligible for the provision of such counseling and services who requested such counseling before such date.

Report to congressional committees.

"(2) Not later than April 1, 1984, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the plans made and actions taken to carry out this subsection.".

MEDICAL CARE FOR SURVIVORS AND DEPENDENTS OF CERTAIN VETERANS

38 USC 613.

SEC. 105. The second sentence of section 613(b) is amended by striking out "particularly" and "most effective".

RECOVERY OF THE COST OF CERTAIN HEALTH CARE PROVIDED BY THE VETERANS' ADMINISTRATION

SEC. 106. (a)(1) Subchapter III of chapter 17 is amended by adding at the end the following new section:

38 USC 629.

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability that was incurred—

"(1) incident to the veteran's employment and the disability is covered under a workers' compensation law or plan that provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime,

the United States has the right to recover the reasonable costs of such care and services from the State, or political subdivision of a State, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, as appropriate, to the extent that the veteran, or the provider of care and services to the veteran, would be eligible to receive reimbursement or indemnification for such care and services if the care and services had not been furnished by a department or agency of the United States.

Recovery amount.

"(b) The amount that may be recovered by the United States under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished the veteran under this chapter, as determined by the Administrator, or (2) the maximum amount specified by the law of the State or political subdivision concerned or by any relevant contractual

provision to which the veteran was a party or was subject. The Administrator shall prescribe regulations for the determination of the reasonable cost of care and services under clause (1) of the preceding sentence, and any determination of such reasonable value by the Administrator under such clause shall be made in accordance with such regulations. Regulations under the preceding sentence shall be prescribed only after notice and opportunity for public comment. Regulations.

"(c)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that the veteran or the veteran's personal representative, successor, dependents, or survivors may have against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier. Claims.

"(2)(A) In order to enforce any right or claim to which it is subrogated under paragraph (1) of this subsection, the United States may intervene or join in any action or proceeding brought by the veteran or the veteran's personal representative, successor, dependents, or survivors against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(B) If—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to the veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to the veteran at the veteran's last-known address (or to the veteran's personal representative or successor) of the intention of the United States to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against the State, political subdivision, employer, employer's insurance carrier, or automobile accident reparations insurance carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section. Service denial.

"(e) No law of any State or of any political subdivision of a State, and no provision of any contract or agreement entered into, renewed, or modified under any State law, shall operate to prevent recovery by the United States (1) under subsection (a) of this section for care and services furnished under this chapter to any veteran for a non-service-connected disability, or (2) under section 611(b) of this title for care and services furnished under such section to an individual as a humanitarian service in an emergency case.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

(b) Section 629 of title 38, United States Code, as added by subsection (a), shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, on or after the date of the enactment of this Act. Effective date. 38 USC 629 note.

MEDICAL CARE FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES

SEC. 107. (a) Section 624(d) is amended by striking out "and at the same rate as specified in section 632(a)(4) of this title". 38 USC 624.

38 USC 631.

(b) Section 631 is amended by inserting "in fulfilling its responsibility" after "the Republic of the Philippines".

38 USC 632.

(c)(1) Section 632 is amended to read as follows:

"§ 632. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center

"(a) The President, with the concurrence of the Republic of the Philippines, may authorize the Administrator to enter into contracts with the Veterans Memorial Medical Center, with the approval of the appropriate department of the Government of the Republic of the Philippines, covering the period beginning on October 1, 1981, and ending on September 30, 1986, under which the United States—

"(1) will provide for payments for hospital care and medical services (including nursing home care) in the Veterans Memorial Medical Center, as authorized by section 624 of this title and on the terms and conditions set forth in such section, to eligible United States veterans at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable; and

"(2) may provide that payments for such hospital care and medical services provided to eligible United States veterans may consist in whole or in part of available medicines, medical supplies, and equipment furnished by the Administrator to the Veterans Memorial Medical Center at valuations therefor as determined by the Administrator, who may furnish such medicines, medical supplies, and equipment through the revolving supply fund pursuant to section 5021 of this title.

Appropriation authorization.

"(b)(1) To further assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center, there is authorized to be appropriated for each fiscal year during the period beginning on October 1, 1981, and ending on September 30, 1986, the sum of $500,000 to be used by the Administrator for making grants to the Veterans Memorial Medical Center for the purpose of assisting the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such center.

"(2) Grants under this subsection shall be made on such terms and conditions as prescribed by the Administrator. Such terms and conditions may include a requirement of prior approval by the Administrator of the uses of the funds provided by such grants.

"(3) Funds for such grants may be provided only from appropriations made to the Veterans' Administration for the specific purpose of making such grants.

Stop payments.

"(c) The Administrator may stop payments under a contract or grant under this section upon reasonable notice as stipulated by the contract or grant if the Republic of the Philippines and the Veterans Memorial Medical Center do not maintain the medical center in a well-equipped and effective operating condition as determined by the Administrator.

"(d)(1) The authority of the Administrator to enter into contracts and to make grants under this section is effective for any fiscal year only to the extent that appropriations are available for that purpose.

"(2) Appropriations made for the purpose of this section shall remain available until expended.".

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"632. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center.".

(d)(1) The heading of subchapter IV of chapter 17 is amended to read as follows:

"Subchapter IV—Hospital Care and Medical Treatment for Veterans in the Republic of the Philippines".

(2) The item relating to such subchapter in the table of sections at the beginning of such chapter is amended to read as follows:

"SUBCHAPTER IV—HOSPITAL CARE AND MEDICAL TREATMENT FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES".

MINIMUM NUMBER OF HOSPITAL AND NURSING HOME BEDS IN MEDICAL FACILITIES OF THE VETERANS' ADMINISTRATION

SEC. 108. (a)(1) Paragraph (1) of section 5010(a) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Administrator shall establish the total number of hospital beds and nursing home beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans at not more than one hundred and twenty-five thousand and not less than one hundred thousand. The Administrator shall establish the total number of such beds so as to maintain a contingency capacity to assist the Department of Defense in time of war or national emergency to care for the casualties of such war or national emergency. Of the number of beds authorized pursuant to the preceding sentence, the Administrator shall operate and maintain a total of not less than ninety thousand hospital beds and nursing home beds and shall maintain the availability of such additional beds and facilities in addition to the operating bed level as the Administrator considers necessary for such contingency purposes. The President shall include in the Budget transmitted to the Congress for each fiscal year pursuant to section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), an amount for medical care and amounts for construction sufficient to enable the Veterans' Administration to operate and maintain a total of not less than ninety thousand hospital and nursing home beds in accordance with this paragraph and to maintain the availability of the contingency capacity referred to in the second sentence of this paragraph.".

38 USC 5010.

Presidential transmittal to Congress.

(2) Paragraph (3) of such section is amended to read as follows:

"(3)(A) The Chief Medical Director shall at the end of each fiscal year (i) analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care, medical services, and nursing home care, but are rejected or not immediately admitted or provided such care or services, and (ii) review and make recommendations regarding the adequacy of the established operating bed levels, the geographic distribution of operating beds, the demographic characteristics of the veteran population and the associated need for medical care and nursing home facilities and services in each State, and the proportion of the total number of operating beds that are hospital beds and that are nursing home beds.

Admission policy, analysis and recommendation.

"(B) After considering the analyses and recommendations of the Chief Medical Director pursuant to subparagraph (A) of this paragraph for any fiscal year, the Administrator shall report to the committees, on or before December 1 after the close of such fiscal year, on the results of the analysis of the Chief Medical Director and

Report to congressional committees.

on the numbers of operating beds and level of treatment capacities required to enable the Veterans' Administration to carry out the primary function of the Department of Medicine and Surgery. The Administrator shall include in each such report recommendations for (i) the numbers of operating beds and the level of treatment capacities required for the health care of veterans and the maintenance of the contingency capacity referred to in paragraph (1) of this subsection, and (ii) the appropriate staffing and funds therefor.".

38 USC 5010.

(b) Section 5010 is further amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

TITLE II—VOCATIONAL TRAINING AND GI BILL EDUCATIONAL ASSISTANCE PROGRAMS

EXTENSION OF CERTAIN GI BILL ELIGIBILITY FOR EDUCATIONALLY DISADVANTAGED AND UNSKILLED OR UNEMPLOYED VIETNAM-ERA VETERANS

38 USC 1662.

SEC. 201. (a) Section 1662(a) is amended by adding at the end the following new paragraph:

"(3)(A) Subject to subparagraph (C) of this paragraph and notwithstanding the provisions of paragraph (1) of this subsection, an eligible veteran who served on active duty during the Vietnam era shall be permitted to use any of such veteran's unused entitlement under section 1661 of this title for the purpose of pursuing—

"(i) a program of apprenticeship or other on-job training;

"(ii) a course with an approved vocational objective; or

"(iii) a program of secondary education, if the veteran does not have a secondary school diploma (or an equivalency certificate).

"(B) Upon completion of a program or course pursued by virtue of eligibility provided by this paragraph, the Administrator shall provide the veteran with such employment counseling as may be necessary to assist the veteran in obtaining employment consistent with the veteran's abilities, aptitudes, and interests.

"(C)(i) Educational assistance may be provided a veteran for pursuit of a program or course described in clause (i) or (ii) of subparagraph (A) of this paragraph using eligibility provided by this paragraph only if the veteran has been determined by the Administrator to be in need of such a program or course in order to achieve a suitable occupational or vocational objective. Any such determination shall be made in accordance with regulations which the Administrator shall prescribe.

"(ii) Educational assistance provided a veteran for pursuit of a program described in clause (iii) of subparagraph (A) of this paragraph using eligibility provided by this paragraph shall be provided at the rate determined under section 1691(b)(2) of this title.

"(D) Educational assistance may not be provided by virtue of this paragraph after December 31, 1983.".

Effective date. 38 USC 1662 note.

(b) The amendment made by subsection (a) shall take effect on January 1, 1982.

EXTENSION OF VETERANS' READJUSTMENT APPOINTMENT AUTHORITY FOR CIVIL SERVICE APPOINTMENTS

38 USC 2014.

SEC. 202. (a) Section 2014(b)(2) is amended by striking out "1981" and inserting in lieu thereof "1984".

Effective date. 38 USC 2014 note.

(b) The amendment made by subsection (a) shall take effect as of October 1, 1981.

TITLE III—SMALL BUSINESS LOANS

Veterans' Small Business Loan Act of 1981.

SHORT TITLE

SEC. 301. This title may be cited as the "Veterans' Small Business Loan Act of 1981". 38 USC 101 note.

DISABLED VETERANS' AND VIETNAM-ERA VETERANS' SMALL BUSINESS LOAN PROGRAM

SEC. 302. (a) Chapter 37 is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Small Business Loans

"§ 1841. Definitions 38 USC 1841.

"For the purposes of this subchapter—

"(1) The term 'disabled veteran' means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration for a disability rated at 30 per centum or more, or (B) a veteran whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

"(2) The term 'veteran of the Vietnam era' means a person (A) who served on active duty for a period of more than one hundred and eighty days, any part of which occurred during the Vietnam era, and who was discharged or released therefrom with other than a dishonorable discharge, or (B) who was discharged or released from active duty for a service-connected disability if any part of such active duty was performed during the Vietnam era.

"§ 1842. Small business loan program 38 USC 1842.

"(a)(1) Subject to subsection (b) of this section, the Administrator may provide financial assistance to veterans' small business concerns for the purpose of (A) financing plant construction, conversion, or expansion (including the acquisition of land), (B) financing the acquisition of equipment, facilities, machinery, supplies, or materials, or (C) supplying such concerns with working capital.

"(2) Subject to paragraph (3)(A) of this subsection, financial assistance under this section may be provided in the form of (A) loan guaranties, or (B) direct loans.

"(3) The Administrator shall specify in regulations the criteria to be met for a business concern to qualify as a veterans' small business concern for the purposes of this subchapter. Such regulations shall include requirements— Requirements.

"(A) that at least 51 per centum of a business concern must be owned by individuals who are veterans of the Vietnam era or disabled veterans in order for such concern to qualify for a loan guaranty and that at least 51 per centum of a business concern must be owned by disabled veterans in order for such concern to qualify for a direct loan; and

"(B) that the management and daily business operations of the concern must be directed by one or more of the veterans whose ownership interest is part of the majority ownership for the purposes of meeting the requirement in clause (A) of this paragraph.

"(b) The availability of financial assistance under subsection (a) of this section is subject to the following limitations: Limitations.

"(1) The Administrator may not make a direct loan under this section unless the veterans' small business concern applying for the loan shows to the satisfaction of the Administrator that the concern is unable to obtain a loan guaranteed by the Veterans' Administration under this section or made or guaranteed by the Small Business Administration.

Loan guarantee.

"(2) The Administrator may not guarantee a loan under this section if the loan bears a rate of interest in excess of the maximum rate of interest prescribed under section 1845 of this title.

"(3) The Administrator may not make or guarantee a loan under this section for an amount in excess of $200,000.

Liability.

"(4) The original liability of the Administrator on any loan guaranteed under this section may not exceed 90 per centum of the amount of the loan, and such liability shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the loan, but such liability may not exceed the amount of the original guaranty.

"(c) Each loan made or guaranteed under this subchapter shall be of such sound value, taking into account the creditworthiness of the veterans' small business concern (and the individual owners) applying for such loan, or so secured as reasonably to assure payment.

"(d)(1) Except as provided in paragraph (2) of this subsection, the Administrator may not make or guarantee a loan under this subchapter to a veterans' small business concern in which an ownership interest is held by a veteran who also has an ownership interest in another small business concern if such ownership interest was considered in qualifying that other concern for an outstanding loan made or guaranteed under this subchapter or the Small Business Act (15 U.S.C. 631 et seq.).

"(2) Paragraph (1) of this subsection shall not apply if 51 per centum or more of the business concern seeking a direct or guaranteed loan under this subchapter is owned by veterans of the Vietnam era or disabled veterans without including the ownership interest of the veteran whose ownership interest in another small business concern was previously considered in qualifying that other concern for an outstanding guaranteed or direct business loan under this subchapter or the Small Business Act (15 U.S.C. 631 et seq.).

Suspension.

"(e)(1) In order to protect the interest of the United States, upon application by a veterans' small business concern which is the recipient of a loan guaranteed under this subchapter, the Administrator (subject to the provisions of this subsection) may undertake the veterans' small business concern's obligation to make payments under such loan or, if the loan was a direct loan made by the Administrator, may suspend such obligation. While such payments are being made by the Administrator pursuant to the undertaking of such obligation or while such obligation is suspended, no such payment with respect to the loan may be required from the concern.

"(2) The Administrator may undertake or suspend a veterans' small business concern's obligation under this subsection only if—

"(A) such undertaking or suspension of the obligation is, in the judgment of the Administrator, necessary to protect the interest of the United States;

"(B) with the undertaking or suspension of the obligation, the small business concern would, in the judgment of the Administrator, become or remain a viable small business entity; and

"(C) the small business concern executes an agreement in writing satisfactory to the Administrator as provided by paragraph (4) of this subsection.

"(3) The period of time for which the Administrator undertakes or suspends the obligation on a loan under this subsection may not exceed five years. The Administrator may extend the maturity of any loan on which the Administrator undertakes or suspends the obligation under this subsection for a corresponding period of time.

"(4)(A) Before the Administrator may undertake or suspend a veterans' small business concern's obligation under this subsection, the Administrator shall require the small business concern to execute an agreement to repay the aggregate amount of the payments which were required under the loan during the period for which the obligation was undertaken or suspended— Agreement.

"(i) by periodic payments not less in amount or less frequently falling due than those which were due under the loan during such period,

"(ii) pursuant to a repayment schedule agreed upon by the Administrator and the small business concern, or

"(iii) by a combination of the method of payments described in clauses (i) and (ii) of this subparagraph.

"(B) In addition to requiring the small business concern to execute the agreement described in subparagraph (A) of this paragraph, the Administrator shall, before the undertaking or suspension of the obligation, take such action and require the small business concern to take such action as the Administrator considers appropriate in the circumstances, including the provision of such security as the Administrator considers necessary or appropriate, to assure that the rights and interests of the United States and any lender will be safeguarded adequately during and after the period in which such obligation is so undertaken or suspended.

"§ 1843. Liability on loans 38 USC 1843.

"Each individual who has an ownership interest in a veterans' small business concern that is provided a direct loan under this subchapter, or that obtains a loan guaranteed under this subchapter, shall execute a note or other document evidencing the direct or guaranteed business loan, and such individuals shall be jointly and severally liable to the United States for the amount of such direct loan or, in the case of a guaranteed loan, for any amount paid by the Administrator on account of such loan.

"§ 1844. Approval of loans by the Administrator 38 USC 1844.

"(a) Except as provided in subsection (b) of this section, a loan may not be guaranteed under this subchapter unless, before the closing of the loan, it is submitted to the Administrator for approval and the Administrator grants approval.

"(b) The Administrator may exempt any lender of a class of lenders listed in section 1802(d) of this title from the prior approval requirement in subsection (a) of this section if the Administrator determines that the experience of such lender or class of lenders warrants such exemption.

"(c) The Administrator may at any time upon thirty days' notice require loans to be made by any lender or class of lenders under this subchapter to be submitted to the Administrator for prior approval. No guaranty shall exist with respect to any such loan unless evidence of the guaranty is issued by the Administrator.

38 USC 1845.

"§ 1845. Interest on loans

"(a) Loans guaranteed under this subchapter shall bear interest not in excess of such rate as the Administrator may from time to time find the loan market demands. In establishing the rate of interest that shall be applicable to such loans, the Administrator shall consult with the Administrator of the Small Business Administration.

"(b) The rate of interest on any direct loan made by the Administrator under this subchapter may not exceed the maximum rate in effect under subsection (a) of this section at the time the direct loan is made.

38 USC 1846.

"§ 1846. Maturity of loans

"The maturity of a loan made or guaranteed under this subchapter that is used in whole or in part for the construction, conversion, or expansion of facilities or for acquisition of real property may not exceed twenty years plus such additional reasonable time as the Administrator may determine, at the time the loan is made, is required to complete the construction, acquisition, or expansion of such facilities. The maturity of any other loan made or guaranteed under this subchapter may not exceed ten years.

38 USC 1847.

"§ 1847. Eligible financial institutions

"The Administrator may not guarantee under this subchapter a loan made by an entity not subject to examination and supervision by an agency of the United States or of a State.

38 USC 1848.

"§ 1848. Preference for disabled veterans

"In the extension of financial assistance under this subchapter, the Administrator shall give preference, first, to veterans' small business concerns in which disabled veterans who have successfully completed a vocational rehabilitation program for self-employment in a small business enterprise under chapter 31 of this title have a significant ownership interest, and, second, to veterans' small business concerns in which other disabled veterans have a significant ownership interest.

38 USC 1849.

"§ 1849. Revolving fund

"(a) There is established in the Treasury a revolving fund to be known as the 'Veterans' Administration Small Business Loan Revolving Fund' (hereinafter in this section referred to as the 'fund').

"(b) Amounts in the fund shall be available to the Administrator without fiscal year limitation for all loan guaranty and direct loan operations under this subchapter other than administrative expenses and may not be used for any other purpose.

Appropriation authorization.

"(c)(1) Effective for fiscal year 1982 and fiscal years thereafter, there is authorized to be appropriated to the fund a total of $25,000,000.

"(2) There shall be deposited into the fund all amounts received by the Administrator derived from loan operations under this subchapter, including all collection of principal and interest and the proceeds from the use of property held or of property sold.

"(d) The Administrator shall determine annually whether there has developed in the fund a surplus which, in the Administrator's judgment, is more than necessary to meet the needs of the fund. Any such surplus shall immediately be transferred into the general fund of the Treasury.

"(e) Not later than two years after the termination of the authority of the Administrator to make new commitments for financial assist-

ance under this subchapter, the Administrator shall transfer into the general fund of the Treasury all amounts in the fund except those that the Administrator determines may be required for the liquidation of obligations under this subchapter. All amounts received thereafter derived from loan operations under this subchapter, except so much thereof as the Administrator may determine to be necessary for liquidating outstanding obligations under this subchapter, shall also be so deposited.

"§ 1850. Incorporation of other provisions by the Administrator 38 USC 1850.

"The Administrator may provide that the provisions of sections of other subchapters of this chapter that are not otherwise applicable to loans made or guaranteed under this subchapter shall be applicable to loans made or guaranteed under this subchapter. The Administrator shall exercise authority under the preceding sentence by regulations prescribed after publication in the Federal Register and a period of not less than thirty days for public comment.

Publication in Federal Register.

"§ 1851. Termination of program 38 USC 1851.

"The Administrator may not make commitments for financial assistance under this subchapter after September 30, 1986.".

(b)(1) The title of such chapter is amended to read as follows:

"CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS".

(2) The table of chapters before part I and the table of chapters at the beginning of part III are each amended by striking out the item relating to chapter 37 and inserting in lieu thereof the following:

"37. Housing and Small Business Loans ..... 1801".

(3) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"SUBCHAPTER IV—SMALL BUSINESS LOANS

"Sec.
"1841. Definitions.
"1842. Small business loan program.
"1843. Liability on loans.
"1844. Approval of loans by the Administrator.
"1845. Interest on loans.
"1846. Maturity of loans.
"1847. Eligible financial institutions.
"1848. Preference for disabled veterans.
"1849. Revolving fund.
"1850. Incorporation of other provisions by the Administrator.
"1851. Termination of program.".

CONFORMING AMENDMENTS

SEC. 303. (a) Section 1801 is amended— 38 USC 1801.

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively;

(2) by inserting before subsection (b) (as redesignated by clause (1)) the following new subsection:

"(a) For the purpose of this chapter, the term 'housing loan' means a loan for any of the purposes specified by sections 1810(a) and 1819(a)(1) of this title."; "Housing loan."

(3) by striking out "this chapter—" in subsection (b) (as redesignated by clause (1)) and inserting in lieu thereof "housing loans under this chapter—"; and

(4) by striking out "Coast and Geodetic Survey" in subsection (c) (as redesignated by clause (1)) and inserting in lieu thereof "National Oceanic and Atmospheric Administration (or predecessor entity)".

38 USC 1802. (b) Section 1802 is amended—

(1) by inserting "housing loan" in subsection (a) before "benefits" both places it appears;

(2) by inserting "housing" in subsection (a) after "insured";

(3) by inserting "housing loan" in subsection (b) after "insurance" both places it appears;

(4) by striking out "Loans" in the first sentence of subsection (d) and inserting in lieu thereof "Housing loans";

(5) by inserting "housing" in the second sentence of subsection (d) after "Any";

(6) by inserting "housing" in subsection (e) after "require"; and

(7) by inserting "housing" in subsection (f) after "Any".

38 USC 1803. (c) Section 1803(d) is amended—

(1) by inserting "housing" in clause (1) after "any"; and

(2) by inserting "housing" in the first sentence of clause (3) after "real estate".

38 USC 1807. (d) Section 1807 is amended by inserting "housing loan" after "eligible for".

38 USC 1815. (e) Section 1815(a) is amended by inserting "housing" after "Any".

38 USC 1817. (f) Section 1817 is amended—

(1) by inserting "housing" in subsection (a) after "direct" the first place it appears; and

(2) by inserting "housing" in the first sentence of subsection (b) after "direct".

38 USC 1818. (g) Section 1818(a) is amended by inserting "housing loan" after "eligible for the".

38 USC 1819. (h) Section 1819(a)(1) is amended by inserting "housing loan" after "eligible for the".

(i) Section 1819(b)(2) is amended by striking out "loan guaranty" and inserting in lieu thereof "housing loan".

38 USC 1824. (j) Section 1824 is amended—

(1) by inserting "housing" in subsection (b) after "for all"; and

(2) by inserting "housing" in subsection (c) after "incident to".

38 USC 1517. (k) Section 1517(b)(1) is amended by inserting "shall assist such veteran in securing, as appropriate, a loan under subchapter IV of chapter 37 of this title and" after "the Administrator".

AUTHORIZATION OF APPROPRIATIONS FOR ESTABLISHMENT OF PROGRAM

38 USC 1841 note. SEC. 304. There is authorized to be appropriated a total of $750,000 for fiscal years 1982 through 1986 for use by the Administrator of Veterans' Affairs for expenses incidental to the establishment of the small business loan program authorized by subchapter IV of chapter 37 of title 38, United States Code (as added by section 302).

Ante, p. 1055.

EFFECTIVE DATE

38 USC 1841 note. SEC. 305. The amendments made by this title shall take effect at the end of the one-hundred-and-eighty-day period beginning on the date of the enactment of this Act, except that the authority of the Administrator of Veterans' Affairs to promulgate regulations under subchapter IV of chapter 37 of title 38, United States Code (as added by section 302), shall take effect on such date of enactment.

TITLE IV—MISCELLANEOUS PROVISIONS

EXPANSION OF SCOPE OF AGENT ORANGE STUDY

SEC. 401. (a)(1) Paragraph (1) of section 307(a) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended to read as follows:

38 USC 219 note.

Study.

"(1)(A) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of any long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such study, the Administrator may expand the scope of the study to include an evaluation of any long-term adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions. The Administrator may also include in the study an evaluation of the means of detecting and treating adverse health effects found through the study.

Review and analysis.

"(B) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such review and analysis, the Administrator may expand the scope of such review and analysis to include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict or in other comparable situations involving one or more of the factors described in the second sentence of subparagraph (A). The Administrator may also include a review and analysis of the means of detecting and treating adverse health effects found through any study covered by either such review and analysis.".

(2) Paragraph (3) of such section is amended by inserting "first" after "submission of the".

(b) Section 307(b) of such Act is amended—

(1) by inserting "for administrative or legislative action, or both," in paragraph (2) after "recommendations"; and

(2) by adding at the end the following new paragraphs:

Report.

Publication in Federal Register.

"(3) Not later than ninety days after the submission of each report under paragraph (2), the Administrator shall, based on the results described in such report and the comments and recommendations thereon and any other available pertinent information, publish in the Federal Register, for public review and comment, a description of actions, if any, that the Administrator proposes to take with respect to programs administered by the Veterans' Administration. Each such description shall include a justification or rationale for any such action the Administrator proposes to take.

"(4) The first report submitted under paragraph (2) shall include the Administrator's recommendation, and reasons therefor, with respect to whether the authority to provide care and services under and by virtue of section 610(a)(5) of title 38, United States Code,

Ante, p. 1047.

should be extended beyond the expiration period specified by section 610(e)(3) of such title.".

Ante, p. 1047.

TECHNICAL ADJUSTMENT OF COMPUTATION OF RETIREMENT ANNUITIES FOR CERTAIN PERSONNEL

38 USC 4109.

SEC. 402. (a) Subsection (b) of section 4109 is amended to read as follows:

"(b)(1) In computing the annuity under subchapter III of chapter 83 of title 5 of an individual who retires under such subchapter (other than under section 8337 of such subchapter) after December 31, 1981, and who served at any time on a less-than-full-time basis in a position in the Department of Medicine and Surgery to which such individual was appointed under this subchapter—

5 USC 8331 *et seq.*

"(A) for the purpose of determining such individual's average pay, as defined by section 8331(4) of title 5, the annual rate of basic pay for full-time service shall be deemed to be such individual's rate of basic pay; and

"(B) the amount of such individual's annuity as computed under section 8339 of title 5 (before application of any reduction required by subsection (i) of such section) shall be multiplied by the fraction equal to the ratio that that individual's total full-time equivalent service bears to that individual's creditable service as determined under section 8332 of title 5.

"(2) For the purposes of paragraph (1)(B) of this subsection, an individual's full-time equivalent service is the individual's creditable service as determined under section 8332 of title 5, except that any period of service of such individual served on a less-than-full-time basis shall be prorated based on the fraction such service bears to full-time service. For the purposes of the preceding sentence, full-time service shall be considered to be eighty hours of service per biweekly pay period.

"(3) A survivor annuity computed under section 8341 of title 5 based on the service of an individual described in paragraph (1) of this subsection shall be computed based upon such individual's annuity as determined in accordance with such paragraph.".

Effective date. 38 USC 4109 note.

(b)(1) The amendment made by subsection (a) shall take effect as of October 1, 1981.

(2) The annuity under subchapter III of chapter 83 of title 5 of an individual who retires under such subchapter during the period beginning on October 1, 1981, and ending on the date of the enactment of this Act and who served at any time on a less-than-full-time basis in a position in the Department of Medicine and Surgery to which such individual was appointed under subchapter I of chapter 73 of title 38, United States Code, shall be computed without regard to section 4109(b) of title 38, United States Code.

38 USC 4109 note.
5 USC 8331 *et seq.*

38 USC 4101 *et seq.*

Approved November 3, 1981.

LEGISLATIVE HISTORY—H.R. 3499 (S. 921):

HOUSE REPORT No. 97-79 (Comm. on Veterans' Affairs).
SENATE REPORT No. 97-89 accompanying S. 921 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed House.
June 15, S. 921 considered in Senate.
June 16, considered and passed Senate, amended, in lieu of S. 921.
Oct. 2, House concurred in Senate amendments with amendments.
Oct. 16, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 45 (1981):
Nov. 3, Presidential statement.

89-194 O—82——69 : QL3

Public Law 97-73
97th Congress

An Act

Nov. 3, 1981
[S. 1209]

Authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

John F. Kennedy Center for the Performing Arts. Appropriation authorization. 20 USC 76*l*.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 6 of the John F. Kennedy Center Act (Public Law 85-874, as amended; 20 U.S.C. 761) is amended as follows: In the last sentence strike out the period and add in lieu thereof ", and not to exceed $4,544,000 for the fiscal year ending September 30, 1982.".

Approved November 3, 1981.

LEGISLATIVE HISTORY—S. 1209 (H.R. 3377):

HOUSE REPORT No. 97-91 accompanying H.R. 3377 (Comm. on Public Works and Transportation).
SENATE REPORT No. 97-115 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed Senate.
Oct. 20, considered and passed House, in lieu of H.R. 3377.

Public Law 97-74
97th Congress

An Act

To amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1981, 1982, and 1983, and for other purposes.

Nov. 3, 1981
[S. 1000]

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 "Independent Safety Board Act Amendments of 1981".

Independent Safety Board Act Amendments of 1981.
49 USC 1901 note.

INDEPENDENT SAFETY BOARD AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 309 of the Independent Safety Board Act of 1974 (49 U.S.C. 1907) is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated for the purposes of this Act not to exceed $18,540,000 for the fiscal year ending September 30, 1981, $19,925,000 for the fiscal year ending September 30, 1982, and $22,100,000 for the fiscal year ending September 30, 1983, such sums to remain available until expended.".

PRIORITY OF BOARD INVESTIGATIONS

SEC. 3. Section 304(a)(1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a)(1)) is amended by inserting before "The Board may request" the following new sentences: "Any investigation of an accident conducted by the Board under this paragraph (other than subparagraph (E)) shall have priority over all other investigations of such accident conducted by other Federal agencies. The Board shall provide for the appropriate participation by other Federal agencies in any such investigation, except that such agencies may not participate in the Board's determination of the probable cause of the accident. Nothing in this section impairs the authority of other Federal agencies to conduct investigations of an accident under applicable provisions of law or to obtain information directly from parties involved in, and witnesses to, the transportation accident. The Board and other Federal agencies shall assure that appropriate information obtained or developed in the course of their investigations is exchanged in a timely manner.".

REPORTING OF AVIATION INCIDENTS

SEC. 4. Section 304(a)(6) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a)(6)) is amended by inserting "and aviation incidents" immediately after "accidents".

EXAMINATION AND TESTING OF PHYSICAL EVIDENCE

SEC. 5. Section 304(b)(2) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(b)(2)) is amended—

(1) by inserting immediately before the period at the end of the first sentence the following: ", including examination or testing of any vehicle, rolling stock, track, or pipeline component or any

part of any such item when such examination or testing is determined to be required for purposes of such investigation. Any examination or testing shall be conducted in such manner so as not to interfere with or obstruct unnecessarily the transportation services provided by the owner or operator of such vehicle, rolling stock, track, or pipeline component, and shall be conducted in such a manner so as to preserve, to the maximum extent feasible, any evidence relating to the transportation accidents, consistent with the needs of the investigation and with the cooperation of such owner or operator"; and

(2) in the last sentence, by inserting ", examination, or test" immediately after "inspection" each place it appears.

RESPONSE TO BOARD RECOMMENDATIONS

SEC. 6. Section 307 of the Independent Safety Board Act of 1974 (49 U.S.C. 1906) is amended by inserting "(a)" immediately after "SEC. 307." and by adding at the end thereof the following new subsection:

Report to Congress.

"(b) The Secretary shall submit a report to the Congress on January 1 of each year setting forth all the Board's recommendations to the Secretary during the preceding year regarding transportation safety and a copy of the Secretary's response to each such recommendation.".

Approved November 3, 1981.

LEGISLATIVE HISTORY—S. 1000 (H.R. 3404):

HOUSE REPORTS: No. 97-108, Pt. 1 (Comm. on Energy and Commerce); Pt. 2 (Comm. on Public Works and Transportation) both accompanying H.R. 3404.

SENATE REPORT No. 97-41 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 127 (1981):

May 4, considered and passed Senate.

Oct. 13, considered and passed House, amended, in lieu of H.R. 3404.

Oct. 21, Senate concurred in House amendments.

Public Law 97-75
97th Congress

Joint Resolution

To authorize the President to issue a proclamation designating the week beginning November 22, 1981, as "National Family Week".

Nov. 3, 1981
[S.J. Res 4]

National Family Week.
Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the President is hereby authorized and requested to issue a proclamation designating the week beginning November 22, 1981, as "National Family Week", and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such day with appropriate ceremonies and activities.**

Approved November 3, 1981.

LEGISLATIVE HISTORY—S.J. Res. 4:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 16, considered and passed Senate.
Oct. 20, considered and passed House.

Public Law 97-76
97th Congress

An Act

Nov. 5, 1981
[H.R. 4608]

To continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, for a certain period, and for other purposes.

Department of Justice Appropriation Authorization Act, Fiscal Year 1980, amendment.
93 Stat. 1040.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any authority, and any limitation on any authority, contained in the Department of Justice Appropriation Authorization Act, Fiscal Year 1980, shall continue in effect with respect to the activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) until the effective date of a general authorization of appropriations Act for the Department of Justice for fiscal year 1982 or the expiration of the period beginning on October 1, 1981, and ending immediately before February 1, 1982, whichever is earlier.

Approved November 5, 1981.

LEGISLATIVE HISTORY—H.R. 4608:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 29, considered and passed House.
Sept. 30, considered and passed Senate, amended.
Oct. 6, House disagreed to Senate amendment.
Oct. 27, House receded from its disagreement, and concurred with an amendment.
Oct. 30, Senate concurred in House amendment.

Public Law 97-77
97th Congress

An Act

Nov. 13, 1981
[S. 1322]

To designate the United States Department of Agriculture Boll Weevil Research Laboratory building, located adjacent to the campus of Mississippi State University, Starkville, Mississippi, as the "Robey Wentworth Harned Laboratory"; to extend the delay in making any adjustment in the price support level for milk; and to extend the time for conducting the referenda with respect to the national marketing quotas for wheat and upland cotton.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Department of Agriculture Boll Weevil Research Laboratory building, located adjacent to the campus of Mississippi State University, Starkville, Mississippi, shall hereafter be known and designated as the "Robey Wentworth Harned Laboratory". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held and considered to be a reference to the "Robey Wentworth Harned Laboratory".

Robey Wentworth Harned Laboratory.

SEC. 2. (a) The Act of October 20, 1981 (Public Law 97-67), is amended by striking out "November 15, 1981" in the first section and inserting in lieu thereof "December 31, 1981, or the date of enactment of S. 884, the Agriculture and Food Act of 1981, whichever is earlier".

Milk price support.
Wheat and cotton marketing quotas.
7 USC 1446 note.
Ante, p. 1039.

(b) The last sentence of section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out "November 15, 1981" and inserting in lieu thereof "January 1, 1982".

Ante, p. 1039.

(c) Section 343 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1343) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for cotton for the marketing year beginning August 1, 1982, may be conducted not later than the earlier of the following: (1) thirty days after adjournment sine die of the first session of the Ninety-seventh Congress, or (2) January 1, 1982.".

Approved November 13, 1981.

LEGISLATIVE HISTORY—S. 1322:

SENATE REPORT No. 97-255 (Comm. on Agriculture, Nutrition, and Forestry).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 9, considered and passed Senate.
Nov. 12, considered and passed House.

Public Law 97-78
97th Congress

An Act

Nov. 16, 1981
[H.R. 3975]

To facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits.

Oil production. Mineral land leasing.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) section 1 (30 U.S.C. 181), sections 21 (a) and (c) (30 U.S.C. 241 (a) and (c)), and section 34 (30 U.S.C. 182) of the Mineral Lands Leasing Act of 1920, as amended, are amended by deleting "native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)" and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),", except that in the first sentence of section 21(a) the word "and" should be inserted before "gilsonite" and the comma after the parenthesis should be eliminated in section 21.

(2) Section 27(k) of such Act (30 U.S.C. 184(k)) is amended by deleting "native asphalt, solid and semisolid bitumen, bituminous rock," and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),".

(3) Section 39 of such Act (30 U.S.C. 209) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

Definitions.

(4) Section 1 of such Act (30 U.S.C. 181) is further amended by adding after the first paragraph the following new paragraphs:

"The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).

"The term 'combined hydrocarbon lease' shall refer to a lease issued in a special tar sand area pursuant to section 17 after the date of enactment of the Combined Hydrocarbon Leasing Act of 1981.

"The term 'special tar sand area' means (1) an area designated by the Secretary of the Interior's orders of November 20, 1980 (45 FR 76800-76801) and January 21, 1981 (46 FR 6077-6078) as containing substantial deposits of tar sand.".

(5) Section 27(d)(1) of such Act (30 U.S.C. 184(d)(1)) is amended by inserting before the period at the end of the first sentence the following: "*Provided, however,* That acreage held in special tar sand areas shall not be chargeable against such State limitations.".

(6)(a) Section 17(b) of such Act (30 U.S.C. 226(b)) is amended by inserting "(1)" after "(b)" and adding a new subsection to read as follows:

"(2) If the lands to be leased are within a special tar sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than five thousand one hundred and twenty acres, which shall be as nearly compact as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary. Royalty shall be 12½ per centum in amount or value of production removed or sold from the lease,

Royalties.

subject to section 17(k)(1)(c). The Secretary may lease such additional lands in special tar sand areas as may be required in support of any operations necessary for the recovery of tar sands.". *Infra.*

(b) Section 17(c) of such Act (30 U.S.C. 226(c)) is amended by deleting "within any known geological structure of a producing oil or gas field," and inserting in lieu thereof "subject to leasing under subsection (b),".

(c) Section 17(e) of such Act (30 U.S.C. 226(e)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided, however,* That competitive leases issued in special tar sand areas shall also be for a primary term of ten years.".

(7) Section 39 of such Act (30 U.S.C. 209) is amended by adding after the period following the first sentence: "*Provided, however,* That in order to promote development and the maximum production of tar sand, at the request of the lessee, the Secretary shall review, prior to commencement of commercial operations, the royalty rates established in each combined hydrocarbon lease issued in special tar sand areas. For purposes of this section, the term 'tar sand' means any consolidated or unconsolidated rock (other than coal, oil shale, or gilsonite) that either: (1) contains a hydrocarbonaceous material with a gas-free viscosity, at original reservoir temperature, greater than 10,000 centipoise, or (2) contains a hydrocarbonaceous material and is produced by mining or quarrying.". "Tar sand."

(8) Section 17 of such Act (30 U.S.C. 226) is amended by adding at the end thereof the following new subsection:

"(k)(1)(A) The owner of (1) an oil and gas lease issued prior to the date of enactment of the Combined Hydrocarbon Leasing Act of 1981 or (2) a valid claim to any hydrocarbon resources leasable under this section based on a mineral location made prior to January 21, 1926, and located within a special tar sand area shall be entitled to convert such lease or claim to a combined hydrocarbon lease for a primary term of ten years upon the filing of an application within two years from the date of enactment of that Act containing an acceptable plan of operations which assures reasonable protection of the environment and diligent development of those resources requiring enhanced recovery methods of development or mining. For purposes of conversion, no claim shall be deemed invalid solely because it was located as a placer location rather than a lode location or vice versa, notwithstanding any previous adjudication on that issue. Application filing.

"(B) The Secretary shall issue final regulations to implement this section within six months of the effective date of this Act. If any oil and gas lease eligible for conversion under this section would otherwise expire after the date of this Act and before six months following the issuance of implementing regulations, the lessee may preserve his conversion right under such lease for a period ending six months after the issuance of implementing regulations by filing with the Secretary, before the expiration of the lease, a notice of intent to file an application for conversion. Upon submission of a complete plan of operations in substantial compliance with the regulations promulgated by the Secretary for the filing of such plans, the Secretary shall suspend the running of the term of any oil and gas lease proposed for conversion until the plan is finally approved or disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal. Regulations.

"(C) When an existing oil and gas lease is converted to a combined hydrocarbon lease, the royalty shall be that provided for in the original oil and gas lease and for a converted mining claim, 12½ per Royalties.

centum in amount or value of production removed or sold from the lease.

"(2) Except as provided in this section, nothing in the Combined Hydrocarbon Leasing Act of 1981 shall be construed to diminish or increase the rights of any lessee under any oil and gas lease issued prior to the enactment of such Act.".

(9)(a) Section 2 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351) is amended by adding at the end thereof: "The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).".

(b) Section 3 of such Act (30 U.S.C. 352) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

30 USC 181 note.
26 USC 1 note.

(10) Nothing in this Act shall affect the taxable status of production from tar sand under the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223), reduce the depletion allowance for production from tar sand, or otherwise affect the existing tax status applicable to such production.

Prohibition.
30 USC 181 note.

(11) No provision of this Act shall apply to national parks, national monuments, or other lands where mineral leasing is prohibited by law. The Secretary of the Interior shall apply the provisions of this Act to the Glen Canyon National Recreation Area, and to any other units of the national park system where mineral leasing is permitted, in accordance with any applicable minerals management plan if the Secretary finds that there will be no resulting significant adverse impacts on the administration of such area, or on other contiguous units of the national park system.

Approved November 16, 1981.

LEGISLATIVE HISTORY—H.R. 3975:

HOUSE REPORT No. 97-174 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-250 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 14, considered and passed House.
Oct. 29, considered and passed Senate.

Public Law 97-79
97th Congress

An Act

To provide for the control of illegally taken fish and wildlife.

Nov. 16, 1981
[S. 736]

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 "Lacey Act Amendments of 1981".

Lacey Act Amendments of 1981.
16 USC 3371 note.

SEC. 2. DEFINITIONS.

16 USC 3371.

For the purposes of this Act:

(a) The term "fish or wildlife" means any wild animal, whether alive or dead, including without limitation any wild mammal, bird, reptile, amphibian, fish, mollusk, crustacean, arthropod, coelenterate, or other invertebrate, whether or not bred, hatched, or born in captivity, and includes any part, product, egg, or offspring thereof.

(b) The term "import" means to land on, bring into, or introduce into, any place subject to the jurisdiction of the United States, whether or not such landing, bringing, or introduction constitutes an importation within the meaning of the customs laws of the United States.

(c) The term "Indian tribal law" means any regulation of, or other rule of conduct enforceable by, any Indian tribe, band, or group but only to the extent that the regulation or rule applies within Indian country as defined in section 1151 of title 18, United States Code.

(d) The terms "law," "treaty," "regulation," and "Indian tribal law" mean laws, treaties, regulations or Indian tribal laws which regulate the taking, possession, importation, exportation, transportation, or sale of fish or wildlife or plants.

(e) The term "person" includes any individual, partnership, association, corporation, trust, or any officer, employee, agent, department, or instrumentality of the Federal Government or of any State or political subdivision thereof, or any other entity subject to the jurisdiction of the United States.

(f) The terms "plant" and "plants" mean any wild member of the plant kingdom, including roots, seeds, and other parts thereof (but excluding common food crops and cultivars) which is indigenous to any State and which is either (A) listed on an appendix to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, or (B) listed pursuant to any State law that provides for the conservation of species threatened with extinction.

(g) The term "Secretary" means, except as otherwise provided in the Act, the Secretary of the Interior or the Secretary of Commerce, as program responsibilities are vested pursuant to the provisions of Reorganization Plan Numbered 4 of 1970 (84 Stat. 2090); except that with respect to the provisions of this Act which pertain to the importation or exportation of plants the term means the Secretary of Agriculture.

5 USC app.

(h) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands,

Guam, Northern Mariana Islands, American Samoa, and any other territory, commonwealth, or possession of the United States.

(i) The term "taken" means captured, killed, or collected.

(j) The term "transport" means to move, convey, carry, or ship by any means, or to deliver or receive for the purpose of movement, conveyance, carriage, or shipment.

16 USC 3372.

SEC. 3. PROHIBITED ACTS.

(a) OFFENSES OTHER THAN MARKING OFFENSES.—It is unlawful for any person—

(1) to import, export, transport, sell, receive, acquire, or purchase any fish or wildlife or plant taken or possessed in violation of any law, treaty, or regulation of the United States or in violation of any Indian tribal law;

(2) to import, export, transport, sell, receive, acquire, or purchase in interstate or foreign commerce—

(A) any fish or wildlife taken, possessed, transported, or sold in violation of any law or regulation of any State or in violation of any foreign law, or

(B) any plant taken, possessed, transported, or sold in violation of any law or regulation of any State;

(3) within the special maritime and territorial jurisdiction of the United States (as defined in section 7 of title 18, United States Code)—

(A) to possess any fish or wildlife taken, possessed, transported, or sold in violation of any law or regulation of any State or in violation of any foreign law or Indian tribal law, or

(B) to possess any plant taken, possessed, transported, or sold in violation of any law or regulation of any State;

(4) having imported, exported, transported, sold, purchased, or received any fish or wildlife or plant imported from any foreign country or transported in interstate or foreign commerce, to make or submit any false record, account, label, or identification thereof; or

(5) to attempt to commit any act described in paragraphs (1) through (4).

(b) MARKING OFFENSES.—It is unlawful for any person to import, export, or transport in interstate commerce any container or package containing any fish or wildlife unless the container or package has previously been plainly marked, labeled, or tagged in accordance with the regulations issued pursuant to paragraph (2) of subsection 7(a) of this Act.

16 USC 3373.

SEC. 4. PENALTIES AND SANCTIONS.

(a) CIVIL PENALTIES.—

(1) Any person who engages in conduct prohibited by any provision of this Act (other than subsection 3(b)) and in the exercise of due care should know that the fish or wildlife or plants were taken, possessed, transported, or sold in violation of, or in a manner unlawful under, any underlying law, treaty, or regulation, may be assessed a civil penalty by the Secretary of not more than $10,000 for each such violation: *Provided*, That when the violation involves fish or wildlife or plants with a market value of less than $350, and involves only the transportation, acquisition, or receipt of fish or wildlife or plants taken or possessed in violation of any law, treaty, or regulation of the United States, any Indian tribal law, any foreign law, or any law

or regulation of any State, the penalty assessed shall not exceed the maximum provided for violation of said law, treaty, or regulation, or $10,000, whichever is less.

(2) Any person who violates subsection 3(b) may be assessed a civil penalty by the Secretary of not more than $250.

(3) For purposes of paragraphs (1) and (2), any reference to a provision of this Act or to a section of this Act shall be treated as including any regulation issued to carry out any such provision or section.

(4) No civil penalty may be assessed under this subsection unless the person accused of the violation is given notice and opportunity for a hearing with respect to the violation. Each violation shall be a separate offense and the offense shall be deemed to have been committed not only in the district where the violation first occurred, but also in any district in which a person may have taken or been in possession of the said fish or wildlife or plants.

(5) Any civil penalty assessed under this subsection may be remitted or mitigated by the Secretary.

(6) In determining the amount of any penalty assessed pursuant to paragraphs (1) and (2), the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited act committed, and with respect to the violator, the degree of culpability, ability to pay, and such other matters as justice may require.

(b) HEARINGS.—Hearings held during proceedings for the assessment of civil penalties shall be conducted in accordance with section 554 of title 5, United States Code. The administrative law judge may issue subpenas for the attendance and testimony of witnesses and the production of relevant papers, books, or documents, and may administer oaths. Witnesses summoned shall be paid the same fees and mileage that are paid to witnesses in the courts of the United States. In case of contumacy or refusal to obey a subpena issued pursuant to this paragraph and served upon any person, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the administrative law judge or to appear and produce documents before the administrative law judge, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Subpenas.

(c) REVIEW.—Any person against whom a civil penalty is assessed under this section may obtain review thereof in the appropriate district court of the United States by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary may request the Attorney General of the United States to institute a civil action in an appropriate district court of the United States to collect the penalty, and such court shall have jurisdiction to hear and decide any such action. In hearing such action, the court

shall have authority to review the violation and the assessment of the civil penalty de novo.

(d) CRIMINAL PENALTIES.—

(1) Any person who—

(A) knowingly imports or exports any fish or wildlife or plants in violation of any provision of this Act (other than subsection 3(b)), or

(B) violates any provision of this Act (other than subsection 3(b)) by knowingly engaging in conduct that involves the sale or purchase of, the offer of sale or purchase of, or the intent to sell or purchase, fish or wildlife or plants with a market value in excess of $350,

knowing that the fish or wildlife or plants were taken, possessed, transported, or sold in violation of, or in a manner unlawful under, any underlying law, treaty or regulation, shall be fined not more than $20,000, or imprisoned for not more than five years, or both. Each violation shall be a separate offense and the offense shall be deemed to have been committed not only in the district where the violation first occurred, but also in any district in which the defendant may have taken or been in possession of the said fish or wildlife or plants.

(2) Any person who knowingly engages in conduct prohibited by any provision of this Act (other than subsection 3(b)) and in the exercise of due care should know that the fish or wildlife or plants were taken, possessed, transported, or sold in violation of, or in a manner unlawful under, any underlying law, treaty or regulation shall be fined not more than $10,000, or imprisoned for not more than one year, or both. Each violation shall be a separate offense and the offense shall be deemed to have been committed not only in the district where the violation first occurred, but also in any district in which the defendant may have taken or been in possession of the said fish or wildlife or plants.

(e) PERMIT SANCTIONS.—The Secretary may also suspend, modify, or cancel any Federal hunting or fishing license, permit, or stamp, or any license or permit authorizing a person to import or export fish or wildlife or plants (other than a permit or license issued pursuant to the Fishery Conservation and Management Act of 1976), or to operate a quarantine station or rescue center for imported wildlife or plants, issued to any person who is convicted of a criminal violation of any provision of this Act or any regulation issued hereunder. The Secretary shall not be liable for the payments of any compensation, reimbursement, or damages in connection with the modification, suspension, or revocation of any licenses, permits, stamps, or other agreements pursuant to this section.

16 USC 1801 note.

16 USC 3374.

SEC. 5. FORFEITURE.

(a) IN GENERAL.—

(1) All fish or wildlife or plants imported, exported, transported, sold, received, acquired, or purchased contrary to the provisions of section 3 of this Act (other than subsection 3(b)), or any regulation issued pursuant thereto, shall be subject to forfeiture to the United States notwithstanding any culpability requirements for civil penalty assessment or criminal prosecution included in section 4 of this Act.

(2) All vessels, vehicles, aircraft, and other equipment used to aid in the importing, exporting, transporting, selling, receiving, acquiring, or purchasing of fish or wildlife or plants in a criminal

violation of this Act for which a felony conviction is obtained shall be subject to forfeiture to the United States if (A) the owner of such vessel, vehicle, aircraft, or equipment was at the time of the alleged illegal act a consenting party or privy thereto or in the exercise of due care should have known that such vessel, vehicle, aircraft, or equipment would be used in a criminal violation of this Act, and (B) the violation involved the sale or purchase of, the offer of sale or purchase of, or the intent to sell or purchase, fish or wildlife or plants.

(b) APPLICATION OF CUSTOMS LAWS.—All provisions of law relating to the seizure, forfeiture, and condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale thereof, and the remission or mitigation of such forfeiture, shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this Act, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Treasury Department may, for the purposes of this Act, also be exercised or performed by the Secretary or by such persons as he may designate: *Provided,* That any warrant for search or seizure shall be issued in accordance with rule 41 of the Federal Rules of Criminal Procedure.

(c) STORAGE COST.—Any person convicted of an offense, or assessed a civil penalty, under section 4 shall be liable for the costs incurred in the storage, care, and maintenance of any fish or wildlife or plant seized in connection with the violation concerned.

SEC. 6. ENFORCEMENT. 16 USC 3375.

(a) IN GENERAL.—The provisions of this Act and any regulations issued pursuant thereto shall be enforced by the Secretary, the Secretary of Transportation, or the Secretary of the Treasury. Such Secretary may utilize by agreement, with or without reimbursement, the personnel, services, and facilities of any other Federal agency or any State agency or Indian tribe for purposes of enforcing this Act.

(b) POWERS.—Any person authorized under subsection (a) to enforce this Act may carry firearms; may make an arrest without a warrant for any felony violation of this Act if he has reasonable grounds to believe that the person to be arrested has committed or is committing such violation: *Provided,* That an arrest for a felony violation of this Act that is not committed in the presence or view of any such person and that involves only the transportation, acquisition, receipt, purchase, or sale of fish or wildlife or plants taken or possessed in violation of any law or regulation of any State shall require a warrant; may make an arrest without a warrant for a misdemeanor violation of this Act if he has reasonable grounds to believe that the person to be arrested is committing a violation in his presence or view; and may execute and serve any subpena, arrest warrant, search warrant issued in accordance with rule 41 of the Federal Rules of Criminal Procedure, or other warrant of civil or criminal process issued by any officer or court of competent jurisdiction for enforcement of this Act. Any person so authorized, in coordination with the Secretary of the Treasury, may detain for inspection and inspect any vessel, vehicle, aircraft, or other conveyance or any package, crate, or other container, including its contents, upon the arrival of such conveyance or container in the United States or the customs waters of the United States from any point outside the United States or such customs waters, or, if such conveyance or container is being used for

Warrant.

Inspection.

exportation purposes, prior to departure from the United States or the customs waters of the United States. Such person may also inspect and demand the production of any documents and permits required by the country of natal origin, birth, or reexport of the fish or wildlife. Any fish, wildlife, plant, property, or item seized shall be held by any person authorized by the Secretary pending disposition of civil or criminal proceedings, or the institution of an action in rem for forfeiture of such fish, wildlife, plants, property, or item pursuant to section 5 of this Act; except that the Secretary may, in lieu of holding such fish, wildlife, plant, property, or item, permit the owner or consignee to post a bond or other surety satisfactory to the Secretary.

(c) DISTRICT COURT JURISDICTION.—The several district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have jurisdiction over any actions arising under this Act. The venue provisions of title 18 and title 28 of the United States Code shall apply to any actions arising under this Act. The judges of the district courts of the United States and the United States magistrates may, within their respective jurisdictions, upon proper oath or affirmation showing probable cause, issue such warrants or other process as may be required for enforcement of this Act and any regulations issued thereunder.

(d) REWARDS.—Beginning in fiscal year 1983, the Secretary or the Secretary of the Treasury shall pay a reward from sums received as penalties, fines, or forfeitures of property for any violation of this Act or any regulation issued hereunder to any person who furnishes information which leads to an arrest, a criminal conviction, civil penalty assessment, or forfeiture of property for any violation of this Act or any regulation issued hereunder. The amount of the reward, if any, is to be designated by the Secretary or the Secretary of the Treasury, as appropriate. Any officer or employee of the United States or any State or local government who furnishes information or renders service in the performance of his official duties is ineligible for payment under this subsection.

16 USC 3376.

SEC. 7. ADMINISTRATION.

(a) REGULATIONS.—

(1) The Secretary, after consultation with the Secretary of the Treasury, is authorized to issue such regulations, except as provided in paragraph (2), as may be necessary to carry out the provisions of section 4 and section 5 of this Act.

(2) The Secretaries of the Interior and Commerce shall jointly promulgate specific regulations to implement the provisions of subsection 3(b) of this Act for the marking and labeling of containers or packages containing fish or wildlife. These regulations shall be in accordance with existing commercial practices.

(b) CONTRACT AUTHORITY.—Beginning in fiscal year 1983, to the extent and in the amounts provided in advance in appropriations Acts, the Secretary may enter into such contracts, leases, cooperative agreements, or other transactions with any Federal or State agency, Indian tribe, public or private institution, or other person, as may be necessary to carry out the purposes of this Act.

16 USC 3377.

SEC. 8. EXCEPTIONS.

(a) The provisions of paragraph (1) of subsection 3(a) of this Act shall not apply to any activity regulated by a fishery management plan in effect under the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.).

(b) The provisions of paragraphs (1), (2)(A), and (3)(A) of subsection 3(a) of this Act shall not apply to—

(1) any activity regulated by the Tuna Conventions Act of 1950 (16 U.S.C. 951-961) or the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971-971(h)); or

16 USC 971-971h.

(2) any activity involving the harvesting of highly migratory species (as defined in paragraph (14) of section 3 of the Fishery Conservation and Management Act of 1976) taken on the high seas (as defined in paragraph (13) of such section 3) if such species are taken in violation of the laws of a foreign nation and the United States does not recognize the jurisdiction of the foreign nation over such species.

16 USC 1802.

(c) The provisions of paragraph (2) of subsection 3(a) of this Act shall not apply to the interstate shipment or transshipment through Indian country as defined in section 1151 of title 18, United States Code, or a State of any fish or wildlife or plant legally taken if the shipment is en route to a State in which the fish or wildlife or plant may be legally possessed.

SEC. 9. MISCELLANEOUS PROVISIONS.

16 USC 3378.

(a) EFFECT ON POWERS OF STATES.—Nothing in this Act shall be construed to prevent the several States or Indian tribes from making or enforcing laws or regulations not inconsistent with the provisions of this Act.

(b) REPEALS.—The following provisions of law are repealed:

(1) The Act of May 20, 1926 (commonly known as the Black Bass Act; 16 U.S.C. 851-856).

(2) Section 5 of the Act of May 25, 1900 (16 U.S.C. 667e), and sections 43 and 44 of title 18, United States Code (commonly known as provisions of the Lacey Act).

(3) Sections 3054 and 3112 of title 18, United States Code.

(c) DISCLAIMERS.—Nothing in this Act shall be construed as—

(1) repealing, superseding, or modifying any provision of Federal law other than those specified in subsection (b);

(2) repealing, superseding, or modifying any right, privilege, or immunity granted, reserved, or established pursuant to treaty, statute, or executive order pertaining to any Indian tribe, band, or community; or

(3) enlarging or diminishing the authority of any State or Indian tribe to regulate the activities of persons within Indian reservations.

(d) HUMANE SHIPMENT.—Subsection 42(c) of title 18, United States Code, is amended by striking "Secretary of the Treasury" and inserting in lieu thereof "Secretary of the Interior within one hundred and eighty days of the enactment of the Lacey Act Amendments of 1981".

(e) REWARD.—Subsection 11(d) of the Endangered Species Act of 1973 (16 U.S.C. 1540) is amended to read as follows:

"(d) REWARD.—The Secretary or the Secretary of the Treasury shall pay a reward from sums received as penalties, fines, or forfeitures of property for any violation of this Act or any regulation issued hereunder to any person who furnishes information which leads to an arrest, a criminal conviction, civil penalty assessment, or forfeiture of property for any violation of this Act or any regulation issued hereunder. The amount of the reward, if any, is to be designated by the Secretary or the Secretary of the Treasury, as appropriate. Any officer or employee of the United States or any State or local government who furnishes information or renders service in the

performance of his official duties is ineligible for payment under this subsection.".

Effective date. 16 USC 1540 note. 16 USC 3378.

(f) The amendment specified in subsection 9(e) of this Act shall take effect beginning in fiscal year 1983.

(g) The Secretary of the Interior is authorized to pay from agency appropriations the travel expense of newly appointed special agents of the United States Fish and Wildlife Service and the transportation expense of household goods and personal effects from place of residence at time of selection to first duty station to the extent authorized by section 5724 of title 5 for all such special agents appointed after January 1, 1977.

(h) The Secretary shall identify the funds utilized to enforce this Act and any regulations thereto as a specific appropriations item in the Department of the Interior appropriations budget proposal to the Congress.

Approved November 16, 1981.

LEGISLATIVE HISTORY—S. 736 (H.R. 1638):

HOUSE REPORT No. 97-276 accompanying H.R. 1638 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 97-123 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 24, considered and passed Senate.
Nov. 4, considered and passed House, in lieu of H.R. 1638.

Public Law 97-80
97th Congress

An Act

Nov. 20, 1981
[S. 999]

To amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriation of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction programs and the fire prevention and control program, and for other purposes.

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

Earthquake Hazards Reduction Act of 1977 and Federal Fire Prevention and Control Act of 1974, amendment.
42 USC 7706.
Appropriation authorization.

TITLE I—EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 101. (a) Section 7(a) of the Earthquake Hazards Reduction Act of 1977 is amended by adding at the end thereof the following new paragraph:

"(3) There are authorized to be appropriated to the Director for the fiscal year ending September 30, 1982, $2,000,000 to carry out the provisions of sections 5 and 6 of this Act.".

(b) Section 7(b) of such Act is amended by striking out "and" after "1980;", and by inserting "; and $34,425,000 for the fiscal year ending September 30, 1982" before the period at the end thereof.

(c) Section 7(c) of such Act is amended by striking out "and" after "1980;", and by inserting "; and $27,150,000 for the fiscal year ending September 30, 1982" before the period at the end thereof.

(d) Section 7(d) of such Act is amended by inserting "; and $425,000 for the fiscal year ending September 30, 1982" before the period at the end thereof.

(e) Section 7 of such Act is further amended by adding at the end thereof the following new subsection:

"(e) FUNDS FOR CERTAIN REQUIRED ADJUSTMENTS.—For the fiscal year ending September 30, 1982, there are authorized to be appropriated such further sums as may be necessary for adjustments required by law in salaries, pay, retirement, and employee benefits incurred in the conduct of activities for which funds are authorized by the preceding provisions of this section.".

TITLE II—FIRE PREVENTION AND CONTROL

SEC. 201. Section 17 of the Federal Fire Prevention and Control Act of 1974 is amended by adding at the end thereof the following: 15 USC 2216.

"(d) Except as otherwise specifically provided with respect to the payment of claims under section 11 of this Act, to carry out the purposes of this Act, there are authorized to be appropriated— 15 USC 2210.

"(1) $20,815,000 for the fiscal year ending September 30, 1982, and $23,312,800 for the fiscal year ending September 30, 1983, which amount shall include—

"(A) such sums as may be necessary for the support of research and development at the Fire Research Center of the National Bureau of Standards under section 18 of this Act, 15 USC 278f.

which sums shall be in addition to those funds authorized to be appropriated under the National Bureau of Standards Authorization Act for fiscal years 1981 and 1982; and

94 Stat. 2049.

"(B) $654,000 for the fiscal year ending September 30, 1982, and $732,480 for the fiscal year ending September 30, 1983, for executive direction by the Federal Emergency Management Agency of program activities for which appropriations are authorized by this subsection; and

"(2) such further sums as may be necessary in each of the fiscal years ending September 30, 1982, and September 30, 1983, for adjustments required by law in salaries, pay, retirement, and employee benefits incurred in the conduct of activities for which funds are authorized by paragraph (1) of this subsection.

15 USC 278f.

The funds authorized under section 18 shall be in addition to funds authorized in any other law for research and development at the Fire Research Center of the National Bureau of Standards.".

Quit-claim deed.

SEC. 202. (a)(1) The Administrator of the United States Fire Administration is authorized and directed to convey by quit-claim deed, without consideration, to Gallaudet College, a body corporate created by Act of Congress approved February 16, 1857, as amended, all right, title, and interest of the United States in and to the following described tract of land, together with all buildings and other improvements thereon, situated in the District of Columbia: Lots numbered 75 to 79 inclusive in square numbered 2745-F in the subdivision made by the Rock Creek Park Estates, Incorporated, as per plat recorded in the Office of the Surveyor for the District of Columbia in liber 115 at folio 193. Lots numbered 66 and 67 in said square numbered 2745-F in the subdivision made by Alpheus H. Ryan, as per plat recorded in said Surveyor's Office in liber 104 at folio 3. Also parts of a tract of land called "Clouin Course". All of above described property being described in one parcel as follows: Beginning for the same at a point of intersection of the southerly line of Kalmia Road, with the west line of lot 80 in square 2745-F in the combination of lots made by Marjorie Webster Junior College, Incorporated, as per plat recorded in said Surveyor's Office in liber 146 at folio 188, and running thence along said west line of said lot 80, south 0 degree 05 minutes west 235.11 feet to the southerly or rear line thereof, and thence along the southerly line of said lot 80, south 69 degrees 18 minutes 10 seconds east 437.19 feet more or less to the west line of a 16 foot wide public alley; thence running south 0 degree 05 minutes west along said west line of said alley 20.16 feet; thence south 59 degrees 53 minutes 13 seconds west 610.64 feet to the northeasterly line of 17th Street, thence along said line of said street, deflecting to the right with the arc of a circle whose radius is 869.11 feet, 90.07 feet to a point of tangent, and running thence north 30 degrees 11 minutes 40 seconds west and still along the said northeasterly line of 17th Street, 538.81 feet to a point of curve; thence deflecting to the right with the arc of a circle whose radius is 41.51 feet northeasterly 66.35 feet to a point of tangency in the south line of Kalmia Road (60 feet wide) thence with the south line of said Kalmia Road, north 61 degrees 24 minutes east 187.84 feet; thence south 28 degrees 36 minutes east 15 feet to the most southerly line of Kalmia Road (90 feet wide); thence with the most southerly line of said road, and deflecting to the right with the arc of a circle whose radius is 385 feet, easterly 260 feet to the point of beginning.

(2) At the date hereof, the above described part of Clouin Course formerly taxed as parcel 77/63 is designated on the records of the

Assessor for the District of Columbia for assessment and taxation purposes as lot 815 in square 2745-F.

(3) Lot numbered 80 in square numbered 2745-F in the combination of lots made by Marjorie Webster Junior College, Incorporated, is as per plat recorded in said Surveyor's Office in liber 146 at folio 188.

(b) Section 25 of the Federal Fire Prevention and Control Act of 1974 is repealed. Repeal. 15 USC 2221.

TITLE III—MULTIHAZARD RESEARCH, PLANNING, AND MITIGATION

SEC. 301. (a) Pursuant to the Earthquake Hazards Reduction Act of 1977, the Federal Fire Prevention and Control Act of 1974, and title III of Public Law 96-472 (which recognized that "natural and man-made hazards may not be independent of one another in any given disaster"), and further recognizing that emergency personnel are often called upon to meet emergencies outside of their primary field of service, section 301 of Public Law 96-472 is amended— 42 USC 7701 note. 15 USC 2201 note. 94 Stat. 2260. 50 USC app. 2251 note.

(1) by inserting before the period at the end of the first sentence the following: ", and it is also recognized that emergency personnel are often called upon to meet emergencies outside of their primary field of service"; and

(2) by striking out "and" after the semicolon at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon, and by adding after paragraph (6) the following new paragraphs:

"(7) conduct emergency first response programs so as to better train and prepare emergency personnel to meet emergencies outside of their primary field of service; and

"(8) conduct a program of planning, preparedness, and mitigation related to the multiple direct and indirect hazards resulting from the occurrence of large earthquakes.".

(b) Section 302 of Public Law 96-472 is amended— 50 USC app. 2251 note.

(1) by inserting "(a)" after "SEC. 302."; and

(2) by adding at the end thereof the following new subsection:

"(b) For the fiscal year ending September 30, 1982, there are authorized to be appropriated to the Director— Appropriation authorization.

"(1) $4,939,000 to carry out section 301, which amount shall include—

"(A) not less than $700,000 to carry out the purposes of paragraphs (1) through (6) of such section;

"(B) such sums as may be necessary, but in any case not less than $939,000, for use by the United States Fire Administration in carrying out paragraph (7) of such section; and

"(C) not less than $3,300,000 to carry out paragraph (8) of such section with respect to those large California earthquakes which were identified by the National Security Council's Ad Hoc Committee on Assessment of Consequences and Preparations for a Major California Earthquake; and

"(2) such further sums as may be necessary for adjustments required by law in salaries, pay, retirement, and employee benefits incurred in the conduct of activities for which funds are authorized by paragraph (1) of this subsection.".

TITLE IV—GENERAL PROVISIONS

SEC. 401. Funds authorized to be appropriated by title I, title II, or title III may be transferred among the program categories listed in Transfer of funds.

that title, except that neither the total funds transferred from any such program category nor the total funds transferred to any such program category may exceed 10 per centum of the amount authorized for that program category unless—

Report to congressional committees.

(1) thirty calendar days have passed after the Director or his designee has transmitted to the Speaker of the House of Representatives, to the President of the Senate, to the chairman of the Committee on Science and Technology of the House of Representatives, and to the chairman of the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete explanation of the transfer involved and the reason for it, or

(2) before the expiration of such thirty days both chairmen have written to the Director stating that they have no objection to the proposed transfer.

For purposes of this section, the program activity or activities for which funds are authorized by each of the following provisions of law as amended by this Act shall each be deemed to constitute a "program category": Subsections (a), (b), (c), (d), and (e) of section 7 of the Earthquake Hazards Reduction Act of 1977; paragraphs (1)(A), (1)(B), and (2) of section 17(d) of the Federal Fire Prevention and Control Act of 1974; and paragraphs (1)(A), (1)(B), (1)(C), and (2) of section 302(b) of Public Law 96-472; and section 302(c) of such Public Law.

Ante, p. 1081.

Ante, p. 1081.

Ante, p. 1083.

Approved November 20, 1981.

LEGISLATIVE HISTORY—S. 999 (H.R. 3356):

HOUSE REPORTS: No. 97-59, Pt. I (Comm. on Interior and Insular Affairs) and Pt. II (Comm. on Science and Technology) both accompanying H.R. 3356.
SENATE REPORT No. 97-39 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Apr. 29, considered and passed Senate.
Oct. 13, 14, H.R. 3356 considered and passed House; proceedings vacated and S. 999, amended, passed in lieu.
Oct. 16, Senate concurred in House amendments with an amendment.
Nov. 5, House concurred in Senate amendment with amendments; Senate concurred in House amendments.

Public Law 97-81
97th Congress

An Act

To amend title 10, United States Code, to improve the military justice system.

Nov. 20, 1981
[H.R. 4792]

Military Justice Amendments of 1981.

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

SHORT TITLE; REFERENCES TO UNIFORM CODE OF MILITARY JUSTICE

SECTION 1. (a) This Act may be cited as the "Military Justice Amendments of 1981". 10 USC 801 note.

(b) Whenever in this Act (except in sections 2(a) and 2(b)) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (the Uniform Code of Military Justice). 10 USC 801 *et seq.*

REQUIRED APPELLATE LEAVE

SEC. 2. (a) Section 701(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by inserting after clause (3) the following new clause: "(4) leave required to be taken under section 876a of this title.". *Post*, p. 1087.

(b)(1) Chapter 40 of such title is amended by adding at the end thereof the following new sections:

"§ 706. Administration of leave required to be taken pending review of certain court-martial convictions 10 USC 706.

"(a) A period of leave required to be taken under section 876a of this title shall be charged against any accrued leave to the member's credit on the day before the day such leave begins unless the member elects to be paid for such accrued leave under subsection (b). If the member does not elect to be paid for such accrued leave under subsection (b), or does not have sufficient accrued leave to his credit to cover the total period of leave required to be taken, the leave not covered by accrued leave shall be charged as excess leave. If the member elects to be paid for accrued leave under subsection (b), the total period of leave required to be taken shall be charged as excess leave.

"(b)(1) A member who is required to take leave under section 876a of this title and who has accrued leave to his credit on the day before the day such leave begins may elect to be paid for such accrued leave. Any such payment shall be based on the rate of basic pay to which the member was entitled on the day before the day such leave began. If the member does not elect to be paid for such accrued leave, the member is entitled to pay and allowances during the period of accrued leave required to be taken.

"(2) Except as provided in paragraph (1) and in section 707 of this title, a member may not accrue or receive pay or allowances during a period of leave required to be taken under section 876a of this title.

Infra.
Post, p. 1087.

"(c)(1) A member required to take leave under section 876a of this title is not entitled to any right or benefit under section 2021 of title 38 solely because of employment during the period of such leave.

"(2) Section 974 of this title does not apply to a member required to take leave under section 876a of this title during the period of such leave.

10 USC 707.

"§ 707. Payment upon disapproval of certain court-martial sentences for excess leave required to be taken

"(a) A member—

"(1) who is required to take leave under section 876a of this title, any period of which is charged as excess leave under section 706(a) of this title; and

Ante, p. 1085.

"(2) whose sentence by court-martial to a dismissal or a dishonorable or bad-conduct discharge is set aside or disapproved by a Court of Military Review under section 866 of this title or by the United States Court of Military Appeals under section 867 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave, unless a rehearing or new trial is ordered and a dismissal or a dishonorable or bad-conduct discharge is included in the result of the rehearing or new trial and such dismissal or discharge is later executed.

"(b)(1) A member entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances for each day of leave required to be taken under section 876a of this title that is charged as excess leave (except any day of accrued leave for which the member has been paid under section 706(b)(1) of this title and which has been charged as excess leave). If the pay grade of the member was reduced to a lower grade as a result of the court-martial sentence (including any reduction in pay grade under section 858a of this title) and such reduction has not been set aside, disapproved, or otherwise vacated, pay and allowances to be paid under this section shall be deemed to have accrued in such lower grade. Otherwise, such pay and allowances shall be deemed to have accrued in the pay grade held by the member on the day before the day on which his court-martial sentence was approved by the convening authority.

"(2) Such a member shall be paid the amount of pay and allowances that he is deemed to have accrued, reduced by the total amount of his income from wages, salaries, tips, other personal service income, unemployment compensation, and public assistance benefits from any Government agency during the period he is deemed to have accrued pay and allowances. Except as provided in paragraph (3), such payment shall be made as follows:

"(A) Payment shall be made within 60 days from the date of the order setting aside or disapproving the sentence by court-martial to a dismissal or a dishonorable or bad-conduct discharge if no rehearing or new trial has been ordered.

"(B) Payment shall be made within 180 days from the date of the order setting aside or disapproving the sentence by court-martial to a dismissal or a dishonorable or bad-conduct discharge if a rehearing or new trial has been ordered but charges have not been referred to a rehearing or new trial within 120 days from the date of that order.

"(C) If a rehearing or new trial has been ordered and a dismissal or a dishonorable or bad-conduct discharge is not included in the result of such rehearing or new trial, payment shall be made within 60 days of the date of the announcement of the result of such rehearing or new trial.

"(D) If a rehearing or new trial has been ordered and a dismissal or a dishonorable or bad-conduct discharge is included in the result of such rehearing or new trial, but such dismissal or discharge is not later executed, payment shall be made within 60 days of the date of the order which set aside, disapproved, or otherwise vacated such dismissal or discharge.

"(3) If a member is entitled to be paid under this section but fails to provide sufficient information in a timely manner regarding his income when such information is requested under regulations prescribed under subsection (c), the periods of time prescribed in paragraph (2) shall be extended until 30 days after the date on which the member provides the information requested. Extension.

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. Such regulations may provide for the method of determining a member's income during any period the member is deemed to have accrued pay and allowances, including a requirement that the member provide income tax returns and other documentation to verify the amount of his income.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new items:

"706. Administration of leave required to be taken pending review of certain court-martial convictions.

"707. Payment upon disapproval of certain court-martial sentences for excess leave required to be taken.".

(c)(1) Subchapter IX is amended by adding at the end thereof the following new section (article):

"§ 876a. Art. 76a. Leave required to be taken pending review of certain court-martial convictions 10 USC 876a.

"Under regulations prescribed by the Secretary concerned, an accused who has been sentenced by a court-martial may be required to take leave pending completion of action under this subchapter if the sentence, as approved under section 864 or 865 of this title (article 64 or 65) by the officer exercising general court-martial jurisdiction, includes an unsuspended dismissal or an unsuspended dishonorable or bad-conduct discharge. The accused may be required to begin such leave on the date on which the sentence is approved by the officer exercising general court-martial jurisdiction or at any time after such date, and such leave may be continued until the date on which action under this subchapter is completed or may be terminated at any earlier time.".

(2) The table of sections at the beginning of such subchapter is amended by adding at the end thereof the following new item:

"876a. 76a. Leave required to be taken pending review of certain court-martial convictions.".

POST-TRIAL CONFINEMENT

SEC. 3. Section 813 (article 13) is amended— 10 USC 813.

(1) by striking out "Subject to section 857 of this title (article 57), no" and inserting in lieu thereof "No"; and

(2) by striking out "or the result of trial".

INDIVIDUAL MILITARY COUNSEL

10 USC 832.

SEC. 4. (a) Section 832(b) (article 32(b)) is amended by striking out the second sentence and inserting in lieu thereof "The accused has the right to be represented at that investigation as provided in section 838 of this title (article 38) and in regulations prescribed under that section.".

10 USC 838.

(b) Subsection (b) of section 838 (article 38(b)) is amended to read as follows:

"(b)(1) The accused has the right to be represented in his defense before a general or special court-martial or at an investigation under section 832 of this title (article 32) as provided in this subsection.

"(2) The accused may be represented by civilian counsel if provided by him.

"(3) The accused may be represented—

"(A) by military counsel detailed under section 827 of this title (article 27); or

"(B) by military counsel of his own selection if that counsel is reasonably available (as determined under regulations prescribed under paragraph (7)).

"(4) If the accused is represented by civilian counsel, military counsel detailed or selected under paragraph (3) shall act as associate counsel unless excused at the request of the accused.

"(5) Except as provided under paragraph (6), if the accused is represented by military counsel of his own selection under paragraph (3)(B), any military counsel detailed under paragraph (3)(A) shall be excused.

"(6) The accused is not entitled to be represented by more than one military counsel. However, a convening authority, in his sole discretion—

"(A) may detail additional military counsel as assistant defense counsel; and

"(B) if the accused is represented by military counsel of his own selection under paragraph (3)(B), may approve a request from the accused that military counsel detailed under paragraph (3)(A) act as associate defense counsel.

Reasonably available.

"(7) The Secretary concerned shall, by regulation, define 'reasonably available' for the purpose of paragraph (3)(B) and establish procedures for determining whether the military counsel selected by an accused under that paragraph is reasonably available. To the maximum extent practicable, such regulations shall establish uniform policies among the armed forces while recognizing the differences in the circumstances and needs of the various armed forces. The Secretary concerned shall submit copies of regulations prescribed under this paragraph to the Committees on Armed Services of the Senate and House of Representatives.".

CONSTRUCTIVE SERVICE OF COURT OF MILITARY REVIEW DECISIONS

10 USC 867.

SEC. 5. Subsection (c) of section 867 (article 67(c)) is amended to read as follows:

"(c) The accused may petition the Court of Military Appeals for review of a decision of a Court of Military Review within 60 days from the earlier of—

"(1) the date on which the accused is notified of the decision of the Court of Military Review; or

"(2) the date on which a copy of the decision of the Court of Military Review, after being served on appellate counsel of record for the accused (if any), is deposited in the United States mails for delivery by first-class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in his official service record.

The Court of Military Appeals shall act upon such a petition promptly in accordance with the rules of the court.".

TIME LIMITS ON APPLICATIONS TO JUDGE ADVOCATES GENERAL

SEC. 6. Section 869 (article 69) is amended by adding at the end thereof the following new sentence: "When such a case is considered upon application of the accused, the application must be filed in the Office of the Judge Advocate General by the accused before— 10 USC 869.

"(1) October 1, 1983; or

"(2) the last day of the two-year period beginning on the date the sentence is approved by the convening authority or, in a special court-martial case which requires action under section 865(b) of this title (article 65(b)), the officer exercising general court-martial jurisdiction,

whichever is later, unless the accused establishes good cause for failure to file within that time.".

EFFECTIVE DATES

SEC. 7. (a) The amendments made by this Act shall take effect at the end of the sixty-day period beginning on the date of the enactment of this Act. 10 USC 706 note.

(b)(1) The amendments made by section 2 shall apply to each member whose sentence by court-martial is approved on or after the effective date of such amendments under section 864 or 865 (article 64 or 65) of title 10, United States Code, by the officer exercising general court-martial jurisdiction.

(2) The amendments made by section 3 shall apply to each person held as the result of a court-martial sentence announced on or after the effective date of such amendments.

(3) The amendment made by section 4(a) shall apply with respect to investigations under section 832 (article 32) of title 10, United States Code, that begin on or after the effective date of such amendment.

(4) The amendment made by section 4(b) shall apply to trials by courts-martial in which all charges are referred to trial on or after the effective date of such amendment.

(5) The amendment made by section 5 shall apply to any accused with respect to a Court of Military Review decision that is dated on or after the effective date of such amendment.

Approved November 20, 1981.

LEGISLATIVE HISTORY—H.R. 4792:

HOUSE REPORT No. 97-306 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 4, considered and passed House.
Nov. 5, considered and passed Senate.

Public Law 97-82
97th Congress

An Act

To recognize the organization known as the Italian American War Veterans of the United States.

Nov. 20, 1981
[H.R. 4734]

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

Italian American War Veterans of the United States. Charter. 36 USC 1701.

SECTION 1. Italian American War Veterans of the United States, organized and incorporated under the Nonprofit Corporation Acts of the States of California, Connecticut, Florida, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island, is hereby recognized as such and is granted a charter.

POWERS

36 USC 1702.

SEC. 2. Italian American War Veterans of the United States (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

36 USC 1703.

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall include the giving of patriotic allegiance to the United States of America, fidelity to its Constitution and laws, and support to the security of civil liberty and permanence of free institutions; the stimulation of patriotism in the minds of all Americans by encouraging the study of the history of the United States; to assure the preservation and defense of the United States of America from all enemies without any reservation whatsoever; the preservation of the memories and records of patriotic service performed by men and women who served in the Armed Forces of the United States by gathering, collating, editing, publishing, and exhibiting the memorabilia, data, records, military awards, decorations, citations of those who served in the Armed Forces of the United States, and the promotion of peace, prosperity, and good will between the peoples of the United States of America and the Republic of Italy. The corporation shall function as a veterans' and patriotic organization as authorized by the laws of the State or States where it is incorporated.

SERVICE OF PROCESS

36 USC 1704.

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

36 USC 1705.

SEC. 5. Any American citizen shall be eligible for membership in the corporation who was honorably discharged from the Armed

Forces of the United States of America, and eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

36 USC 1706.

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

OFFICERS OF CORPORATION

36 USC 1707.

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

RESTRICTIONS

36 USC 1708.

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

LIABILITY

36 USC 1709.

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

36 USC 1710.

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under the Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(54) Italian American War Veterans of the United States.".

ANNUAL REPORT

SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit required by section 11 of this Act. The report shall not be printed as a public document. 36 USC 1711.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress. 36 USC 1712.

DEFINITION OF STATE

SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States. 36 USC 1713.

TAX EXEMPT STATUS

SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code. If the corporation fails to maintain such status, the charter granted hereby shall expire. 36 USC 1714.

SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire. 36 USC 1715.

Approved November 20, 1981.

LEGISLATIVE HISTORY—H.R. 4734:

HOUSE REPORT No. 97-287 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 26, considered and passed House.
Nov. 10, considered and passed Senate.

Public Law 97-83
97th Congress

An Act

Nov. 20, 1981
[S. 195]

To recognize the organization known as the United States Submarine Veterans of World War II.

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

United States Submarine Veterans of World War II. Charter.
36 USC 1801.

CHARTER

SECTION 1. The United States Submarine Veterans of World War II, incorporated under the Non-profit Corporation Act of the State of New Jersey, and the State of Colorado, is hereby recognized as such and is granted a charter.

POWERS

36 USC 1802.

SEC. 2. United States Submarine Veterans of World War II (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

OBJECTS AND PURPOSES OF CORPORATION

36 USC 1803.

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall include patriotism and loyalty to the United States of America; the perpetuation and establishment of memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II; promotion of the spirit and unity that existed among the United States Navy submarine crewmen during World War II; fostering general public awareness of life aboard submarines during World War II, through securing, restoring, and displaying the submarines that were in service at that time; sponsoring annual college scholarships; and performance of such acts of charity as provided for by the constitution and bylaws.

SERVICE OF PROCESS

36 USC 1804.

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

36 USC 1805.

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated. 36 USC 1806.

OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated. 36 USC 1807.

RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors. 36 USC 1808.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support or otherwise participate in any political activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

LIABILITY

SEC. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority. 36 USC 1809.

BOOKS AND RECORDS; INSPECTION

SEC. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law. 36 USC 1810.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(55) United States Submarine Veterans of World War II.".

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ANNUAL REPORT

36 USC 1811. SEC. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as in the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

36 USC 1812. SEC. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

DEFINITION OF "STATE"

36 USC 1813. SEC. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

TAX EXEMPT STATUS

36 USC 1814. SEC. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code. If the corporation fails to maintain such status, the charter granted hereby shall expire.

TERMINATION

36 USC 1815. SEC. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire.

Approved November 20, 1981.

LEGISLATIVE HISTORY—S. 195 (H.R. 4766):

HOUSE REPORT No. 97-284 accompanying H.R. 4766 (Comm. on the Judiciary).
SENATE REPORT No. 97-37 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Apr. 27, considered and passed Senate.
Oct. 26, H.R. 4766 considered and passed House; proceedings vacated and S. 195, amended, passed in lieu.
Nov. 9, Senate concurred in House amendments.

Public Law 97-84
97th Congress

An Act

To expand the membership of the United States Holocaust Memorial Council from sixty to sixty-five and for other purposes.

Nov. 20, 1981
[S. 1672]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to establish the United States Holocaust Memorial Council", approved October 7, 1980 (94 Stat. 1547; Public Law 96-388), is amended—

United States Holocaust Memorial Council. Membership increase. 36 USC 1401. 36 USC 1402.

(1) in subsection (a) of section 2 by striking out "sixty" both times it appears and inserting in lieu thereof "sixty-five";

(2) in subsection (b) of section 2—

(A) by striking out "the initial" in the first sentence;

(B) by striking out all matter in the second sentence preceding "shall serve" and inserting in lieu thereof "All noncongressional voting members designated under the preceding sentence";

(C) in paragraph (1), by striking out "initial" and inserting in lieu thereof "such noncongressional voting";

(D) in paragraph (2), by striking out "ten of such initial" and inserting in lieu thereof "eleven of such noncongressional voting";

(E) in paragraph (3) by striking out "ten other initial" and inserting in lieu thereof "eleven other such noncongressional voting"; and

(F) by striking out the sentence following paragraph (3);

(3) in paragraph (1) of subsection (c) of section 2, by striking out "with respect to the initial members of the Council"; and

(4) by striking out subsection (b) of section 5 and substituting the following: 36 USC 1405.

"(b) The Executive Director shall have authority to— Functions.

"(1) appoint employees in the competitive service subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and general schedule pay rates; and 5 USC 5101 *et seq.,* 5331.

"(2) appoint and fix the compensation (at a rate not to exceed the maximum rate of basic pay payable for GS-18 of the General Schedule) of up to three employees notwithstanding any other provision of law.". Compensation. 5 USC 5332 note.

Approved November 20, 1981.

LEGISLATIVE HISTORY—S. 1672:

HOUSE REPORT No. 97-308, Pt. I (Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 7, considered and passed Senate.
Nov. 4, considered and passed House, amended.
Nov. 13, Senate concurred in House amendment.

Public Law 97-85
97th Congress

Joint Resolution

Nov. 23, 1981
[H.J. Res. 368]

Continuing appropriations for fiscal year 1982, extension.
5 USC 5318 note.
Ante, p. 958.

Making further continuing appropriations for the fiscal year 1982.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That clauses (c) of sections 101 and 102 of the joint resolution of October 1, 1981 (Public Law 97-51), are hereby amended by striking out "November 20, 1981" and inserting in lieu thereof "December 15, 1981".**

The joint resolution of October 1, 1981 (Public Law 97-51), is amended by adding after section 141:

"SEC. 142. Notwithstanding any other provision of this joint resolution, such sums as may be necessary, not in excess of, and under the conditions of the budget request transmitted on November 9, 1981, for operation, improvement, transfer, and closure of Public Health Service hospitals and clinics.".

Approved November 23, 1981.

LEGISLATIVE HISTORY—H.J. Res. 368:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 23, considered and passed House and Senate.

Public Law 97-86
97th Congress

An Act

To authorize appropriations for fiscal year 1982 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize appropriations for such fiscal year for civil defense, and for other purposes.

Dec. 1, 1981
[S. 815]

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 "Department of Defense Authorization Act, 1982".

Department of Defense Authorization Act, 1982.

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $1,910,200,000; for the Navy and the Marine Corps, $9,302,500,000; for the Air Force, $13,773,698,000, of which $1,801,000,000 is available only for procurement of long-range combat aircraft.

MISSILES

For missiles: for the Army, $2,146,900,000; for the Navy, $2,567,000,000; for the Marine Corps, $223,024,000; for the Air Force, $4,186,846,000.

NAVAL VESSELS

For naval vessels: for the Navy, $8,795,900,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $3,251,200,000; for the Marine Corps, $281,739,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $516,600,000.

OTHER WEAPONS

For other weapons: for the Army, $655,400,000; for the Navy, $200,200,000; for the Marine Corps, $136,344,000; for the Air Force, $3,047,000.

ARMY NATIONAL GUARD

For tracked combat vehicles and other weapons: for the Army National Guard, $50,000,000, which amount shall be in addition to any other funds authorized to be appropriated by this or any other Act.

CONTRIBUTION TO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) FOR NATO

SEC. 102. Of the funds authorized to be appropriated in this title for aircraft for the Air Force, the sum of $344,300,000 is available only for contribution by the United States as its share of the cost for fiscal year 1982 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

Waiver.

SEC. 103. (a) During fiscal year 1982, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defence on the NATO E-3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;

(B) quality assurance;

(C) codification;

(D) inspection;

(E) contract administration;

(F) acceptance testing;

(G) certification services; and

(H) planning, programing, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E-3A Cooperative Programme for fiscal year 1982, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

Contract authority.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $3,746,299,000.

For the Navy (including the Marine Corps), $6,072,167,000.

For the Air Force, $8,686,800,000.

For the Defense Agencies, $1,899,847,000, of which $53,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1982 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

LONG-RANGE COMBAT AIRCRAFT

SEC. 202. (a) None of the funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended for the full-scale engineering development or procurement of a long-range combat aircraft before November 18, 1981, and none of such funds may be obligated or expended for such purposes on or after such date if, before such date, the Senate and the House of Representatives have agreed to resolutions of their respective Houses expressing disapproval of the President's decision announced on October 2, 1981, regarding the development of long-range combat aircraft.

"Resolution."

(b) For the purposes of this section, the term "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the _____ does not favor the decision of the President announced on October 2, 1981, regarding the development of long-range combat aircraft", the blank space therein being filled with the name of the resolving House.

(c) Subsections (d) through (i) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described in subsection (b), and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rules of the Senate.

(d) A resolution in the Senate shall be referred to the Committee on Armed Services of the Senate.

(e) If the Committee on Armed Services of the Senate has not reported a resolution referred to it at the end of seven calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to dis-

charge the committee from further consideration of any other resolution which has been referred to the committee.

(f) A motion to discharge may be made only by a Senator favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution.

(h) When the Committee on Armed Services of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

Debate.

(i)(1) Debate in the Senate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(2) Motions in the Senate to postpone, made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

Appeals.

(3) Appeals in the Senate from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate.

MX MISSILE AND BASING MODE

SEC. 203. (a)(1) None of the funds appropriated pursuant to an authorization of appropriations in this Act may be obligated or expended for development of an operational basing mode for the MX missile before November 18, 1981, and none of such funds may be obligated or expended for such purpose on or after such date if, before such date, the Senate and the House of Representatives have agreed to resolutions of their respective Houses expressing disapproval of the President's decision announced on October 2, 1981, regarding the basing mode for the MX missile.

(2) Development of the MX missile system shall continue so as to achieve an initial operational capability (IOC) for the MX missile system not later than December 31, 1986.

"Resolution."

(b) For the purposes of this section, the term "resolution" means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the _____ does not favor the decision of the President announced on October 2, 1981, regarding the basing mode for the MX missile", the blank space therein being filled with the name of the resolving House.

(c) Subsections (d) through (i) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but

applicable only with respect to the procedure to be followed in the Senate in the case of resolutions described in subsection (b), and they supersede other rules of the Senate only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the same extent as in the case of any other rules of the Senate.

(d) A resolution in the Senate shall be referred to the Committee on Armed Services of the Senate.

(e) If the Committee on Armed Services of the Senate has not reported a resolution referred to it at the end of seven calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution which has been referred to the committee.

(f) A motion to discharge may be made only by a Senator favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(g) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution.

(h) When the Committee on Armed Services of the Senate has reported, or has been discharged from further consideration of, a resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(i)(1) Debate in the Senate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order. Debate.

(2) Motions in the Senate to postpone, made with respect to the discharge from committee or the consideration of a resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

(3) Appeals in the Senate from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a resolution shall be decided without debate. Appeals.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, $17,024,044,000.

For the Navy, $20,130,410,000.

For the Air Force, $18,898,140,000.
For the Marine Corps, $1,249,939,000.
For Defense-wide activities, $4,859,207,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1982 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

MODIFICATION OF ANNUAL OPERATION AND MAINTENANCE REPORT

SEC. 302. Section 138(e) of title 10, United States Code, is amended by striking out paragraphs (3) and (4).

PRESERVATION OF MILITARY NATURE OF VETERINARY SUPPORT TO DEFENSE RESEARCH AND DEVELOPMENT ACTIVITIES

SEC. 303. None of the funds appropriated pursuant to an authorization of appropriations contained in this Act may be used for the purpose of converting military veterinary positions that are supporting research and development activities of the Department of Defense or of any of the Armed Forces to civilian positions.

PROHIBITION OF CONTRACTING OUT ENTIRE MEDICAL FACILITIES

SEC. 304. None of the funds appropriated pursuant to an authorization of appropriations contained in this Act may be used for the purpose of contracting out an entire medical facility.

LEASED SATELLITE COMMUNICATIONS (LEASAT) SYSTEM

SEC. 305. Of the amount authorized to be appropriated in section 301 for operation and maintenance of the Navy, $67,000,000 is available for the Leased Satellite Communications (LEASAT) system.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1982, as follows:

(1) The Army, 780,300.
(2) The Navy, 554,600.
(3) The Marine Corps, 192,100.
(4) The Air Force, 580,800.

QUALITY CONTROL ON ENLISTMENTS

SEC. 402. (a) Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note) is amended by striking out "October 1, 1980" and "September 30, 1981" and inserting in lieu thereof "October 1, 1981" and "September 30, 1982", respectively.

(b)(1) Section 520 of title 10, United States Code, is amended—

(A) by inserting "(a)" before "For" in the first sentence; and

(B) by adding at the end thereof the following new subsection:

"(b) A person who is not a high school graduate may not be accepted for enlistment in the armed forces unless the score of that person on the Armed Forces Qualification Test is at or above the thirty-first percentile.".

(2) The amendments made by paragraph (1) shall take effect at the end of the 30-day period beginning on the date of the enactment of this Act.

Effective date.
10 USC 520 note.

DESIGNATION OF AIR FORCE PHYSICIAN ASSISTANTS AS COMMISSIONED OFFICERS

SEC. 403. Section 8067(f) of title 10, United States Code, is amended by inserting ", including physician assistant functions," after "functions".

REPEAL OF LIMITATION ON DEPENDENTS OVERSEAS

SEC. 404. Section 406 of title 37, United States Code, is amended—

(1) by striking out "and subsection (i) of this section" in subsection (a);

(2) by striking out "Except as provided in subsection (i) of this section, in" in subsection (h) and inserting in lieu thereof "In"; and

(3) by striking out subsection (i) and inserting in lieu thereof the following:

"(i) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report at the end of each fiscal year quarter stating—

Report to congressional committees.

"(1) the number of dependents who during the preceding quarter were accompanying members of the Army, Navy, Air Force, and Marine Corps who were stationed outside the United States and were authorized by the Secretary concerned to receive allowances or transportation for dependents under subsection (a) or (h) of this section; and

"(2) the number of dependents who during the preceding quarter were accompanying members of the Army, Navy, Air Force, and Marine Corps who were stationed outside the United States and were not authorized to receive such allowances or transportation.".

CHANGE OF TITLE OF NEW PERMANENT FLAG GRADE FOR THE NAVY FROM COMMODORE ADMIRAL TO COMMODORE

SEC. 405. (a) Section 5501 of title 10, United States Code, is amended by striking out "admiral" in clause (4) after "Commodore".

(b)(1) The following sections of title 10, United States Code, are amended by striking out "admiral" after "commodore" each place it appears: 101(41), 525(a), 601(c)(2), 611(a), 612(a)(3), 619(a)(2)(B), 619(c)(2)(A)(ii), 625(a), 625(c), 634, 635, 637(b)(2), 638(a)(3), 638(b), 638(c), 645(1)(A)(ii), 5138(a), 5149(b), 5155(c), 5442, 5444, 5457(a), and 6389(f).

(2) Section 5444 of such title is amended by striking out "commodore admirals" in subsections (a) and (f) and inserting in lieu thereof "commodores".

(3) The tables in sections 5442(a) and 5444(a) of such title are amended by striking out "commodore admirals" and inserting in lieu thereof "commodores".

(4)(A) The heading of section 625 of such title is amended by striking out the last word.

10 USC 619.

(B) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 36 of such title is amended by striking out the last word.

(5)(A) The heading of section 635 of such title is amended to read as follows:

"§ 635. Retirement for years of service: regular brigadier generals and commodores".

(B) The item relating to such section in the table of sections at the beginning of subchapter III of chapter 36 of such title is amended to read as follows:

"635. Retirement for years of service: regular brigadier generals and commodores.".

(6)(A) The heading of section 5442 of such title is amended to read as follows:

"§ 5442. Navy: line officers on active duty; commodores and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5442. Navy: line officers on active duty; commodores and rear admirals.".

(7)(A) The heading of section 5444 of such title is amended to read as follows:

"§ 5444. Navy: staff corps officers on active duty; commodores and rear admirals".

(B) The item relating to such section in the table of sections at the beginning of chapter 533 of such title is amended to read as follows:

"5444. Navy: staff corps officers on active duty; commodores and rear admirals.".

(8) The table in section 741(a) of such title is amended by striking out "admiral" after "Commodore".

(c) The table in section 201(a) of title 37, United States Code, is amended by striking out "admiral" after "Commodore" in the third column.

10 USC 611 note.

(d)(1) Section 614 of the Defense Officer Personnel Management Act is amended by striking out "admiral" after "commodore" each place it appears.

(2)(A) The heading of such section is amended to read as follows:

"TRANSITION PROVISIONS TO NEW COMMODORE GRADE".

(B) The item relating to such section in the table of contents in section 1(b) of such Act is amended to read as follows:

"Sec. 614. Transition provisions to new commodore grade.".

Ante, p. 134.
10 USC 611 note.

(e) Section 621(b) of the Defense Officer Personnel Management Act is amended by striking out "admiral" after "commodore".

Effective date.
10 USC 101 note.

(f) The amendments made by this section shall take effect as of September 15, 1981.

EXTENSION OF PILOT DEPARTMENT OF DEFENSE EDUCATIONAL LOAN REPAYMENT PROGRAM

10 USC 2141 note.

SEC. 406. Section 902(g) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1115), is amended by

striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1983".

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1982, the Selected Reserve of the reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following: 10 USC 261 note.

(1) The Army National Guard of the United States, 392,800.
(2) The Army Reserve, 235,300.
(3) The Naval Reserve, 87,600.
(4) The Marine Corps Reserve, 37,600.
(5) The Air National Guard of the United States, 98,600.
(6) The Air Force Reserve, 62,800.
(7) The Coast Guard Reserve, 12,000.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the reserve components of the Armed Forces are authorized as of September 30, 1982, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 11,439.
(2) The Army Reserve, 6,285.
(3) The Naval Reserve, 208.
(4) The Marine Corps Reserve, 447.
(5) The Air National Guard of the United States, 3,312.
(6) The Air Force Reserve, 701.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 percent of the total of the end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. Section 517 of title 10, United States Code, is amended—

(1) by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	222	146	76	4
E-8	908	319	307	12";

and

(2) by adding at the end thereof the following new subsection:

"(c) Whenever the number of members serving in pay grade E-9 is less than the number authorized for that grade under subsection (a), or whenever the number of members serving in pay grade E-9 for duty described in subsection (b) is less than the number authorized for that grade under subsection (b), the difference between the two numbers may be applied to increase the number authorized under such subsection for pay grade E-8.".

(b) The columns under the headings "Army" and "Air Force" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force
1,105	189
551	194
171	147".

DEFENSE MOBILIZATION CAPABILITY STUDIES

Report to congressional committees.

SEC. 504. (a) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than February 1, 1982, a written report containing a plan for resolving the existing shortage in pretrained military manpower required for a mobilization. The Secretary shall include in that report—

(1) a detailed explanation for the total number of pretrained personnel estimated to be needed in the event of full military mobilization;

(2) alternatives for eliminating, by September 30, 1984, the shortage in pretrained manpower needed for military mobilization during a war or other national emergency, including—

(A) approaches under which persons would be inducted for service in the Individual Ready Reserve of the reserve components of the Armed Forces, and

(B) approaches which do not provide for involuntary service in the Individual Ready Reserve; and

(3) a detailed assessment of each of the various approaches addressed, including an assessment of the extent to which each will eliminate the shortages in pretrained military manpower in the Individual Ready Reserve.

(b) The Secretary of Defense shall conduct a study of the potential impact on military capability during an emergency or mobilization of the use of Department of Defense civilian employees and of employees of private contractors who are performing work for the Department of Defense on a contractual basis who are not subject to the

Uniform Code of Military Justice. The Secretary of Defense shall submit the results of such study to the Congress not later than February 1, 1982.

EXTENSION OF AUTHORITY FOR SELECTED RESERVE AFFILIATION BONUS

SEC. 505. Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1982, of 1,024,500.

(b)(1) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for such allocation.

Report to Congress.

(2)(A) Of the number of civilian personnel allocated to the Department of the Army pursuant to paragraph (1), the Secretary of the Army shall use not less than 16,800 of such number to relieve military personnel for the performance of other duties. Not more than 5,000 of such 16,800 personnel may be indirect hires.

(B) The Secretary of the Army shall submit a written report to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 1982, specifying how the 16,800 civilian personnel referred to in subparagraph (A) are to be utilized. The Secretary shall also indicate in such report (i) the extent to which such civilian personnel will be used to fill positions currently held by noncommissioned officers, and (ii) the number of such noncommissioned officers who will be assigned to combat units by virtue of the use of such civilian personnel in such positions.

Report to congressional committees.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end-strength authorized for such departments or

Employment.

Transfer of functions.

agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial- and industrial-type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1982 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

Notification to Congress.

REPEAL OF REQUIREMENT FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES

SEC. 602. Section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), is amended—

(1) by striking out paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2) and by striking out "paragraphs (1) and (2)" in such paragraph and inserting in lieu thereof "paragraph (1)".

STUDENTS EMPLOYED IN RESEARCH AND DEVELOPMENT LABORATORIES

SEC. 603. (a) Chapter 139 of title 10, United States Code, is amended by adding at the end thereof the following new section:

10 USC 2360.

"§ 2360. Research and development laboratories: contracts for services of university students

"(a) Subject to the availability of appropriations for such purpose, the Secretary of Defense may procure by contract under the authority of this section the temporary or intermittent services of students at institutions of higher learning for the purpose of providing technical support at defense research and development laboratories. Such contracts may be made directly with such students or with nonprofit organizations employing such students.

"(b) Students providing services pursuant to a contract made under subsection (a) shall be considered to be employees for the purposes of chapter 81 of title 5, relating to compensation for work injuries, and to be employees of the government for the purposes of chapter 171 of title 28, relating to tort claims. Such students who are not otherwise employed by the Federal Government shall not be considered to be Federal employees for any other purpose.

5 USC 8101 *et seq.*

28 USC 2671 *et seq.*

Regulations.

"(c) The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall include definitions for the purposes of this section of the terms 'student', 'institution of higher learning', and 'nonprofit organization'.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2360. Research and development laboratories: contracts for services of university students.".

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1982, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 57,996.
(2) The Navy, 65,133.
(3) The Marine Corps, 18,311.
(4) The Air Force, 46,389.
(5) The Army National Guard of the United States, 7,467.
(6) The Army Reserve, 8,456.
(7) The Naval Reserve, 1,041.
(8) The Marine Corps Reserve, 2,835.
(9) The Air National Guard of the United States, 2,377.
(10) The Air Force Reserve, 1,405.

(b) In addition to the number authorized in subsection (a), the following components of the Armed Forces are authorized a military training student load to be utilized solely for one station unit training of not less than the following:

(1) The Army, 17,732.
(2) The Army National Guard of the United States, 7,070.
(3) The Army Reserve, 2,374.

(c) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the reserve components authorized in subsection (a) for fiscal year 1982 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the reserve components in such manner as the Secretary of Defense shall prescribe.

EXTENSION OF REDUCTION IN NUMBER OF STUDENTS REQUIRED TO BE IN A UNIT OF THE JUNIOR RESERVE OFFICERS' TRAINING CORPS

SEC. 702. (a) Section 602 of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1087), is amended by striking out "August 31, 1981" and inserting in lieu thereof "August 31, 1982". 10 USC 2031 note.

(b) The amendment made by subsection (a) shall take effect as of August 31, 1981. Effective date. 10 USC 2031 note.

TITLE VIII—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1982 to carry out the provisions of the Federal Civil Defense Act of 1950 the sum of $129,000,000. 50 USC app. 2251 note.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. Section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$40,000,000" and inserting in lieu thereof "$47,000,000".

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DUAL-USE POLICY

SEC. 803. (a)(1) Title II of the Federal Civil Defense Act of 1950 is amended by adding at the end thereof the following new section:

"DUAL-USE FOR ATTACK-RELATED CIVIL DEFENSE AND DISASTER-RELATED CIVIL DEFENSE

50 USC app. 2289.

"SEC. 207. Funds made available to the States under this Act may be used by the States for the purposes of preparing for, and providing emergency assistance in response to, natural disasters to the extent that the use of such funds for such purposes is consistent with, contributes to, and does not detract from attack-related civil defense preparedness. The Administrator shall prescribe regulations to carry out the preceding sentence. Such regulations shall authorize the use for natural disaster purposes of civil defense personnel, materials, and facilities supported in whole or in part through contributions under this Act if such personnel, materials, and facilities are utilized, as determined by the Administrator, in a manner that is consistent with, contributes to, and does not detract from attack-related civil defense preparedness. Regulations prescribed under this subsection shall provide terms and conditions authorizing such use to the greatest extent consistent with the purposes of this Act as expressed in section 2.".

50 USC app. 2286.

(2) Subsection (h) of section 205 of such Act (50 U.S.C. App. 2287) is repealed.

50 USC app. 2289 note.

(3) Regulations shall be prescribed under section 207 of the Federal Civil Defense Act of 1950, as added by paragraph (1), not later than the end of the 90-day period beginning on the date of the enactment of this Act.

(4) The table of contents of such Act is amended by inserting after the item relating to section 206 the following new item:

"Sec. 207. Dual-use for attack-related civil defense and disaster-related civil defense.".

(b) Section 2 of such Act (50 U.S.C. App. 2251) is amended—

(1) by striking out ", in this thermonuclear age," in the first sentence;

(2) by inserting "and from natural disasters" after "from attack" in the second sentence; and

(3) by striking out "basic" in the fourth sentence and inserting in lieu thereof "attack-related".

(c) Section 3 of such Act (50 U.S.C. App. 2252) is amended—

(1) by redesignating paragraphs (b), (c), (d), (e), (f), and (g) as paragraphs (c), (d), (e), (f), (g), and (h), respectively;

(2) by inserting after paragraph (a) the following new paragraph (b):

"Natural disaster."

"(b) The term 'natural disaster' means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, or other catastrophe in any part of the United States which causes, or which may cause, substantial damage or injury to civilian property or persons and, for the purposes of this Act, any explosion, civil disturbance, or any other manmade catastrophe shall be deemed to be a natural disaster;";

(3) by inserting "or by a natural disaster" in clause (1) of paragraph (c) (as so redesignated) after "attack upon the United States"; and

(4) by inserting "or natural disaster" after "attack" each place it appears in such paragraph after clause (1).

(d)(1) Paragraph (c) of section 201 of the such Act (50 U.S.C. App. 2281(c)) is amended by striking out "of enemy attacks to the civilian population" and inserting in lieu thereof "to the civilian population of an attack or natural disaster".

(2) Paragraph (d) of such section is amended by inserting "and natural disasters" after "effects of attacks".

(3) Paragraph (g) of such section is amended by inserting "or natural disaster" after "attack" each place it appears in such paragraph.

(e) Section 205(d)(1) of such Act (50 U.S.C. App. 2286(d)(1)) is amended by inserting "and the areas which may be affected by natural disasters" after "target and support areas".

TITLE IX—GENERAL PROVISIONS

REQUIREMENT OF ANNUAL AUTHORIZATION OF APPROPRIATIONS FOR AMMUNITION AND FOR OTHER PROCUREMENT NOT CURRENTLY SUBJECT TO ANNUAL AUTHORIZATION

SEC. 901. (a) Section 138(a) of title 10, United States Code, is amended—

(1) by striking out "or" at the end of clause (6); and

(2) by inserting after clause (7) the following new clauses:

"(8) procurement of ammunition; or

"(9) other procurement by any armed force or by the activities and agencies of the Department of Defense (other than the military departments);".

(b) The amendments made by subsection (a) shall apply with respect to funds appropriated for fiscal years beginning after September 30, 1982. 10 USC 138 note.

REQUIREMENT FOR ANNUAL REPORT ON NATIONAL GUARD AND RESERVE COMPONENT EQUIPMENT

SEC. 902. Section 138(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting "average" after "authorize the"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of Defense shall submit to the Congress each year, not later than February 15, a written report concerning the equipment of the National Guard and the reserve components of the armed forces for each of the three succeeding fiscal years. Each such report shall include— Report to Congress.

"(A) recommendations as to the type and quantity of each major item of equipment which should be in the inventory of the Selected Reserve of the Ready Reserve of each reserve component of the armed forces;

"(B) the quantity and average age of each type of major item of equipment which is expected to be physically available in the inventory of the Selected Reserve of the Ready Reserve of each reserve component as of the beginning of each fiscal year covered by the report;

"(C) the quantity and cost of each type of major item of equipment which is expected to be procured for the Selective Reserve of the Ready Reserve of each reserve component from

commercial sources or to be transferred to each such Selected Reserve from the active-duty components of the armed forces; and

"(D) the quantity of each type of major item of equipment which is expected to be retired, decommissioned, transferred, or otherwise removed from the physical inventory of the Selected Reserve of the Ready Reserve of each reserve component and the plans for replacement of that equipment.

The report required by this paragraph shall be prepared and expressed in the same format and with the same level of detail as the information presented in the annual Five Year Defense Program Procurement Annex prepared by the Department of Defense.".

DEFERRAL OF PERSONNEL END-STRENGTH LIMITATIONS DURING A NATIONAL EMERGENCY

SEC. 903. Section 138(c) of title 10, United States Code, is amended by adding at the end thereof the following new paragraph:

"(4) If at the end of any fiscal year there is in effect a war or national emergency, the President may defer the effectiveness of any end-strength limitation with respect to that fiscal year prescribed by law for any military or civilian component of the armed forces or of the Department of Defense. Any such deferral may not extend beyond November 30 of the following fiscal year. The President shall promptly notify Congress of any deferral of an end-strength limitation under this paragraph.".

Notification to Congress.

PROHIBITION OF CERTAIN CIVILIAN PERSONNEL MANAGEMENT CONSTRAINTS

SEC. 904. (a) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

10 USC 140b.

"§ 140b. Prohibition of certain civilian personnel management constraints

"The civilian personnel of the Department of Defense shall be managed each fiscal year solely on the basis of and consistent with (1) the workload required to carry out the functions and activities of the department, (2) the funds made available to the department for such fiscal year, and (3) the authorized end strength for the civilian personnel of the department for such fiscal year. The management of such personnel in any fiscal year shall not be subject to any man-year constraint or limitation.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140b. Prohibition of certain civilian personnel management constraints.".

AUTHORIZATION OF MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

SEC. 905. (a)(1) Part I of subtitle A of title 10, United States Code, is amended by adding after chapter 17 the following new chapter:

"CHAPTER 18—MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

"Sec.
"371. Use of information collected during military operations.

"372. Use of military equipment and facilities.
"373. Training and advising civilian law enforcement officials.
"374. Assistance by Department of Defense personnel.
"375. Restriction on direct participation by military personnel.
"376. Assistance not to affect adversely military preparedness.
"377. Reimbursement.
"378. Nonpreemption of other law.

"§ 371. Use of information collected during military operations 10 USC 371.

"The Secretary of Defense may, in accordance with other applicable law, provide to Federal, State, or local civilian law enforcement officials any information collected during the normal course of military operations that may be relevant to a violation of any Federal or State law within the jurisdiction of such officials.

"§ 372. Use of military equipment and facilities 10 USC 372.

"The Secretary of Defense may, in accordance with other applicable law, make available any equipment, base facility, or research facility of the Army, Navy, Air Force, or Marine Corps to any Federal, State, or local civilian law enforcement official for law enforcement purposes.

"§ 373. Training and advising civilian law enforcement officials 10 USC 373.

"The Secretary of Defense may assign members of the Army, Navy, Air Force, and Marine Corps to train Federal, State, and local civilian law enforcement officials in the operation and maintenance of equipment made available under section 372 of this title and to provide expert advice relevant to the purposes of this chapter.

"§ 374. Assistance by Department of Defense personnel 10 USC 374.

"(a) Subject to subsection (b), the Secretary of Defense, upon request from the head of an agency with jurisdiction to enforce—

"(1) the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.);

"(2) any of sections 274 through 278 of the Immigration and Nationality Act (8 U.S.C. 1324-1328); or

"(3) a law relating to the arrival or departure of merchandise (as defined in section 401 of the Tariff Act of 1930 (19 U.S.C. 1401)) into or out of the customs territory of the United States (as defined in general headnote 2 of the Tariff Schedules of the United States (19 U.S.C. 1202)) or any other territory or possession of the United States,

may assign personnel of the Department of Defense to operate and maintain or assist in operating and maintaining equipment made available under section 372 of this title with respect to any criminal violation of any such provision of law.

"(b) Except as provided in subsection (c), equipment made available under section 372 of this title may be operated by or with the assistance of personnel assigned under subsection (a) only to the extent the equipment is used for monitoring and communicating the movement of air and sea traffic.

"(c)(1) In an emergency circumstance, equipment operated by or with the assistance of personnel assigned under subsection (a) may be used outside the land area of the United States (or any territory or possession of the United States) as a base of operations by Federal law enforcement officials to facilitate the enforcement of a law listed in subsection (a) and to transport such law enforcement officials in connection with such operations, if—

"(A) equipment operated by or with the assistance of personnel assigned under subsection (a) is not used to interdict or to interrupt the passage of vessels or aircraft; and

"(B) the Secretary of Defense and the Attorney General jointly determine that an emergency circumstance exists.

Emergency circumstance.

"(2) For purposes of this subsection, an emergency circumstance may be determined to exist only when—

"(A) the size or scope of the suspected criminal activity in a given situation poses a serious threat to the interests of the United States; and

"(B) enforcement of a law listed in subsection (a) would be seriously impaired if the assistance described in this subsection were not provided.

10 USC 375.

"§ 375. Restriction on direct participation by military personnel

"The Secretary of Defense shall issue such regulations as may be necessary to insure that the provision of any assistance (including the provision of any equipment or facility or the assignment of any personnel) to any civilian law enforcement official under this chapter does not include or permit direct participation by a member of the Army, Navy, Air Force, or Marine Corps in an interdiction of a vessel or aircraft, a search and seizure, arrest, or other similar activity unless participation in such activity by such member is otherwise authorized by law.

10 USC 376.

"§ 376. Assistance not to affect adversely military preparedness

"Assistance (including the provision of any equipment or facility or the assignment of any personnel) may not be provided to any civilian law enforcement official under this chapter if the provision of such assistance will adversely affect the military preparedness of the United States. The Secretary of Defense shall issue such regulations as may be necessary to insure that the provision of any such assistance does not adversely affect the military preparedness of the United States.

10 USC 377.

"§ 377. Reimbursement

"The Secretary of Defense shall issue regulations providing that reimbursement may be a condition of assistance to a civilian law enforcement official under this chapter.

10 USC 378.

"§ 378. Nonpreemption of other law

"Nothing in this chapter shall be construed to limit the authority of the executive branch in the use of military personnel or equipment for civilian law enforcement purposes beyond that provided by law prior to the enactment of this chapter.".

(2) The tables of chapters at the beginning of subtitle A of such title and at the beginning of part I of subtitle A of such title are amended by adding after the item relating to chapter 17 the following new item:

"18. Military Cooperation With Civilian Law Enforcement Officials ..... 371".

Report to Congress.

(b) Not later than 30 days after the end of the 180-day period beginning on the date of the enactment of this Act, the Secretary of Defense shall submit a comprehensive report to Congress on the operation through the end of such period of chapter 18 of title 10, United States Code (as added by subsection (a)). Such report shall include findings of the Secretary concerning the effect of assistance provided under such chapter.

DETERMINATION OF CHARGES FOR CHAMPUS PAYMENTS

SEC. 906. (a)(1) Subsection (h) of section 1079 of title 10, United States Code, is amended to read as follows:

"(h)(1) Payment for a charge for services by an individual health-care professional (or other noninstitutional health-care provider) for which a claim is submitted under a plan contracted for under subsection (a) may be denied only to the extent that the charge exceeds the amount equivalent to the 90th percentile of billed charges made for similar services in the same locality during the base period.

"(2) For the purposes of paragraph (1), the 90th percentile of charges shall be determined by the Secretary of Defense, in consultation with the Secretary of Health and Human Services, and the base period shall be a period of twelve calendar months. The base period shall be adjusted at least once a year.".

(2) Section 1086(f) of such title is amended by striking out "physician services" and inserting in lieu thereof "services by an individual health-care professional (or other noninstitutional health-care provider)".

(b) The amendments made by subsection (a) shall apply with respect to claims submitted for payment for services provided after the end of the 30-day period beginning on the date of the enactment of this Act.

Effective date. 10 USC 1079 note.

INCREASES IN DOLLAR THRESHOLDS FOR CERTAIN DEFENSE CONTRACT REGULATIONS

SEC. 907. (a) Sections 2304(a)(3) and 2304(g) of title 10, United States Code, are amended by striking out "$10,000" and inserting in lieu thereof "$25,000".

(b) Section 2306(f)(1) of such title is amended by striking out "$100,000" each place it appears and inserting in lieu thereof "$500,000".

(c) Section 2311 of such title is amended by striking out "$100,000" and inserting in lieu thereof "$5,000,000".

PROCUREMENT OF AUTOMATIC DATA PROCESSING EQUIPMENT

SEC. 908. (a)(1) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2315. Law inapplicable to the procurement of automatic data processing equipment and services for certain defense purposes

10 USC 2315.

"(a) Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 795) is not applicable to the procurement by the Department of Defense of automatic data processing equipment or services if the function, operation, or use of the equipment or services—

40 USC 759.

"(1) involves intelligence activities;

"(2) involves cryptologic activities related to national security;

"(3) involves the command and control of military forces;

"(4) involves equipment that is an integral part of a weapon or weapons system; or

"(5) subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions.

"(b) Subsection (a)(5) does not include procurement of automatic data processing equipment or services to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2315. Law inapplicable to the procurement of automatic data processing equipment and services for certain defense purposes.".

Restriction. 10 USC 2315 note.

(b) Section 2315 of title 10, United States Code, as added by subsection (a), does not apply to a contract made before the date of the enactment of this Act.

MULTIYEAR PROCUREMENT

SEC. 909. (a) Section 2301 of title 10, United States Code, is amended—

(1) by striking out "It is" and inserting in lieu thereof "(b) It is also"; and

(2) by inserting after the section heading the following:

Contracts.

"(a)(1) The Congress finds that in order to ensure national defense preparedness, to conserve fiscal resources, and to enhance defense production capability, it is in the interest of the United States to acquire property and services for the Department of Defense in the most timely, economic, and efficient manner. It is therefore the policy of the Congress that services and property (including weapon systems and associated items) for the Department of Defense be acquired by any kind of contract, other than cost-plus-a-percentage-of-cost contracts, but including multiyear contracts, that will promote the interest of the United States. Further, it is the policy of the Congress that such contracts, when practicable, provide for the purchase of property at times and in quantities that will result in reduced costs to the Government and provide incentives to contractors to improve productivity through investment in capital facilities, equipment, and advanced technology.

"(2) It is also the policy of the Congress that contracts for advance procurement of components, parts, and materials necessary for manufacture or for logistics support of a weapon system should, if feasible and practicable, be entered into in a manner to achieve economic-lot purchases and more efficient production rates.".

(b) Section 2306 of such title is amended—

(1) by striking out "to be performed outside the forty-eight contiguous States and the District of Columbia" in subsection (g); and

(2) by adding at the end thereof the following new subsection:

"(h)(1) To the extent that funds are otherwise available for obligation, the head of an agency may make multiyear contracts (other than contracts described in paragraph (6)) for the purchase of property, including weapon systems and items and services associated with weapon systems (or the logistics support thereof), whenever he finds—

"(A) that the use of such a contract will promote the national security of the United States and will result in reduced total costs under the contract;

"(B) that the minimum need for the property to be purchased is expected to remain substantially unchanged during the contemplated contract period in terms of production rate, procurement rate, and total quantities;

"(C) that there is a reasonable expectation that throughout the contemplated contract period the Department of Defense will request funding for the contract at the level required to avoid contract cancellation;

"(D) that there is a stable design for the property to be acquired and that the technical risks associated with such property are not excessive; and

"(E) that the estimates of both the cost of the contract and the anticipated cost avoidance through the use of a multiyear contract are realistic.

Regulations.

"(2)(A) The Secretary of Defense shall prescribe defense acquisition regulations to promote the use of multiyear contracting as authorized by paragraph (1) in a manner that will allow the most efficient use of multiyear contracting.

"(B) Such regulations may provide for cancellation provisions in such multiyear contracts to the extent that such provisions are necessary and in the best interests of the United States. Such cancellation provisions may include consideration of both recurring and nonrecurring costs of the contractor associated with the production of the items to be delivered under the contract.

"(C) In order to broaden the defense industrial base, such regulations shall provide that, to the extent practicable—

"(i) multiyear contracting under paragraph (1) shall be used in such a manner as to seek, retain, and promote the use under such contracts of companies that are subcontractors, vendors, or suppliers; and

"(ii) upon accrual of any payment or other benefit under such a multiyear contract to any subcontractor, vendor, or supplier company participating in such contract, such payment or benefit shall be delivered to such company in the most expeditious manner practicable.

"(D) Such regulations shall also provide that, to the extent practicable, the administration of this subsection, and of the regulations prescribed under this subsection, shall not be carried out in a manner to preclude or curtail the existing ability of agencies in the Department of Defense to—

"(i) provide for competition in the production of items to be delivered under such a contract; or

"(ii) provide for termination of a prime contract the performance of which is deficient with respect to cost, quality, or schedule.

Cancellation notification to congressional committees.

"(3) Before any contract described in paragraph (1) that contains a clause setting forth a cancellation ceiling in excess of $100,000,000 may be awarded, the head of the agency concerned shall give written notification of the proposed contract and of the proposed cancellation ceiling for that contract to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives, and such contract may not then be awarded until the end of a period of 30 days beginning on the date of such notification.

"(4) Contracts made under this subsection may be used for the advance procurement of components, parts, and materials necessary to the manufacture of a weapon system, and contracts may be made under this subsection for such advance procurement, if feasible and practical, in order to achieve economic-lot purchases and more efficient production rates.

"(5) In the event funds are not made available for the continuation of a contract made under this subsection into a subsequent fiscal

year, the contract shall be canceled or terminated, and the costs of cancellation or termination may be paid from—

"(A) appropriations originally available for the performance of the contract concerned;

"(B) appropriations currently available for procurement of the type of property concerned, and not otherwise obligated; or

"(C) funds appropriated for those payments.

Restrictions.

"(6) This subsection does not apply to contracts for the construction, alteration, or major repair of improvements to real property or contracts for the purchase of property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies.

"(7) This subsection does not apply to the Coast Guard or the National Aeronautics and Space Administration.

Multiyear contract.

"(8) For the purposes of this subsection, a multiyear contract is a contract for the purchase of property or services for more than one, but not more than five, program years. Such a contract may provide that performance under the contract during the second and subsequent years of the contract is contingent upon the appropriation of funds and (if it does so provide) may provide for a cancellation payment to be made to the contractor if such appropriations are not made.".

(c) Section 139(c) of such title is amended—

(1) by striking out "and" at the end of clause (2);

(2) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(4) the most efficient production rate and the most efficient acquisition rate consistent with the program priority established for such weapon system by the Secretary concerned.".

Regulation and directive modifications. 10 USC 2301 note.

(d) Not later than the end of the 90-day period beginning on the date of the enactment of this Act—

(1) the Secretary of Defense shall issue such modifications to existing regulations governing defense acquisitions as may be necessary to implement the amendments made by subsections (a), (b), and (c); and

(2) the Director of the Office of Management and Budget shall issue such modifications to existing Office of Management and Budget directives as may be necessary to take into account the amendments made by subsections (a) and (b).

Repeal.

(e) Section 810 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 89 Stat. 539), is repealed.

(f) Section 2311 of title 10, United States Code, is amended—

(1) by striking out "(1)"; and

(2) by striking out ", and (2) authorizing contracts in excess of three years under section 2306(g) of this title".

RESEARCH GRANTS

SEC. 910. Section 2358(1) of title 10, United States Code, is amended by inserting ", or by grant to," after "by contract with".

MODIFICATION OF DEFENSE CONTRACT PROFIT LIMITATION PROVISIONS

SEC. 911. (a)(1) Section 2382 of title 10, United States Code, is amended to read as follows:

"§ 2382. Contract profit controls during emergency periods

Regulations.
10 USC 2382.

"(a)(1) Upon a declaration of war by Congress or a declaration of national emergency by the President or by Congress, the President is authorized to prescribe such regulations to control excessive profits on defense contracts as he determines are necessary during the period of such war or national emergency. Such regulations shall be prescribed only after consultation with the Secretary of Defense, the Secretary of the Treasury, and the Secretary of Commerce and shall apply to appropriate defense contracts and subcontracts (as determined by the President), and to appropriate major modifications of defense contracts and subcontracts (as determined by the President), that are entered into during such war or national emergency. Such regulations, if prescribed by the President, shall be transmitted to Congress within sixty days after the declaration of such war or national emergency. Any material amendment to such regulations shall be prescribed in the same manner and shall promptly be submitted to Congress.

Transmittal to Congress.

"(2) Such regulations, if prescribed by the President, shall set forth standards and procedures for determining what constitutes excessive profits and shall establish thresholds for coverage of contracts and exemptions (including contracts awarded under competition and contracts for standard commercial articles and services) that will minimize administrative expenses and not impose unfair burdens on contractors.

"(3) In this subsection, 'excessive profits' means profits that are unconscionable or amount to an unjust enrichment of contractors or subcontractors, as determined under such regulations as may be prescribed by the President under subsection (a), taking into consideration all relevant circumstances, including the character of the business, complexity of the work or services performed under the contract or subcontract, the amount of assets and capital required to perform the contract or subcontract, and the extent to which profit limitations are imposed on nondefense contractors.

"Excessive profits."

"(b) Regulations transmitted by the President under subsection (a) (including any material amendment to such regulations) shall take effect unless both Houses of Congress, within sixty legislative days after the date upon which the President transmits the regulations, adopt a concurrent resolution stating in substance that the Congress disapproves the regulations. For the purposes of the preceding sentence, a legislative day is a day on which either House of Congress is in session.

"(c) Regulations not disapproved by both Houses of Congress shall remain in effect for a period of not more than five years after the date on which they take effect unless they are extended by a concurrent resolution adopted by both Houses of the Congress before the date on which they would expire. Any such extension may not be for a period in excess of one year.

"(d) The United States Court of Claims shall have exclusive jurisdiction over claims arising from actions taken under this section and under regulations prescribed under this section.

"(e) The President shall transmit a report to Congress on the operation of this section at the end of each one-year period during which regulations issued under this section are in effect and at the end of any war or national emergency during which such regulations are in effect.".

Report to Congress.

(2) The item relating to section 2382 in the table of sections at the beginning of chapter 141 of title 10, United States Code, is amended to read as follows:

"2382. Contract profit controls during emergency periods.".

Repeal.

(b)(1) Section 7300 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 633 of such title is amended by striking out the item relating to section 7300.

10 USC 2382 note.

(c) No regulation may be issued or other action taken for the purpose of enforcing any provision of section 2382 or section 7300 of title 10, United States Code, with respect to any contract entered into during the period beginning on October 1, 1976, and ending on the date of the enactment of this Act.

MILITARY BASE REUSE STUDIES AND COMMUNITY PLANNING ASSISTANCE

SEC. 912. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding at the end thereof the following new section:

10 USC 2391.

"§ 2391. Military base reuse studies and community planning assistance

"(a) Whenever the Secretary of Defense or the Secretary of the military department concerned publicly announces that a military installation is a candidate for closure or that a final decision has been made to close a military installation and the Secretary of Defense determines, because of the location, facilities, or other particular characteristics of the installation, that the installation may be suitable for some specific Federal, State, or local use potentially beneficial to the Nation, the Secretary of Defense may conduct such studies, including the preparation of an environmental impact statement in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), in connection with such installation and such potential use as may be necessary to provide information sufficient to make sound conclusions and recommendations regarding the possible use of the installation.

"(b)(1) The Secretary of Defense may make grants, conclude cooperative agreements, and supplement funds made available under Federal programs administered by agencies other than the Department of Defense in order to assist State and local governments, and regional organizations composed of State and local governments, in planning community adjustments required (A) by the proposed or actual establishment, realignment, or closure of a military installation, or (B) by the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, if the Secretary of Defense determines that the action is likely to impose a significant impact on the affected community.

"(2) In the case of the establishment or expansion of a military installation, assistance may be made under paragraph (1) only if (A) community impact assistance or special impact assistance is not otherwise available, and (B) the establishment or expansion involves the assignment to the installation of (i) more than 2,500 military, civilian, and contractor Department of Defense personnel, or (ii) more military, civilian, and contractor Department of Defense personnel than the number equal to 10 percent of the number of persons employed in counties or independent municipalities within fifteen miles of the installation, whichever is lesser.

"(3) In the case of the cancellation or termination of a Department of Defense contract or the failure to proceed with an approved major weapon system program, assistance may be made under paragraph (1) only if the cancellation, termination, or failure to proceed involves the loss of 2,500 or more full-time Department of Defense and contractor employee positions in the locality of the affected community.

"(4) Funds provided to State and local governments and regional organizations under this section may be used as part or all of any required non-Federal contribution to a Federal grant-in-aid program for the purposes stated in paragraph (1).

"(5) Not more than $2,000,000 in assistance may be provided under this subsection in any fiscal year.

"(c) The Secretary of Defense shall submit a report not later than December 1 of each year to the Committees on Armed Services of the Senate and House of Representatives concerning the operation of this section during the preceding fiscal year. Each such report shall identify each State, unit of local government, and regional organization that received a grant under this section during such fiscal year and the total amount granted under this section during such year to each such State, unit of local government, and regional organization.

Report to congressional committees.

"(d) In this section, 'military installation' means any camp, post, station, base, yard, or other installation under the jurisdiction of a military department that is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.

"Military installation."

"(e) The authority of the Secretary of Defense to make grants under this section in any fiscal year is subject to the availability of appropriations for that purpose.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2391. Military base reuse studies and community planning assistance.".

(b) Section 610 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1365), is repealed.

Repeal. 10 USC 133 note.

(c) The first report under subsection (c) of section 2391 of title 10, United States Code, as added by subsection (a), shall be submitted not later than December 1, 1982.

10 USC 2391 note.

PROHIBITION ON USE OF FUNDS TO RELIEVE ECONOMIC DISLOCATIONS

SEC. 913. (a)(1) Chapter 141 of title 10, United States Code, is amended by adding after section 2391 (as added by section 912) the following new section:

"§ 2392. Prohibition on use of funds to relieve economic dislocations

10 USC 2392.

"(a) In order to help avoid the uneconomic use of Department of Defense funds in the procurement of goods and services, the Congress finds that it is necessary to prohibit the use of such funds for certain purposes.

"(b) No funds appropriated to or for the use of the Department of Defense may be used to pay, in connection with any contract awarded by the Department of Defense, a price differential for the purpose of relieving economic dislocations.".

(2) The table of sections at the beginning of chapter 141 of such title is amended by adding after the item relating to section 2391 (as added by section 912) the following new item:

"2392. Prohibition on use of funds to relieve economic dislocations.".

10 USC 2392 note.

(b) The Secretary of Defense may conduct a test program during fiscal year 1982 in accordance with this subsection to test the effect of exempting certain contracts of the Department of Defense from the provisions of section 2392 of title 10, United States Code (as added by the amendments made by subsection (a)), and paying a price differential under such contracts for the purpose of relieving economic dislocations. Under such test program, the Secretary of Defense may exempt from the provisions of such section any contract (other than a contract for the purchase of fuel) made by the Defense Logistics Agency during fiscal year 1982 if the Secretary determines—

(1) that the payment of a price differential under such contract will not adversely affect the national security of the United States;

(2) that there is a reasonable expectation that bids will be received from a sufficient number of responsible bidders so that the award of such contract will be made at reasonable cost to the United States;

(3) that the price differential to be paid under such contract will not exceed 5 percent; and

(4) the value of such contract, when added to the cumulative value of all other contracts awarded under the test program, will not exceed $3,400,000,000.

Report to Congress.

(c) Not later than April 15, 1982, the President shall submit a report to Congress on the implementation and results to that date of the test program authorized by subsection (b). The report shall include an assessment of the costs and benefits of the test program.

PROHIBITION AGAINST DOING BUSINESS WITH CERTAIN OFFERORS OR CONTRACTORS

SEC. 914. (a) Chapter 141 of title 10, United States Code, is amended by adding after section 2392 (as added by section 913) the following new section:

10 USC 2393.

"§ 2393. Prohibition against doing business with certain offerors or contractors

"(a)(1) Except as provided in paragraph (2), the Secretary of a military department may not solicit an offer from, award a contract to, extend an existing contract with, or, when approval by the Secretary of the award of a subcontract is required, approve the award of a subcontract to, an offeror or contractor which to the Secretary's knowledge has been debarred or suspended by another Federal agency unless—

"(A) in the case of a debarment, the debarment of the offeror or contractor by all other agencies has been terminated or the period of time specified for such debarment has expired; and

"(B) in the case of a suspension, the period of time specified by all other agencies for the suspension of the offeror or contractor has expired.

"(2) Paragraph (1) does not apply in any case in which the Secretary concerned determines that there is a compelling reason to solicit an offer from, award a contract to, extend a contract with, or approve a subcontract with such offeror or contractor.

Public inspection.

"(b) Whenever the Secretary concerned makes a determination described in subsection (a)(2), he shall, at the time of the determination, transmit a notice to the Administrator of General Services describing the determination. The Administrator of General Services

shall maintain each such notice in a file available for public inspection.

"(c) In this section: Definitions.

"(1) 'Debar' means to exclude, pursuant to established administrative procedures, from Government contracting and subcontracting for a specified period of time commensurate with the seriousness of the failure or offense or the inadequacy of performance.

"(2) 'Suspend' means to disqualify, pursuant to established administrative procedures, from Government contracting and subcontracting for a temporary period of time because a concern or individual is suspected of engaging in criminal, fraudulent, or seriously improper conduct.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 2392 (as added by section 913) the following new item:

"2393. Prohibition against doing business with certain offerors or contractors.".

CIVIL RESERVE AIR FLEET

SEC. 915. Chapter 931 of title 10, United States Code, is amended—

(1) by inserting after the chapter heading the following:

"Subchapter	Sec.
"I. General	9501
"II. Civil Reserve Air Fleet	9511

"SUBCHAPTER I—GENERAL"; and

(2) by adding at the end thereof the following new subchapter:

"SUBCHAPTER II—CIVIL RESERVE AIR FLEET

"Sec.
"9511. Definitions.
"9512. Contracts to modify aircraft: cargo-convertible features.
"9513. Contracts to modify aircraft: commitment of aircraft to Civil Reserve Air Fleet.

"§ 9511. Definitions 10 USC 9511.

"In this subchapter:

"(1) 'Aircraft', 'citizen of the United States', 'person', and 'public aircraft' have the meaning given those terms by section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301).

"(2) 'Cargo air service' means the carriage of property or mail on the main deck of a civil aircraft.

"(3) 'Cargo-capable aircraft' means a civil aircraft equipped so that all or substantially all of the aircraft's capacity can be used for the carriage of property or mail.

"(4) 'Passenger aircraft' means a civil aircraft equipped so that its main deck can be used for the carriage of individuals and cannot be used principally, without major modification, for the carriage of property or mail.

"(5) 'Cargo-convertible feature' means equipment or design features included or incorporated in a passenger aircraft that can readily enable all or substantially all of that aircraft's main deck to be used for the carriage of property or mail.

"(6) 'Civil aircraft' means an aircraft other than a public aircraft.

"(7) 'Civil Reserve Air Fleet' means those aircraft allocated, or identified for allocation, to the Department of Defense under section 101 of the Defense Production Act of 1950 (50 U.S.C. App. 2071), or made available (or agreed to be made available) for use by the Department of Defense under a contract made under this title, as part of the program developed by the Department of Defense through which the Department of Defense augments its airlift capability by use of civil aircraft.

"(8) 'Contractor' means a citizen of the United States (A) who owns or controls, or who will own or control, a civil aircraft and who contracts with the Secretary of the Air Force to modify that aircraft by including or incorporating cargo-convertible features suitable for defense purposes in that aircraft and to commit that aircraft to the Civil Reserve Air Fleet, or (B) who subsequently obtains ownership or control of a civil aircraft covered by such a contract and assumes all existing obligations under that contract.

"(9) 'Existing aircraft' means a civil aircraft other than a new aircraft.

"(10) 'New aircraft' means a civil aircraft that a manufacturer has not begun to assemble before the aircraft is covered by a contract under section 9512 of this title.

"(11) 'Secretary' means the Secretary of the Air Force.

10 USC 9512.

"§ 9512. Contracts to modify aircraft: cargo-convertible features

10 USC 2301 *et seq.*

"(a) Subject to chapter 137 of this title, and to the extent that funds are otherwise available for obligation, the Secretary may contract with any citizen of the United States (1) for the modification of any new aircraft to be owned or controlled by that citizen by the inclusion of cargo-convertible features suitable for defense purposes in that aircraft, or (2) for the modification of any existing passenger aircraft owned or controlled by that citizen by the incorporation of cargo-convertible features suitable for defense purposes in that aircraft.

"(b) Each contract made under subsection (a) shall include the terms required by section 9513 of this title and the following terms:

"(1) The contractor shall agree that each aircraft covered by the contract that is not already registered under section 501 of the Federal Aviation Act of 1958 (49 U.S.C. 1401) shall be registered under that section not later than the completion of the manufacture of the aircraft or the completion of the modification of the aircraft under the contract.

Repayment to U.S.

"(2) The contractor shall agree to repay to the United States a percentage (to be established in the contract) of any amount paid by the United States to the contractor under the contract with respect to any aircraft if—

"(A) the aircraft is destroyed or becomes unusable, as defined in the contract;

"(B) the cargo-convertible features specified in the contract are rendered unusable or removed from the aircraft;

"(C) control over the aircraft is transferred to any person that is unable or unwilling to assume the contractor's obligations under the contract;

"(D) the registration of the aircraft under section 501 of the Federal Aviation Act of 1958 is terminated for any reason not beyond the control of the contractor; or

"(E) having agreed in the contract that the main deck of the aircraft will not be used for cargo air service, the contractor uses, or permits the use of, the main deck of the aircraft for cargo air service.

"(c) A contract made under subsection (a) with respect to any aircraft may include the following terms:

"(1) If the contractor agrees that the main deck of the aircraft will not be used in cargo air service, the Secretary may agree to pay the contractor—

"(A) an amount not to exceed 100 percent of the cost of modifying the aircraft to include or incorporate cargo-convertible features suitable for defense purposes in that aircraft, as described in subsection (a);

"(B) an amount to compensate the contractor for the loss of use of the aircraft during the time required to make such modification, such amount to be determined by taking into consideration the fair market rental cost of a similar aircraft (not including crews, ground facilities, or other support costs) for that time, the estimated loss of revenue by the contractor attributable to the aircraft being out of service during that time, and such other factors as the Secretary considers appropriate; and

"(C) in the case of an existing aircraft, 100 percent of the cost of positioning the aircraft for modification, recertification of that aircraft after modification, returning that aircraft to service, and other costs directly associated with the modification.

"(2) If the contractor does not agree that the main deck of the aircraft will not be used for cargo air service, the Secretary may agree to pay the contractor an amount not to exceed 50 percent of the cost of modifying the aircraft to include or incorporate cargo-convertible features suitable for defense purposes.

"(3) The Secretary may under the contract be authorized to contract directly with a person chosen by the contractor to perform the modification of the aircraft to include or incorporate cargo-convertible features suitable for defense purposes in that aircraft and to pay to that person chosen by the contractor—

"(A) if the contractor agrees that the main deck of that aircraft will not be used for cargo air service, an amount less than or equal to the amount to which the contractor would otherwise be entitled under paragraph (1)(A); or

"(B) if the contractor does not agree that the main deck of that aircraft will not be used for cargo air service, an amount less than or equal to the amount to which the contractor would otherwise be entitled to under paragraph (2).

"(d) In addition to any amount the Secretary may agree under subsection (c)(1) or (c)(3)(A) to pay under a contract made under subsection (a), the Secretary may agree under such a contract that, if the contractor agrees that the main deck of the aircraft will not be used in cargo air service, the Secretary shall make a lump sum or annual payments (or a combination thereof) to the contractor to cover any increased costs of operation or any loss of revenue attributable to the inclusion or incorporation of cargo-convertible features suitable for defense purposes in the aircraft.

"(e)(1) Subject to paragraph (2), the Secretary may agree, in any contract made under subsection (a), to pay the contractor an amount for any loss resulting from the subsequent sale of an aircraft modified under that contract if the sale of that aircraft is for a price less than

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the fair market value, at the time of the sale, of an aircraft substantially similar to the aircraft being sold but without the cargo-convertible features.

Payment.

"(2) The Secretary may not agree to make a payment under this subsection with respect to the sale of a modified aircraft unless—

"(A) the sale is within 16 years and 6 months after the modified aircraft was initially delivered by the manufacturer to its original owner, in the case of an aircraft that was modified during manufacture, or by the modifier to the owner at the time of modification, in the case of an aircraft that was modified after manufacture;

"(B) the Secretary received written notice of the proposed sale at least 60 days before the sale;

"(C) the contractor used its best efforts to obtain bids for the purchase of the aircraft;

"(D) the sale is a bona fide, arm's-length transaction made to the highest bidder for a price that is less than the fair market value of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features; and

"(E) before the sale the Secretary was given an opportunity to and refused to purchase the modified aircraft for a price equal to the fair market value, at the time of the sale, of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features.

"(3) Any amount that may be payable under a contract provision made under this subsection may not exceed the difference between (A) the sales price of the modified aircraft, and (B) the fair market value, at the time of the sale, of an aircraft substantially similar to the modified aircraft but without the cargo-convertible features included or incorporated into the modified aircraft under the contract.

"(4) The Secretary may use any funds appropriated for Air Force procurement for fiscal year 1982 or thereafter to pay any obligation under a contract provision made under this subsection.

10 USC 9513.

"§ 9513. Contracts to modify aircraft: commitment of aircraft to Civil Reserve Air Fleet

"(a) Each contract under section 9512 of this title shall provide—

"(1) that any aircraft covered by the contract shall be committed to the Civil Reserve Air Fleet;

"(2) that, so long as the aircraft is owned or controlled by a contractor, the contractor shall operate the aircraft for the Department of Defense as needed during any activation of the full Civil Reserve Air Fleet, notwithstanding any other contract or commitment of that contractor; and

"(3) that the contractor operating the aircraft for the Department of Defense shall be paid for that operation at fair and reasonable rates.

"(b) Notwithstanding section 101 of the Defense Production Act of 1950 (50 U.S.C. App. 2071), each aircraft covered by a contract under section 9512 of this title shall be committed exclusively to the Civil Reserve Air Fleet for use by the Department of Defense as needed during any activation of the full Civil Reserve Air Fleet unless the aircraft is released from that use by the Secretary of Defense.".

FACILITATION OF SELECTIVE SERVICE REGISTRATION AND OF MILITARY RECRUITING

SEC. 916. (a) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) is amended—

(1) by inserting "(a)" after "SEC. 3."; and

(2) by adding at the end thereof the following new subsection:

"(b) Regulations prescribed pursuant to subsection (a) may require that persons presenting themselves for and submitting to registration under this section provide, as part of such registration, such identifying information (including date of birth, address, and social security account number) as such regulations may prescribe.".

(b) Section 12 of such Act (50 U.S.C. App. 462) is amended by adding at the end thereof the following new subsection:

"(e) The President may require the Secretary of Health and Human Services to furnish to the Director, from records available to the Secretary, the following information with respect to individuals who are members of any group of individuals required by a proclamation of the President under section 3 to present themselves for and submit to registration under such section: name, date of birth, social security account number, and address. Information furnished to the Director by the Secretary under this subsection shall be used only for the purpose of the enforcement of this Act.".

(c) Section 15 of such Act (50 U.S.C. App. 465) is amended by adding at the end thereof the following new subsection:

"(e) In order to assist the Armed Forces in recruiting individuals for voluntary service in the Armed Forces, the Director shall, upon the request of the Secretary of Defense or the Secretary of Transportation, furnish to the Secretary the names and addresses of individuals registered under this Act. Names and addresses furnished pursuant to the preceding sentence may be used by the Secretary of Defense or Secretary of Transportation only for recruiting purposes.".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 917. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in the Selected Acquisition Report dated March 31, 1981, and submitted to the Congress pursuant to section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, within seven days after the end of each quarter of fiscal year 1982, a written report on the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall include in each such report—

(A) the total program acquisition unit cost for such major defense system as of the last day of such quarter; and

(B) in the case of a major defense system for which procurement funds are authorized to be appropriated by this Act, the current procurement unit cost for such major defense system as of the last day of such quarter.

(2) If at any time during any quarter of fiscal year 1982, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized to be appropriated by this Act, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall

immediately submit to the Secretary concerned a report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each report submitted pursuant to paragraph (1) or (2) any change from the Selected Acquisition Report of March 31, 1981, in schedule milestones or system performances with respect to such system that are known, expected, or anticipated by such manager.

(b)(1) If the Secretary concerned determines, on the basis of any report submitted to him pursuant to subsection (a), that the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized to be appropriated by this Act has increased by more than 15 percent over the total program acquisition unit cost for such system reflected in the Selected Acquisition Report of March 31, 1981, then (except as provided in paragraph (3)) no additional funds may be obligated in connection with such system after the end of the 30-day period beginning on the day on which the Secretary makes such determination. The Secretary shall notify the Congress promptly in writing of such increase upon making such a determination with respect to any such major defense system and shall include in such notice the date on which such determination was made.

Notification to Congress.

(2) If the Secretary concerned determines, on the basis of a report submitted to him pursuant to subsection (a), that—

(A) the procurement unit cost of a major defense system for which procurement funds are authorized to be appropriated by this Act has increased by more than 15 percent over the procurement unit cost derived from the Selected Acquisition Report of March 31, 1981, or

(B) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 percent over the total program acquisition unit cost for such system as reflected in the Selected Acquisition Report of March 31, 1981,

then (except as provided in paragraph (3)) no additional funds may be obligated in connection with such system after the end of the 30-day period beginning on the day on which the Secretary makes such determination. The Secretary shall notify the Congress promptly in writing of such increase upon making such a determination with respect to any such major defense system and shall include in such notice the date on which such determination was made.

Notification to Congress.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the 30-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(B) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(C) the action taken and proposed to be taken to control future cost growth of such system;

(D) any changes made in the performance or schedule milestones of such system and the degree to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) an index of all testimony and documents formally provided to the Congress on the estimated cost of such system.

(c)(1) If the Secretary concerned—

(A) on the basis of a report submitted to him pursuant to subsection (a), determines (i) that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 percent over the total program acquisition unit cost for such system reflected in the Selected Acquisition Report of March 31, 1981, or (ii) in the case of any such system for which procurement funds are authorized to be appropriated by this Act, that the current procurement unit cost of such system has increased by more than 25 percent over the procurement unit cost derived from the Selected Acquisition Report of March 31, 1981, and

(B) has submitted a report to the Congress with respect to such system pursuant to subsection (b)(3),

then (except as provided in paragraph (2)) no additional funds may be obligated in connection with such system after the end of the 60-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if the Secretary of Defense submits to the Congress, before the end of the 60-day period referred to in such paragraph, a written certification stating that—

(A) such system is essential to the national security;

(B) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(C) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(D) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section: Definitions.

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully-configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, divided by (B) the number of fully-configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

(e) Section 811 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), is amended by adding at the end thereof the following new subsection:

"(c)(1) Each report required to be submitted under subsection (a) shall include the history of the total program acquisition unit cost of each major defense system from the date on which funds were first authorized to be appropriated for such system.

"(2) As used in this subsection, the term 'total program acquisition unit cost' means the amount equal to (A) the total cost for develop-

ment and procurement of, and system-specific military construction for, a major defense system, divided by (B) the number of fully-configured end items to be produced for such system.".

RECOMMENDATIONS WITH RESPECT TO THE ELIMINATION OF WASTE, FRAUD, ABUSE, AND MISMANAGEMENT IN THE DEPARTMENT OF DEFENSE

Report to Congress.
10 USC 133 note.

SEC. 918. (a) Not later than January 15, 1982, the Secretary of Defense shall submit to Congress a report containing such recommendations as he considers necessary or appropriate to improve the efficiency and management of, and to eliminate waste, fraud, abuse, and mismanagement in, the operation of the Department of Defense.

(b) In the report required by subsection (a), the Secretary of Defense shall—

(1) set forth each recommendation by the Comptroller General since October 1, 1980, for the elimination of waste, fraud, abuse, or mismanagement in the Department of Defense; and

(2) provide a statement of—

(A) which recommendations set forth pursuant to paragraph (1) have been adopted and, to the extent practicable, the actual and projected cost savings from each; and

(B) which recommendations set forth pursuant to paragraph (1) have not been adopted and, to the extent practicable, the projected cost savings from each and an explanation of why each such recommendation has not been adopted.

Report to Congress.

(c) Not later than January 15, 1983, the Secretary of Defense shall submit to Congress a report—

(1) that sets forth each recommendation by the Comptroller General since January 1, 1979, for the elimination of waste, fraud, abuse, or mismanagement in the Department of Defense; and

(2) that provides a statement of—

(A) which recommendations set forth pursuant to paragraph (1) have been adopted and, to the extent practicable, the actual and projected cost savings from each; and

(B) which recommendations set forth pursuant to paragraph (1) have not been adopted and, to the extent practicable, the projected cost savings from each and an explanation of why each such recommendation has not been adopted.

REPORT ON CONTRIBUTIONS TO THE COMMON DEFENSE

22 USC 1928 note.

SEC. 919. Section 1006(c) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1120), is amended—

(1) by striking out "March 1, 1981" and inserting in lieu thereof "March 1, 1982"; and

(2) by striking out "fiscal year 1981" both places it appears and inserting in lieu thereof "fiscal year 1982".

ASSISTANCE TO YORKTOWN BICENTENNIAL CELEBRATION

SEC. 920. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized, in connection with the observance on October 19, 1981, of the two-hundredth anniversary of the surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia, which date has been proclaimed by Public Law 96-414 (94 Stat. 1724) as a National Day of Observance of that historic event—

(1) to provide logistical support and personnel services for the national observance of such event;

(2) to lend and provide equipment to officials of the Yorktown Bicentennial Committee as requested by the Secretary of the Interior; and

(3) to provide such other services as the Secretary of the Interior may consider necessary and the Secretary of Defense may consider advisable.

(b) There is authorized to be appropriated to the Secretary of Defense an amount not to exceed $750,000 for the purpose of carrying out subsection (a).

Appropriation authorization.

(c) No funds may be obligated or expended for carrying out the purposes of subsection (a) unless such funds have been specifically appropriated for such purposes.

Approved December 1, 1981.

LEGISLATIVE HISTORY—S. 815 (H.R. 3519):

HOUSE REPORTS: No. 97-71, Pt. I (Comm. on Armed Services), Pt. 2 (Comm. on the Judiciary), Pt. 3 (Comm. on Government Operations) accompanying H.R. 3519 and No. 97-311 (Comm. of Conference).

SENATE REPORT No. 97-58 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 127 (1981):

May 12-14, considered and passed Senate.

June 24, July 8-10, 14-16, H.R. 3519 considered and passed House; proceedings vacated and S. 815, amended, passed in lieu.

Nov. 5, Senate agreed to conference report.

Nov. 17, House agreed to conference report.

Public Law 97-87
97th Congress

An Act

Dec. 1, 1981
[S. 1133]

To amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such Act for fiscal year 1982, and for other purposes.

National Advisory Committee on Oceans and Atmosphere Act of 1977, amendment.
33 USC 857-14.
33 USC 857-16.
33 USC 857-18.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857-13—857-18) is amended—

(1) in section 3(b)(2), by striking "office, or until ninety days after such date, whichever is earlier." and substituting "office.";

(2) in section 5, by striking "of $100 per day" and substituting "not to exceed the daily rate for a GS-18"; and

(3) in section 8, by striking "and" immediately after "1980," and by striking the period at the end of the section and substituting ", and $555,000 for the fiscal year ending September 30, 1982. Such sums as may be appropriated under this section shall remain available until expended.".

Approved December 1, 1981.

LEGISLATIVE HISTORY—S. 1133 (H.R. 2448):

HOUSE REPORT No. 97-51 accompanying H.R. 2448 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 97-59 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 14, considered and passed Senate.
Nov. 17, considered and passed House.

Public Law 97-88
97th Congress

An Act

Making appropriations for energy and water development for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 4, 1981
[H.R. 4144]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1982, for energy and water development, and for other purposes, namely:

Energy and Water Development Appropriation Act, 1982.

TITLE I—DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, and when authorized by law, surveys and detailed studies and plans and specifications of projects prior to construction, $137,225,000, to remain available until expended.

River and harbor, flood control, shore protection, study.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,416,992,000, to remain available until expended.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g-1), $256,310,000, to remain available until expended: *Provided,* That not less than $250,000 shall be available for

bank stabilization measures as determined by the Chief of Engineers to be advisable for the control of bank erosion of streams in the Yazoo Basin, including the foothill area, and where necessary such measures shall complement similar works planned and constructed by the Soil Conservation Service and be limited to the areas of responsibility mutually agreeable to the District Engineer and the State Conservationist.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation; $1,008,355,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Coastal Engineering Research Center; commercial statistics; and miscellaneous investigations; $91,000,000.

SPECIAL RECREATION USE FEES

For construction, operation, and maintenance of outdoor recreation facilities, including collection of special recreation use fees, to remain available until expended, $4,784,000, to be derived from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l). Public Law 96-514 shall not be construed to affect the provisions of the Land and Water Conservation Fund Act as they pertain to the Corps of Engineers, and all recreation use fees collected by, and deposited in the Treasury by the Corps of Engineers, including those recreation use fees collected and so deposited since December 12, 1980, shall be deposited in a separate account credited to, and eligible for appropriation to, the Corps of Engineers in accordance with the provisions of section 4(f) of the Land and Water Conservation Fund Act.

16 USC 460*l*-4 note.
94 Stat. 2957.
16 USC 460*l*-5a note.
16 USC 460*l*-6a.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel at meetings in the manner authorized by 5 U.S.C. 4110, uniforms, and allowances therefor, as authorized by law (5 U.S.C. 5901-5902), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; not to exceed $2,000 for official reception and representation expenses; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 185 of which 185 shall be for replacement only) and hire of passenger motor vehicles: *Provided,* That the total accrued expend-

itures of the capital investment program of the revolving fund shall not exceed $130,000,000 in fiscal year 1982.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this title, except as specifically contained herein, shall be used to alter, modify, dismantle, or otherwise change any project which is partially constructed but not funded for construction in this title.

SEC. 102. The project for Cuyahoga River Basin, Ohio, authorized by section 108 of the River and Harbor Act of 1970, is hereby modified to provide for relocation of utilities in the vicinity of the Cleveland Zoo at full Federal expense, generally in accordance with the recommendations of the District Engineer, U.S. Army Engineer District, Buffalo, in paragraph 94 of the Phase II General Design Memorandum dated August 1979, notwithstanding any other provision of law. 84 Stat. 1820.

SEC. 103. Within funds available to the Corps of Engineers—Civil, $600,000 shall be for emergency shore protection at Beverly Shores, Indiana, and shall remain available until expended.

SEC. 104. The discount rate for the Saginaw River, Michigan, project authorized in section 203 of Public Law 85-500 (72 Stat. 311) shall be as provided for in section 80b of Public Law 93-251 (88 Stat. 34) if non-Federal interests subsequently provide appropriate assurances for the non-Federal share of project costs. 42 USC 1962d-17.

SEC. 105. Funds herein or hereinafter made available for the Mississippi River and tributaries project may be used to construct dikes at the lower and upper end of Lake Neark, Arkansas, for the purposes of reducing operation and maintenance costs for Osceola Harbor, Arkansas, and for recreation at a total estimated cost of $1,300,000. All work shall be undertaken substantially in accordance with the plan described in the draft stage three report on Lake Neark dated April 1981 prepared by the Memphis District Engineer, including provision for sharing of costs allocable to recreation in accordance with the Federal Water Project Recreation Act (79 Stat. 213). 16 USC 460*l*-12 note.

SEC. 106. Within funds available to the Corps of Engineers—Civil, channel widening and bends easing shall be accomplished at Grays Harbor, Washington, in the vicinity of the Cow Point Turn to allow for the free movement of boats.

SEC. 107. Funds herein or hereinafter made available to the Corps of Engineers—Civil for operation and maintenance of the Illinois Waterway shall be available to operate and maintain the Chicago Sanitary and Ship Canal portion of the Waterway in the interest of navigation.

SEC. 108. Clayton Lake which is an element of the flood control project for the Clayton and Tuskahoma Reservoirs, Kiamichi River, Oklahoma, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1187), shall hereafter be known as "Sardis Lake". Any law, regulation, map, document, or record of the United States in which such lake is referred to shall be held and considered to refer to such lake as "Sardis Lake". Sardis Lake, designation.

SEC. 109. From the funds appropriated by the second paragraph of this title for general investigations, no more than $70,000 shall be expended for a study of flooding and drainage problems in Alexander County and Pulaski County, both located in the State of Illinois, and no more than $100,000 shall be expended from funds appropriated for the main stem study of the Ohio River to evaluate alternatives for flood damage reduction in Saline County and Gallatin County, both located in the State of Illinois. Flood and drainage problems, study.

Chetco River navigation project.
33 USC 603a.

SEC. 110. Funds herein or hereinafter appropriated in this title for the Chetco River, Oregon navigation project, authorized by the 1945 River and Harbor Act, as amended and modified, shall be used to design and construct further modifications to that project in accordance with the Report of the Chief of Engineers, dated May 2, 1977.

SEC. 111. The Chief of Engineers is hereby directed to raise the dam at Lake Darling, North Dakota, by approximately four feet and to implement upstream and downstream flood control measures.

Ouachita and Black Rivers navigation project.

SEC. 112. No funds appropriated in this Act may be used to construct channel realignment work on the Ouachita and Black Rivers navigation project in Arkansas and Louisiana until such time as the Chief of Engineers has completed a restudy of the various options for navigation above Crossett, Arkansas, including the two barge abreast configuration, with a view toward reducing the number of cutoffs and bend widenings required. The results of this restudy should be reported to the respective Appropriations Committees of both Houses of the Congress for review, and should accurately reflect the economic and environmental tradeoffs of providing greater than two-barge navigation.

Report to congressional committees.

TITLE II—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

43 USC 371 note.

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, to remain available until expended, $30,596,000, of which $30,396,000 is to be derived from the reclamation fund: *Provided,* That of the amount herein appropriated not to exceed $50,000 shall be available to initiate a rehabilitation and betterment program with the Farmers Irrigation District to rehabilitate facilities under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full by the lands served and under conditions satisfactory to the Secretary of the Interior.

43 USC 504.

CONSTRUCTION PROGRAM

For construction and rehabilitation of projects and parts thereof (including power transmission facilities for Bureau of Reclamation use) and for other related activities as authorized by law, to remain available until expended, $548,505,000, of which $130,063,000 shall be available for transfers to the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956, and $186,497,000 shall be available for transfers to the Lower Colorado River Basin Development Fund authorized by section 403 of the Act of September 30, 1968, for construction and for liquidation of contract authority provided pursuant to said Act: *Provided,* That of the total appropriated, $221,735,000 shall be derived from the reclamation fund: *Provided further,* That transfers to the Upper Colorado River Basin Fund and Lower Colorado River Basin Development Fund may be

43 USC 620d.

43 USC 1543.

increased or decreased by transfers within the overall appropriation to this heading: *Provided further,* That the final point of discharge for the interceptor drain for the San Luis Unit shall not be determined until development by the Secretary of the Interior and the State of California of a plan, which shall conform with the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters: *Provided further,* That no part of the funds herein approved shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument: *Provided further,* That of the amount herein appropriated under the Central Arizona Project, $2,000,000 shall be available for preconstruction activities on distribution systems pursuant to the Distribution Act of July 4, 1955, as amended.

San Luis Unit.

43 USC 421a-421h.

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, to remain available until expended, $118,518,000, of which $82,303,000 shall be derived from the reclamation fund and such amounts as may be required for the Boulder Canyon Project shall be derived from the Colorado River Dam fund: *Provided,* That funds advanced by water users for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and such advances shall remain available until expended.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-421d), and August 6, 1956, as amended (43 U.S.C. 422a-422k), including expenses necessary for carrying out the program, $22,614,000, to remain available until expended: *Provided,* That during 1982, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $26,922,000: *Provided further,* That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

43 USC 421a-421h.

43 USC 388.

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the offices of the Commissioner of the Bureau of Reclamation and in the regional offices of the Bureau of Reclamation, $39,928,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided,* That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

SPECIAL FUNDS

Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a) respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the head "General Administrative Expenses" shall revert and be credited to the special fund from which derived.

Transfer of funds.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 21 passenger motor vehicles of which 19 shall be for replacement only; purchase of two aircraft of which one shall be for replacement only; payment of not to exceed $2,500,000 for a water sprinkler fire suppression system and other safety modifications in office buildings at the Denver Federal Center, Lakewood, Colorado; payment of claims for damages to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expenses of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiations and administration of interstate compacts without reimbursement or return under the reclamation laws; for service as authorized by 5 U.S.C. 3109, in total not to exceed $500,000; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461-467): *Provided,* That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for appraisal and special investigations, and general engineering and research under the head "General Investigations".

58 Stat. 463.

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided,* That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

43 USC 377a.

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefits of lands (a) within the

boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

Emergency reconstruction.

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided,* That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

Additional expenditure or transfer.

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

Warehouses, garages, shops, and similar facilities.

SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency, or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided,* That reimbursements for costs of supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

Aircraft and motor vehicles.

SEC. 204. Appropriations in this title shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchases of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

McGee Creek project.

SEC. 205. Appropriations in this title shall be available for acquisition of land for the McGee Creek project, Oklahoma: *Provided,* That land required for the dam, dike, and any other authorized permanent features shall be acquired in fee title (surface and minerals): *Provided further,* That mineral and subsurface interests shall be acquired by subordination in the conservation pool area of the reservoir, natural scenic recreation area, and the wildlife management area in such a manner as to allow the present mineral owners, their successors and assignees the right to explore for and extract minerals under restrictions required to protect the project: *Provided further,* That only the surface estate be acquired for any other lands required for the McGee Creek project.

TITLE III—DEPARTMENT OF ENERGY

OPERATING EXPENSES

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For operating expenses of the Department of Energy necessary for energy supply, research and development activities and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $1,970,926,000, to remain available until expended: *Provided,* That of the funds appropriated herein, $9,000,000 is to be derived by transfer of unobligated balances from the funds appropriated under the heading "Operation and Maintenance, Southwestern Power Administration", and $16,000,000 is to be derived by transfer from funds appropriated under the heading "Plant and Capital Equipment, Departmental Administration": *Provided further,* That $1,300,000 of the funds provided herein shall be for the Region X wood-derived fuels program and transferred to the Bonneville Power Administration for obligation and expenditure.

42 USC 7101 note.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

For operating expenses of the Department of Energy necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $411,060,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

For operating expenses of the Department of Energy necessary for atomic energy defense activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), $3,606,351,000, to remain available until expended.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000); $368,368,000, to remain available until expended: *Provided,* That moneys received by the Department for miscellaneous revenues and estimated to total $167,900,000 in fiscal year 1982 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484): *Provided further,* That the sum herein appropriated shall be reduced as moneys for miscellaneous revenues are received during fiscal year 1982 so as to result in a final fiscal year 1982 appropriation of not more than $200,468,000.

42 USC 5821.

PLANT AND CAPITAL EQUIPMENT

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For expenses of the Department of Energy in connection with the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for energy

supply, research and development activities and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 103 for replacement only) including 24 police-type vehicles; purchase of two helicopters for replacement only; $332,200,000, to remain available until expended.

42 USC 7101 note.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

For expenses of the Department of Energy in connection with the purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 5 for replacement only); $118,300,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

For expenses of the Department of Energy in connection with purchase, construction and acquisition of plant and capital equipment and other expenses incidental thereto necessary for atomic energy defense activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 189 of which 166 are for replacement only) including 6 police-type vehicles; purchase of two helicopters; $1,066,803,000, to remain available until expended.

DEPARTMENTAL ADMINISTRATION

For expenses of the Department of Energy necessary for departmental administration and other activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, or for the purchase, construction or acquisition of capital equipment and other expenses incidental thereto, $40,963,000, to remain available until expended.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses incidental thereto necessary for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (Public Law 95-91), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 23 for replacement only); $1,806,000,000, to remain available until expended: *Provided,* That revenues received by the Department for the enrichment of uranium and estimated to total

$1,805,000,000 in fiscal year 1982, shall be retained and used for the specific purpose of offsetting costs incurred by the Department in providing uranium enrichment service activities as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484): *Provided further*, That the sum herein appropriated shall be reduced as uranium enrichment revenues are received during fiscal year 1982 so as to result in a final fiscal year 1982 appropriation estimated at not more than $1,000,000.

42 USC 5821.

POWER MARKETING ADMINISTRATIONS

OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

For engineering and economic investigations to promote the development and utilization of the water, power, and related resources of Alaska, and for necessary expenses of operation and maintenance of projects in Alaska and of marketing electric power and energy, $3,538,000, of which $50,000 shall be available solely to defray emergency expenses necessary to ensure continuity of service, to remain available until expended.

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for purchase of one fixed wing aircraft for replacement only, for construction of Surprise Valley Area Service in the Alturas-Cedarville, California area and for official reception and representation expenses in an amount not to exceed $2,000.

16 USC 838i.

During fiscal year 1982 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $40,000,000.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $7,237,000, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, including purchase of one passenger motor vehicle for replacement only, $21,269,000, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (Public Law 95-91), and other related activities including conservation and renewable resources programs as authorized by law, including the purchase of passenger motor vehicles (not to exceed 10 of which 5 are for replacement only); $210,774,000, to remain available until expended, of which $135,200,000 shall be derived from the Department of the Interior reclamation fund and $680,000 shall be derived from the Colorado River Dam fund for power marketing and transmission expenses of the Boulder Canyon Project: *Provided,* That of the amount appropriated, $39,510,000 shall be available for Upper Colorado River Storage construction. 42 USC 7152.

EMERGENCY FUND, WESTERN AREA POWER ADMINISTRATION

For the "Emergency Fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), to remain available until expended for the purposes specified in that Act, $500,000, to be derived from the Department of the Interior reclamation fund.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (Public Law 95-91), including services as authorized by 5 U.S.C. 3109, $76,177,000. 42 USC 7101 note.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

GEOTHERMAL LOAN GUARANTEE AND INTEREST ASSISTANCE PROGRAM

For administrative expenses of the Geothermal Resources Development Fund, $200,000, to remain available until expended; and for carrying out the Geothermal Loan Guarantee and Interest Assistance Program as authorized by the Geothermal Energy, Research, Development and Demonstration Act of 1974 (Public Law 93-410), $2,000,000, to remain available until expended: *Provided,* That not to exceed $2,000,000 from the Fund shall be available for interest differential payments in fiscal year 1982: *Provided further,* That the amounts remaining in the Fund shall be used as a default reserve for loan guarantees issued pursuant to section 201 of title II of Public Law 93-410, as amended. 30 USC 1101 note. 30 USC 1141.

GENERAL PROVISIONS, DEPARTMENT OF ENERGY

SEC. 301. Appropriations to the Department of Energy under this title for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance and operation of aircraft; purchase, repair and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services. From these appropriations, transfers of sums may be made to other agencies of the United States Government for the performance of Motor vehicles, aircraft.

work for which this appropriation is made. None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriation Act. The Secretary is authorized to accept lands, buildings, equipment and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign.

Contributions, acceptance.

Appropriation transfers; submittal to congressional committees.

SEC. 302. Not to exceed 5 per centum of any appropriations made available for the current fiscal year for Energy Supply, Research and Development Activities; Uranium Supply and Enrichment Activities; General Science and Research Activities; Atomic Energy Defense Activities; and Departmental Administration may be transferred between such appropriations, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 5 per centum by any such transfers, and any such proposed transfers shall be submitted promptly to the Committees on Appropriations and the appropriate authorizing committees of the House and Senate for approval.

SEC. 303. The unexpended balances of prior appropriations provided for activities covered in this title may be transferred to a new appropriation account for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable newly established account and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 304. All capitalized inventory balances and any unexpended balances related to inventories may be merged with any other appropriation within the Department under this Act. Balances so transferred will be available for the same time period as originally enacted.

TITLE IV—INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Cochairman and his alternate on the Appalachian Regional Commission and for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, $2,900,000.

FUNDS APPROPRIATED TO THE PRESIDENT

APPALACHIAN REGIONAL DEVELOPMENT PROGRAMS

40 USC app. 1.
40 USC app. 105.

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, except expenses authorized by section 105 of said Act, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, to remain available until expended, $150,000,000 of which $100,000,000 shall be available for the Appalachian Development Highway System.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), $121,000.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), $269,000.

INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

CONTRIBUTION TO INTERSTATE COMMISSION ON THE POTOMAC RIVER BASIN

To enable the Secretary of the Treasury to pay in advance to the Interstate Commission on the Potomac River Basin the Federal contribution toward the expenses of the Commission during the current fiscal year in the administration of its business in the conservancy district established pursuant to the Act of July 11, 1940 (54 Stat. 748), as amended by the Act of September 25, 1970 (Public Law 91-407), $55,000. 33 USC 567b. 33 USC 567b-1.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act, as amended, including the employment of aliens; services authorized by 5 U.S.C. 3109; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official entertainment expenses (not to exceed $1,500); reimbursements to the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft; $465,700,000, to remain available until expended: *Provided,* That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further,* That moneys received by the Commission for the cooperative nuclear safety research programs may be retained and used for salaries and expenses associated with those programs, notwithstanding the provisions of 31 U.S.C. 484, and shall remain available until expended: *Provided further,* That transfers between accounts may be made only with the approval of the Committees on Appropriations of the House of Representatives and the Senate: *Provided further,* That no part of the funds appropriated in this Act may be used to implement section 110 of Public Law 96-295: *Provided further,* That no funds appropriated to the Nuclear Regulatory Commission in this Act may be used to implement or enforce any portion of the Uranium Mill Licensing Requirements published as final rules at 45 Federal Register 65521 to 65538 on October 3, 1980, or to require any State to adopt such requirements in order for the State to continue to exercise

42 USC 5801 note.

94 Stat. 785.

authority under State law for uranium mill and mill tailings licensing, or to exercise any regulatory authority for uranium mill and mill tailings licensing in any State that has acted to exercise such authority under State law: *Provided, however,* That the Commission may use such funds to continue to regulate byproduct material, as defined in section 11 e. (2) of the Atomic Energy Act of 1954, as amended, in the manner and to the extent permitted prior to October 3, 1980.

42 USC 2014.

SUSQUEHANNA RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1541), $120,000.

CONTRIBUTION TO SUSQUEHANNA RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Susquehanna River Basin Commission, as authorized by law (84 Stat. 1530, 1531), $217,000.

TENNESSEE VALLEY AUTHORITY

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including purchase, hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles, $129,162,000, to remain available until expended.

16 USC 831 *et seq.*

WATER RESOURCES COUNCIL

WATER RESOURCES PLANNING

For the Water Resources Council for salaries and related expenses necessary in carrying out the provisions of the Water Resources Planning Act of 1965 (42 U.S.C. 1962-1962d-3), as amended, including services as authorized by 5 U.S.C. 3109 and 42 U.S.C. 1962a-4(5), $3,888,000 including $658,000 for expenses in administering the Act (42 U.S.C. 1962d(b)), and $3,230,000 for preparation of assessments and plans (42 U.S.C. 1962d(c)): *Provided,* That none of the funds included herein shall be used for an Independent Project Review, for expenses of River Basin Commissions or for Grants to States.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 503. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 504. None of the funds in this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 505. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 506. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 507. None of the funds appropriated in this Act shall be used to implement a program of retention contracts for senior employees of the Tennessee Valley Authority.

SEC. 508. The Senate hereby expresses its intention not to appropriate funds for improvements on the portion of the Black Warrior-Tombigbee Waterway south of Demopolis, Alabama.

This Act may be cited as the "Energy and Water Development Appropriation Act, 1982". Short title.

Approved December 4, 1981.

LEGISLATIVE HISTORY—H.R. 4144:

HOUSE REPORTS: No. 97-177 (Comm. on Appropriations) and No. 97-345 (Comm. of Conference).

SENATE REPORT No. 97-256 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 127 (1981):

July 23, 24, considered and passed House.

Nov. 3-5, considered and passed Senate, amended.

Nov. 20, House agreed to conference report; concurred in certain Senate amendments.

Nov. 21, Senate agreed to conference report; resolved amendments in disagreement.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 49 (1981):

Dec. 4, Presidential statement.

Public Law 97-89
97th Congress

An Act

Dec. 4, 1981
[H.R. 3454]

To authorize appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, and for the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the United States Government, and for other purposes.

Intelligence Authorization Act for Fiscal Year 1982.

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 "Intelligence Authorization Act for Fiscal Year 1982".

TITLE I—INTELLIGENCE ACTIVITIES

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1982 for the conduct of the intelligence and intelligence-related activities of the following agencies of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The Drug Enforcement Administration.

CLASSIFIED SCHEDULE OF AUTHORIZATIONS

SEC. 102. The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1982, for the conduct of the intelligence and intelligence-related activities of the agencies listed in such section, are those specified in the classified Schedule of Authorizations prepared by the committee of conference to accompany H.R. 3454 of the Ninety-seventh Congress. That Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

Availability to congressional committees and President. Distribution.

CONGRESSIONAL NOTIFICATION OF EXPENDITURES IN EXCESS OF PROGRAM AUTHORIZATIONS

SEC. 103. During fiscal year 1982, funds may not be made available for any activity for which funds are authorized to be appropriated by this Act unless such funds have been specifically authorized for such

activity or, in the case of funds appropriated for a different activity, unless the Director of Central Intelligence or the Secretary of Defense has notified the appropriate committees of Congress of the intent to make such funds available for such activity.

AUTHORIZATION OF APPROPRIATIONS FOR COUNTER-TERRORISM ACTIVITIES OF THE FEDERAL BUREAU OF INVESTIGATION

SEC. 104. In addition to the amounts authorized to be appropriated under section 101(9), there is authorized to be appropriated for fiscal year 1982 the sum of $11,900,000 for the conduct of the activities of the Federal Bureau of Investigation to counter terrorism in the United States.

TITLE II—INTELLIGENCE COMMUNITY STAFF

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. There is authorized to be appropriated for the Intelligence Community Staff for fiscal year 1982 the sum of $13,600,000.

AUTHORIZATION OF PERSONNEL END-STRENGTH

SEC. 202. (a) The Intelligence Community Staff is authorized two hundred and twenty full-time personnel as of September 30, 1982. Such personnel may be permanent employees of the Intelligence Community Staff or personnel detailed from other elements of the United States Government.

(b) During fiscal year 1982, personnel of the Intelligence Community Staff shall be selected so as to provide appropriate representation from elements of the United States Government engaged in intelligence and intelligence-related activities.

(c) During fiscal year 1982, any officer or employee of the United States or member of the Armed Forces who is detailed to the Intelligence Community Staff from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence. Personnel detail.

INTELLIGENCE COMMUNITY STAFF ADMINISTERED IN SAME MANNER AS CENTRAL INTELLIGENCE AGENCY

SEC. 203. During fiscal year 1982, activities and personnel of the Intelligence Community Staff shall be subject to the provisions of the National Security Act of 1947 (50 U.S.C. 401 et seq.) and the Central Intelligence Agency Act of 1949 (50 U.S.C. 403a-403l) in the same manner as activities and personnel of the Central Intelligence Agency. 50 USC 403a-403l.

TITLE III—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1982 the sum of $84,600,000.

TITLE IV—SUPPLEMENTAL AUTHORIZATION FOR FISCAL YEAR 1981

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the funds authorized to be appropriated under title I of the Intelligence Authorization Act for Fiscal Year 1981 (Public Law 96-450; 94 Stat. 1975), funds are hereby authorized to be appropriated for fiscal year 1981 for the conduct of the intelligence and intelligence-related activities of the United States Government. The amounts authorized to be appropriated under the preceding sentence are those specified for that purpose in the classified Schedule of Authorizations described in section 102.

TITLE V—GENERAL PROVISIONS RELATING TO THE CENTRAL INTELLIGENCE AGENCY

ALLOWANCES AND BENEFITS FOR CENTRAL INTELLIGENCE AGENCY PERSONNEL

SEC. 501. Section 4 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403e) is amended—

(1) by inserting "(a)" before "Under such regulations"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Director may pay to officers and employees of the Agency, and to persons detailed or assigned to the Agency from other agencies of the Government or from the Armed Forces, allowances and benefits comparable to the allowances and benefits authorized to be paid to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4081 et seq.) or any other provision of law.

Payment terms.

"(2) The Director may pay allowances and benefits related to officially authorized travel, personnel and physical security activities, operational activities, and cover-related activities (whether or not such allowances and benefits are otherwise authorized under this section or any other provision of law) when payment of such allowances and benefits is necessary to meet the special requirements of work related to such activities. Payment of allowances and benefits under this paragraph shall be in accordance with regulations prescribed by the Director. Rates for allowances and benefits under this paragraph may not be set at rates in excess of those authorized by section 5724 and 5724a of title 5, United States Code, when reimbursement is provided for relocation attributable, in whole or in part, to relocation within the United States.

Rates.

"(3) Notwithstanding any other provision of this section or any other provision of law relating to the officially authorized travel of Government employees, the Director, in order to reflect Agency requirements not taken into account in the formulation of Government-wide travel procedures, may by regulation—

"(A) authorize the travel of officers and employees of the Agency, and of persons detailed or assigned to the Agency from other agencies of the Government or from the Armed Forces who are engaged in the performance of intelligence functions, and

"(B) provide for payment for such travel, in classes of cases, as determined by the Director, in which such travel is important to the performance of intelligence functions.

"(4) Members of the Armed Forces may not receive benefits under both this section and title 37, United States Code, for the same

purpose. The Director and Secretary of Defense shall prescribe joint regulations to carry out the preceding sentence.

"(5) Regulations issued pursuant to this subsection shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations take effect.".

Regulations, submittal to congressional committees.

AUTHORITY TO CARRY FIREARMS

SEC. 502. Subsection (d) of section 5 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(d)) is amended to read as follows:

"(d) Authorize personnel designated by the Director to carry firearms to the extent necessary for the performance of the Agency's authorized functions, except that, within the United States, such authority shall be limited to the purposes of protection of classified materials and information, the training of Agency personnel and other authorized persons in the use of firearms, the protection of Agency installations and property, and the protection of Agency personnel and of defectors, their families, and other persons in the United States under Agency auspices; and".

UNAUTHORIZED USE OF CENTRAL INTELLIGENCE AGENCY NAME, INITIALS, OR SEAL

SEC. 503. The Central Intelligence Agency Act of 1949 (50 U.S.C. 403a et seq.) is amended by adding at the end thereof the following new section:

"MISUSE OF AGENCY NAME, INITIALS, OR SEAL

"SEC. 13. (a) No person may, except with the written permission of the Director, knowingly use the words 'Central Intelligence Agency', the initials 'CIA', the seal of the Central Intelligence Agency, or any colorable imitation of such words, initials, or seal in connection with any merchandise, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the Central Intelligence Agency.

50 USC 403m.

"(b) Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.".

Civil proceeding.

INTELLIGENCE ADVISORY COMMITTEES

SEC. 504. (a) Subsection (a) of section 303 of the National Security Act of 1947 (50 U.S.C. 405) is amended by striking out "at a rate not to exceed $50 for each day of service" in the last sentence and inserting in lieu thereof the following: "at a daily rate not to exceed the daily equivalent of the rate of pay in effect for grade GS-18 of the General Schedule established by section 5332 of title 5, United States Code".

5 USC 5332 note.

(b) Subsection (b) of such section is amended by striking out "section 281, 283, or 284 of title 18" and inserting in lieu thereof "section 203, 205, or 207 of title 18".

TITLE VI—GENERAL PROVISIONS RELATED TO THE NATIONAL SECURITY AGENCY

ALLOWANCES AND BENEFITS FOR NATIONAL SECURITY AGENCY PERSONNEL

50 USC 402 note.

SEC. 601. (a) Subsection (b)(1) of section 9 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended to read as follows:

"(1) allowances and benefits—

"(A) comparable to those provided by the Secretary of State to members of the Foreign Service under chapter 9 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4081 et seq.) or any other provision of law; and

"(B) in the case of selected personnel serving in circumstances similar to those in which personnel of the Central Intelligence Agency serve, comparable to those provided by the Director of Central Intelligence to personnel of the Central Intelligence Agency; and".

(b) Such section is further amended by adding at the end thereof the following new subsections:

"(d) Members of the Armed Forces may not receive benefits under both subsection (b)(1) and title 37, United States Code, for the same purpose. The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

Regulations.

Submittal to congressional committees.

"(e) Regulations issued pursuant to subsection (b)(1) shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations take effect.".

LANGUAGE TRAINING AND CRYPTOLOGIC LINGUIST RESERVE PROGRAM

SEC. 602. The National Security Agency Act of 1959 is amended (1) by inserting after section 9 the following:

Regulations.
50 USC 402 note.

"SEC. 10. (a) The Director of the National Security Agency shall arrange for, and shall prescribe regulations concerning, language and language-related training programs for military and civilian cryptologic personnel. In establishing programs under this section for language and language-related training, the Director—

"(1) may provide for the training and instruction to be furnished, including functional and geographic area specializations;

"(2) may arrange for training and instruction through other Government agencies and, in any case in which appropriate training or instruction is unavailable through Government facilities, through nongovernmental facilities that furnish training and instruction useful in the fields of language and foreign affairs;

"(3) may support programs that furnish necessary language and language-related skills, including, in any case in which appropriate programs are unavailable at Government facilities, support through contracts, grants, or cooperation with nongovernmental educational institutions; and

Special language project personnel.

"(4) may obtain by appointment or contract the services of individuals to serve as language instructors, linguists, or special language project personnel.

"(b)(1) In order to maintain necessary capability in foreign language skills and related abilities needed by the National Security Agency, the Director, without regard to subchapter IV of chapter 55 of title 5, United States Code, may provide special monetary or other incentives to encourage civilian cryptologic personnel of the Agency to acquire or retain proficiency in foreign languages or special related abilities needed by the Agency.

5 USC 5531.

"(2) In order to provide linguistic training and support for cryptologic personnel, the Director—

"(A) may pay all or part of the tuition and other expenses related to the training of personnel who are assigned or detailed for language and language-related training, orientation, or instruction; and

"(B) may pay benefits and allowances to civilian personnel in accordance with chapters 57 and 59 of title 5, United States Code, and to military personnel in accordance with chapter 7 of title 37, United States Code, and applicable provisions of title 10, United States Code, when such personnel are assigned to training at sites away from their designated duty station.

5 USC 5701 *et seq.*, 5901 *et seq.*
37 USC 401 *et seq.*

"(c)(1) To the extent not inconsistent, in the opinion of the Secretary of Defense, with the operation of military cryptologic reserve units and in order to maintain necessary capability in foreign language skills and related abilities needed by the National Security Agency, the Director may establish a cryptologic linguist reserve. The cryptologic linguist reserve may consist of former or retired civilian or military cryptologic personnel of the National Security Agency and of other qualified individuals, as determined by the Director of the Agency. Each member of the cryptologic linguist reserve shall agree that, during any period of emergency (as determined by the Director), the member shall return to active civilian status with the National Security Agency and shall perform such linguistic or linguistic-related duties as the Director may assign.

"(2) In order to attract individuals to become members of the cryptologic linguist reserve, the Director, without regard to subchapter IV of chapter 55 of title 5, United States Code, may provide special monetary incentives to individuals eligible to become members of the reserve who agree to become members of the cryptologic linguist reserve and to acquire or retain proficiency in foreign languages or special related abilities.

"(3) In order to provide training and support for members of the cryptologic linguist reserve, the Director—

"(A) may pay all or part of the tuition and other expenses related to the training of individuals in the cryptologic linguist reserve who are assigned or detailed for language and language-related training, orientation, or instruction; and

"(B) may pay benefits and allowances in accordance with chapters 57 and 59 of title 5, United States Code, to individuals in the cryptologic linguist reserve who are assigned to training at sites away from their homes or regular places of business.

"(d)(1) The Director, before providing training under this section to any individual, may obtain an agreement with that individual that—

"(A) in the case of current employees, pertains to continuation of service of the employee, and repayment of the expenses of such training for failure to fulfill the agreement, consistent with the provisions of section 4108 of title 5, United States Code; and

"(B) in the case of individuals accepted for membership in the cryptologic linguist reserve, pertains to return to service when

requested, and repayment of the expenses of such training for failure to fulfill the agreement, consistent with the provisions of section 4108 of title 5, United States Code.

Waiver.

"(2) The Director, under regulations prescribed under this section, may waive, in whole or in part, a right of recovery under an agreement made under this subsection if it is shown that the recovery would be against equity and good conscience or against the public interest.

"(e)(1) Subject to paragraph (2), the Director may provide to family members of military and civilian cryptologic personnel assigned to representational duties outside the United States, in anticipation of the assignment of such personnel outside the United States or while outside the United States, appropriate orientation and language training that is directly related to the assignment abroad.

"(2) Language training under paragraph (1) may not be provided to any individual through payment of the expenses of tuition or other cost of instruction at a non-Government educational institution unless appropriate instruction is not available at a Government facility.

Waiver.
5 USC 4101 *et seq.*

"(f) The Director may waive the applicability of any provision of chapter 41 of title 5, United States Code, to any provision of this section if he finds that such waiver is important to the performance of cryptologic functions.

"(g) The authority of the Director to enter into contracts or to make grants under this section is effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

Regulations, submittal to congressional committees.

"(h) Regulations issued pursuant to this section shall be submitted to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate before such regulations take effect."; and

(2) by striking out "SEC. 10." before "The Director" and inserting in lieu thereof "(i)".

SENIOR CRYPTOLOGIC EXECUTIVE SERVICE; CRYPTOLOGIC RESEARCH GRANTS; CRYPTOLOGIC PROCUREMENT; MISUSE OF AGENCY NAME

SEC. 603. The National Security Agency Act of 1959 is amended by adding at the end thereof the following new sections:

Establishment.
50 USC 402 note.

"SEC. 12. (a)(1) The Secretary of Defense (or his designee) may by regulation establish a personnel system for senior civilian cryptologic personnel in the National Security Agency to be known as the Senior Cryptologic Executive Service. The regulations establishing the Senior Cryptologic Executive Service shall—

"(A) meet the requirements set forth in section 3131 of title 5, United States Code, for the Senior Executive Service;

"(B) provide that positions in the Senior Cryptologic Executive Service meet requirements that are consistent with the provisions of section 3132(a)(2) of such title;

Pay rates.
50 USC 402 note.

"(C) provide, without regard to section 2, rates of pay for the Senior Cryptologic Executive Service that are not in excess of the maximum rate or less than the minimum rate of basic pay established for the Senior Executive Service under section 5382 of such title, and that are adjusted at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

5 USC 4311.

"(D) provide a performance appraisal system for the Senior Cryptologic Executive Service that conforms to the provisions of subchapter II of chapter 43 of such title;

"(E) provide for removal consistent with section 3592 of such title, and removal or suspension consistent with subsections (a), (b), and (c) of section 7543 of such title (except that any hearing or appeal to which a member of the Senior Cryptologic Executive Service is entitled shall be held or decided pursuant to procedures established by regulations of the Secretary of Defense or his designee);

5 USC 3592.

"(F) permit the payment of performance awards to members of the Senior Cryptologic Executive Service consistent with the provisions applicable to performance awards under section 5384 of such title; and

Performance awards.

"(G) provide that members of the Senior Cryptologic Executive Service may be granted sabbatical leaves consistent with the provisions of section 3396(c) of such title.

Sabbatical leaves.

"(2) Except as otherwise provided in subsection (a), the Secretary of Defense (or his designee) may—

"(A) make applicable to the Senior Cryptologic Executive Service any of the provisions of title 5, United States Code, applicable to applicants for or members of the Senior Executive Service; and

"(B) appoint, promote, and assign individuals to positions established within the Senior Cryptologic Executive Service without regard to the provisions of title 5, United States Code, governing appointments and other personnel actions in the competitive service.

"(3) The President, based on the recommendations of the Secretary of Defense, may award ranks to members of the Senior Cryptologic Executive Service in a manner consistent with the provisions of section 4507 of title 5, United States Code.

"(4) Notwithstanding any other provision of this section, the Director of the National Security Agency may detail or assign any member of the Senior Cryptologic Executive Service to serve in a position outside the National Security Agency in which the member's expertise and experience may be of benefit to the National Security Agency or another Government agency. Any such member shall not by reason of such detail or assignment lose any entitlement or status associated with membership in the Senior Cryptologic Executive Service.

"(5) The Director of the National Security Agency shall each year submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, at the time the Budget is submitted by the President to the Congress for the next fiscal year, a report on executive personnel in the National Security Agency. The report shall include—

Report to congressional committees.

"(A) the total number of positions added to or deleted from the Senior Cryptologic Executive Service during the preceding fiscal year;

"(B) the number of executive personnel (including all members of the Senior Cryptologic Executive Service) being paid at each grade level and pay rate in effect at the end of the preceding fiscal year;

"(C) the number, distribution, and amount of awards paid to members of the Senior Cryptologic Executive Service during the preceding fiscal year; and

"(D) the number of individuals removed from the Senior Cryptologic Executive Service during the preceding fiscal year for less than fully successful performance.

Merit pay system.

"(b) The Secretary of Defense (or his designee) may by regulation establish a merit pay system for such employees of the National Security Agency as the Secretary of Defense (or his designee) considers appropriate. The merit pay system shall be designed to carry out purposes consistent with those set forth in section 5401(a) of title 5, United States Code.

"(c) Nothing in this section shall be construed to allow the aggregate amount payable to a member of the Senior Cryptologic Executive Service under this section during any fiscal year to exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such year.

5 USC 5312.

Grants.
50 USC 402 note.

"SEC. 13. (a) The Director of the National Security Agency may make grants to private individuals and institutions for the conduct of cryptologic research. An application for a grant under this section may not be approved unless the Director determines that the award of the grant would be clearly consistent with the national security.

"(b) The grant program established by subsection (a) shall be conducted in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.) to the extent that such Act is consistent with and in accordance with section 6 of this Act.

41 USC 505.

"(c) The authority of the Director to make grants under this section is effective for any fiscal year only to the extent that appropriated funds are available for such purpose.

50 USC 402 note.

"SEC. 14. Funds appropriated to an entity of the Federal Government other than an element of the Department of Defense that have been specifically appropriated for the purchase of cryptologic equipment, materials, or services with respect to which the National Security Agency has been designated as the central source of procurement for the Government shall remain available for a period of three fiscal years.

50 USC 402 note.

"SEC. 15. (a) No person may, except with the written permission of the Director of the National Security Agency, knowingly use the words 'National Security Agency', the initials 'NSA', the seal of the National Security Agency, or any colorable imitation of such words, initials, or seal in connection with any merchandise, impersonation, solicitation, or commercial activity in a manner reasonably calculated to convey the impression that such use is approved, endorsed, or authorized by the National Security Agency.

Civil proceeding.

"(b) Whenever it appears to the Attorney General that any person is engaged or is about to engage in an act or practice which constitutes or will constitute conduct prohibited by subsection (a), the Attorney General may initiate a civil proceeding in a district court of the United States to enjoin such act or practice. Such court shall proceed as soon as practicable to the hearing and determination of such action and may, at any time before final determination, enter such restraining orders or prohibitions, or take such other action as is warranted, to prevent injury to the United States or to any person or class of persons for whose protection the action is brought.".

TITLE VII—DEFENSE INTELLIGENCE AGENCY PERSONNEL PROVISIONS

DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE; MERIT PAY SYSTEM

SEC. 701. (a)(1) Part II subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"Chapter 83—DEFENSE INTELLIGENCE AGENCY CIVILIAN PERSONNEL

"Sec.
"1601. Defense Intelligence Senior Executive Service.
"1602. Defense Intelligence Agency merit pay system.
"1603. Limit on pay.

"§ 1601. Defense Intelligence Senior Executive Service

Establishment.
10 USC 1601.

"(a) The Secretary of Defense may by regulation establish a personnel system for senior civilian personnel within the Defense Intelligence Agency to be known as the Defense Intelligence Senior Executive Service. The regulations establishing the Defense Intelligence Senior Executive Service shall—

"(1) meet the requirements set forth in section 3131 of title 5 for the Senior Executive Service;

"(2) provide that positions in the Defense Intelligence Senior Executive Service meet requirements that are consistent with the provisions of section 3132(a)(2) of title 5;

"(3) provide rates of pay for the Defense Intelligence Senior Executive Service that are not in excess of the maximum rate or less than the minimum rate of basic pay established for the Senior Executive Service under section 5382 of title 5, and that are adjusted at the same time and to the same extent as rates of basic pay for the Senior Executive Service are adjusted;

"(4) provide a performance appraisal system for the Defense Intelligence Senior Executive Service that conforms to the provisions of subchapter II of chapter 43 of title 5;

5 USC 4311.

"(5) provide for removal consistent with section 3592 of such title, and removal or suspension consistent with subsections (a), (b), and (c) of section 7543 of title 5 (except that any hearing or appeal to which a member of the Defense Intelligence Senior Executive Service is entitled shall be held or decided pursuant to procedures established by regulations of the Secretary of Defense);

Performance awards.

"(6) permit the payment of performance awards to members of the Defense Intelligence Senior Executive Service consistent with the provisions applicable to performance awards under section 5384 of title 5; and

Sabbatical leaves.

"(7) provide that members of the Defense Intelligence Senior Executive Service may be granted sabbatical leaves consistent with the provisions of section 3396(c) of title 5.

"(b) Except as otherwise provided in subsection (a), the Secretary of Defense may—

"(1) make applicable to the Defense Intelligence Senior Executive Service any of the provisions of title 5 applicable to applicants for or members of the Senior Executive Service; and

5 USC 101.

"(2) appoint, promote, and assign individuals to positions established within the Defense Intelligence Senior Executive Service without regard to the provisions of title 5 governing appointments and other personnel actions in the competitive service.

"(c) The President, based on the recommendations of the Secretary of Defense, may award ranks to members of the Defense Intelligence Senior Executive Service in a manner consistent with the provisions of section 4507 of title 5.

Personnel detail.

"(d) Notwithstanding any other provision of this section, the Secretary of Defense may detail or assign any member of the Defense Intelligence Senior Executive Service to serve in a position outside the Defense Intelligence Agency in which the member's expertise and experience may be of benefit to the Defense Intelligence Agency or another Government agency. Any such member shall not by reason of such detail or assignment lose any entitlement or status associated with membership in the Defense Intelligence Senior Executive Service.

Report to congressional committees.

"(e) The Secretary of Defense shall each year submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate, at the time the Budget is submitted by the President to the Congress for the next fiscal year, a report on the executive personnel in the Defense Intelligence Agency. The report shall include—

"(1) the total number of positions added to or deleted from the Defense Intelligence Senior Executive Service during the preceding fiscal year;

"(2) the number of executive personnel (including all members of the Defense Intelligence Senior Executive Service) being paid at each grade level and pay rate in effect at the end of the preceding fiscal year;

"(3) the number, distribution, and amount of awards paid to members of the Defense Intelligence Senior Executive Service during the preceding fiscal year; and

"(4) the number of individuals removed from the Defense Intelligence Senior Executive Service during the preceding fiscal year for less than fully successful performance.

10 USC 1602.

"§ 1602. Defense Intelligence Agency merit pay system

"The Secretary of Defense may by regulation establish a merit pay system for such employees of the Defense Intelligence Agency as the Secretary considers appropriate. The merit pay system shall be designed to carry out purposes consistent with those set forth in section 5401(a) of title 5.

10 USC 1603.

"§ 1603. Limit on pay

"Nothing in this chapter shall be construed to allow the aggregate amount payable to a member of the Defense Intelligence Senior Executive Service under this chapter during any fiscal year to exceed the annual rate payable for positions at level I of the Executive Schedule in effect at the end of such year.".

5 USC 5312

(2) The table of chapters at the beginning of subtitle A of title 10, United States Code, and the table of chapters at the beginning of part II of such subtitle, are amended by adding after the item relating to chapter 81 the following new item:

"83. Defense Intelligence Agency Civilian Personnel ..... 1601".

10 USC 1601 note.

(b) The authority of the Secretary of Defense under chapter 83 of title 10, United States Code, as added by subsection (a), may be delegated in accordance with section 133(d) of title 10, United States Code.

TITLE VIII—PROVISIONS APPLICABLE TO MORE THAN ONE AGENCY AND EFFECTIVE DATE

EXCLUSION FROM VETERANS PREFERENCE PROVISIONS

SEC. 801. Section 2108(3) of title 5, United States Code, is amended by striking out "or the General Accounting Office" and inserting in lieu thereof ", the Defense Intelligence Senior Executive Service, the Senior Cryptologic Executive Service, or the General Accounting Office".

ACCUMULATION OF ANNUAL LEAVE NOT SUBJECT TO LIMITATION

SEC. 802. Section 6304 of title 5, United States Code, is amended by striking out subsections (f) and (g) and inserting in lieu thereof the following:

"(f) Annual leave accrued shall not be subject to the limitation on accumulation otherwise imposed by this section if such leave is accrued by an individual while serving in a position in—

"(1) the Senior Executive Service;

"(2) the Senior Foreign Service;

"(3) the Defense Intelligence Senior Executive Service; or

"(4) the Senior Cryptologic Executive Service.".

EARLY RETIREMENT

SEC. 803. Section 8336 of title 5, United States Code, is amended by inserting "(1)" after "(h)" and by adding at the end thereof the following new paragraph:

"(2) A member of the Defense Intelligence Senior Executive Service or the Senior Cryptologic Executive Service who is removed from such service for less than fully successful executive performance after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity.".

INCREASES IN EMPLOYEE BENEFITS AUTHORIZED BY LAW

SEC. 804. Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such benefits authorized by law.

RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

SEC. 805. The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or laws of the United States.

EFFECTIVE DATE

10 USC 1601 note.

SEC. 806. The amendments made by titles V, VI, and VII and by this title shall take effect as of October 1, 1981.

Approved December 4, 1981.

LEGISLATIVE HISTORY—H.R. 3454 (S. 1127):

HOUSE REPORTS: No. 97-101 Pt. 1 (Permanent Select Comm. on Intelligence), Pt. 2 (Comm. on Armed Services) and No. 97-332 (Comm. of Conference).

SENATE REPORTS: No. 97-57 (Select Comm. on Intelligence) and No. 97-148 (Comms. on Armed Services, Governmental Affairs and the Judiciary) accompanying S. 1127.

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 13, considered and passed House.
July 16, considered and passed Senate, amended, in lieu of S. 1127.
Nov. 18, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 49 (1981):
Dec. 4, Presidential statement.

Public Law 97-90
97th Congress

An Act

To authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes.

Dec. 4, 1981
[H.R. 3413]

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 "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1982".

Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1982.

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1982 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For the naval reactors development program, $279,500,000, including $9,500,000 for program management.

(2) For weapons activities, $2,494,600,000, to be allocated as follows:

(A) For research and development, $732,400,000, to be allocated as follows:

(i) For the defense inertial confinement fusion program, $142,300,000, of which—

(I) $75,500,000 shall be used for glass laser experiments;

(II) $40,000,000 shall be used for gas laser experiments;

(III) $18,000,000 shall be used for pulsed power experiments;

(IV) $7,500,000 shall be used for supporting research and experiments, except that none of such funds may be used for the research, development, or demonstration of the use of heavy ion devices as drivers for defense inertial confinement fusion experiments and defense inertial confinement fusion systems; and

(V) $1,300,000 shall be used for inertial confinement fusion program management.

(ii) For all other research and development, $590,100,000.

(B) For weapons testing, $369,000,000.

(C) For production and surveillance, $1,351,800,000.

(D) For weapons program management other than inertial confinement fusion, $41,400,000.

(3) For verification and control technology, $50,400,000, including $1,800,000 for program management.

(4) For defense nuclear materials production, $632,400,000, to be allocated as follows:

(A) For production reactor operations, $280,630,000.

(B) For processing of defense nuclear materials, $148,650,000.

(C) For special isotope separation research, $30,000,000.

(D) For supporting services, $171,320,000.

(E) For program management, $1,800,000.

(5) For defense nuclear materials byproducts management, $262,128,000, to be allocated as follows:

(A) For interim waste management, $181,084,000.

(B) For long-term waste management technology, $59,400,000.

(C) For byproducts beneficial uses, $5,000,000.

(D) For terminal waste storage, $5,000,000.

(E) For decontamination and decomissioning, $4,000,000.

(F) For transportation research and development, $6,067,000.

(G) For program management, $1,577,000.

(6) For nuclear materials security and safeguards technology development program (defense programs), $41,800,000, including $3,985,000 for program management.

(7) For security investigations, $23,600,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1982 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs, as follows:

(1) For naval reactors development:

Project 82-N-100, general plant projects, various locations, $4,000,000.

Project 82-N-111, naval fuels processing facility, Savannah River Plant, South Carolina, $15,000,000.

(2) For weapons activities:

Project 82-D-100, general plant projects, various locations (research and development), $15,800,000.

Project 82-D-103, general plant projects, various locations (production and surveillance), $16,300,000.

Project 82-D-104, new weapons production installations, various locations, $5,000,000.

Project 82-D-106, weapon assembly facilities, Pantex Plant, Texas, $23,500,000.

Project 82-D-107, utilities and equipment restoration, replacement and upgrade, Phase III, various locations, $87,500,000.

Project 82-D-108, nuclear weapons stockpile improvements, various locations, $15,000,000.

Project 82-D-109, 155-millimeter artillery-fired atomic projectile, various locations, $35,000,000.

Project 82-D-110, exhaust plenum modifications, Rocky Flats Plant, Colorado, $12,000,000.

Project 82-D-111, interactive graphics system, various locations, $9,000,000.

Project 82-D-142, North Las Vegas ATLAS Facility, Nevada, $3,600,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, New Mexico, $1,200,000.

Project 82-D-146, weapons production and support facilities, various locations, $8,000,000.

Project 82-D-147, pressure test facility, Savannah River Plant, South Carolina, $3,500,000.

Project 82-D-150, weapons material research and development facility, Lawrence Livermore National Laboratory, California, $2,500,000.

Project 82-D-151, high explosives applications facility, Lawrence Livermore National Laboratory, California, $10,000,000.

Project 82-D-152, new detonator facility, Los Alamos National Laboratory, New Mexico, $8,000,000.

Project 82-D-153, tritium facility, Los Alamos National Laboratory, New Mexico, $5,000,000.

Project 82-D-154, weapons laboratory building, Sandia National Laboratories, Livermore, California, $7,000,000.

Project 81-D-106, weaponization facilities, Lawrence Livermore National Laboratory, California, $1,000,000, for a total project authorization of $7,600,000.

Project 81-D-108, reactor support facilities, Sandia National Laboratories, New Mexico, $1,000,000, for a total project authorization of $10,000,000.

Project 81-D-115, MX warhead production facilities, various locations, $30,000,000, for a total project authorization of $40,000,000.

Project 81-D-116, utilities and equipment restoration, replacement, and upgrade, Phase II, various locations, $10,000,000, for a total project authorization of $85,000,000.

Project 81-D-120, control of effluents and pollutants, Y-12 Plant, Tennessee, $3,400,000, for a total project authorization of $6,400,000.

Project 81-D-133, earthquake damage restoration, Lawrence Livermore National Laboratory, California, $1,000,000, for a total project authorization of $4,000,000.

Project 79-7-o, universal pilot plant, Pantex Plant, Texas, $5,200,000, for a total project authorization of $12,600,000.

Project 78-16-a, cruise missile production facilities, various locations, $80,700,000, for a total project authorization of $98,800,000.

Project 78-17-e, high explosives machining facility, Pantex Plant, Texas, $5,600,000, for a total project authorization of $10,600,000.

Project 77-11-c, 8-inch artillery-fired atomic, projectile production facilities, various locations, $3,600,000, for a total project authorization of $30,800,000.

(3) For defense nuclear materials production:

Project 82-D-116, general plant projects, various locations, $23,000,000.

Project 82-D-117, plant engineering and design, various locations, $3,000,000.

Project 82-D-118, N-reactor plant security and surveillance, Richland, Washington, $4,000,000.

Project 82-D-124, restoration of production capabilities, Phase III, various locations, $126,000,000.

Project 82-D-126, reactor safety and reliability, various locations, $42,900,000.

Project 82-D-127, safeguards improvements, Savannah River Plant, South Carolina, $34,600,000.

Project 82-D-128, plant perimeter security systems upgrade, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $4,400,000.

Project 82-D-136, fuel processing facilities upgrade, Idaho Fuel Processing Facility, Idaho National Engineering Laboratory, Idaho, $40,000,000.

Project 82-D-200, new production reactor, location unspecified, (A-E only) $10,000,000.

Project 82-D-201, special plutonium recovery facility, JB line, Savannah River Plant, South Carolina, (A-E only) $2,000,000.

Project 82-D-202, advanced isotope separation laboratory, Lawrence Livermore National Laboratory, California, $21,200,000.

Project 81-D-126, pollution abatement facilities—chemical processing plants, Richland, Washington, $4,300,000, for a total project authorization of $5,300,000.

Project 81-D-128, restoration of production capabilities, Phase I, various locations, $14,400,000, for a total project authorization of $49,400,000.

Project 81-D-142, steam transfer header, Savannah River Plant, South Carolina, $1,000,000, for a total project authorization of $8,000,000.

Project 81-D-143, L-reactor upgrade, Savannah River Plant, South Carolina, $66,000,000, for a total project authorization of $115,000,000.

Project 80-AE-3, steam generation facilities, Idaho Fuels Processing Facility, Idaho, $5,000,000, for a total project authorization of $28,500,000.

Project 77-13-a, fluorinel dissolution process and fuel receiving improvements, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $50,000,000, for a total project authorization of $199,400,000.

(4) For defense nuclear materials byproducts management:

Project 82-N-101, general plant projects, various locations, $11,400,000.

Project 82-N-103, waste handling and isolation facilities, Richland, Washington, $34,450,000.

Project 82-N-104, waste transfer facilities, Richland, Washington, $6,750,000.

Project 82-N-107, rail replacement, Hanford Railroad, Richland, Washington, $12,000,000.

Project 82-BU-1, byproducts beneficial uses demonstration plants, various locations, $5,000,000.

Project 81-T-105, defense waste processing facility (DWPF), Savannah River Plant, South Carolina, $20,000,000.

Project 77-13-f, waste isolation pilot plant, New Mexico, $38,600,000, for a total project authorization of $157,600,000.

(5) For capital equipment not related to construction:

(A) For naval reactors development, $28,000,000.

(B) For defense inertial confinement fusion, $11,000,000.

(C) For weapons activities, $185,500,000.

(D) For verification and control technology, $1,100,000.

(E) For defense nuclear materials production, $73,600,000.

(F) For defense nuclear materials byproducts management, $24,472,000.

(G) For nuclear materials safeguards and security, $3,700,000.

TITLE II—GENERAL PROVISIONS

REPROGRAMING

SEC. 201. (a) Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of 105 percent of the amount authorized for that program by this Act or $10,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of thirty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) In no event may the total amount of funds obligated pursuant to this Act exceed the total amount authorized to be appropriated by this Act.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 202. (a) The Secretary may carry out any construction project under the general plant projects provisions authorized by this Act if the total estimated cost of the construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project authorized by this Act, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,000,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

Report to congressional committees.

(c) In no event may the total amount of funds obligated to carry out all general plant projects authorized by this Act exceed the total amount authorized to be appropriated for such projects by this Act.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 203. (a) Whenever the current estimated cost of a construction project which is authorized by section 102 of this Act, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of (1) the amount authorized for the project, or (2)

the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress, construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of thirty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of the Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 204. To the extent specified in appropriation Acts, funds appropriated pursuant to this Act may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 205. (a)(1) Within the amounts authorized by this Act for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such planning and design does not exceed $2,000,000.

Notification to congressional committees.

(2) In any case in which the total estimated cost for such planning and design exceeds $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least thirty days before any funds are obligated for design services for such project.

(b) In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $2,000,000, funds for such design must be specifically authorized by law.

AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

SEC. 206. In addition to the advance planning and construction design authorized by section 102, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

SEC. 207. Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this Act for management and support activities and for general plant projects are available for use, when

necessary, in connection with all national security programs of the Department of Energy.

ADJUSTMENTS FOR PAY INCREASES

SEC. 208. Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

AVAILABILITY OF FUNDS

SEC. 209. When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

SAFEGUARDING CERTAIN UNCLASSIFIED INFORMATION

SEC. 210. (a)(1) The Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) is amended by inserting after section 147 the following new section:

"SEC. 148. PROHIBITION AGAINST THE DISSEMINATION OF CERTAIN UNCLASSIFIED INFORMATION.— 42 USC 2168.

"a. (1) In addition to any other authority or requirement regarding protection from dissemination of information, and subject to section 552(b)(3) of title 5, United States Code, the Secretary of Energy (hereinafter in this section referred to as the 'Secretary') shall prescribe such regulations, after notice and opportunity for public comment thereon, or issue such orders as may be necessary to prohibit the unauthorized dissemination of unclassified information pertaining to— Regulations.

"(A) the design of production facilities or utilization facilities;

"(B) security measures (including security plans, procedures, and equipment) for the physical protection of (i) production or utilization facilities, (ii) nuclear material contained in such facilities, or (iii) nuclear material in transit; or

"(C) the design, manufacture, or utilization of any atomic weapon or component if the design, manufacture, or utilization of such weapon or component was contained in any information declassified or removed from the Restricted Data category by the Secretary (or the head of the predecessor agency of the Department of Energy) pursuant to section 142. 42 USC 2162.

"(2) The Secretary may prescribe regulations or issue orders under paragraph (1) to prohibit the dissemination of any information described in such paragraph only if and to the extent that the Secretary determines that the unauthorized dissemination of such information could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of (A) illegal production of nuclear weapons, or (B) theft, diversion, or sabotage of nuclear materials, equipment, or facilities.

"(3) In making a determination under paragraph (2), the Secretary may consider what the likelihood of an illegal production, theft, diversion, or sabotage referred to in such paragraph would be if the information proposed to be prohibited from dissemination under this section were at no time available for dissemination.

"(4) The Secretary shall exercise his authority under this subsection to prohibit the dissemination of any information described in subsection a. (1)—

"(A) so as to apply the minimum restrictions needed to protect the health and safety of the public or the common defense and security; and

"(B) upon a determination that the unauthorized dissemination of such information could reasonably be expected to result in a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of (i) illegal production of nuclear weapons, or (ii) theft, diversion, or sabotage of nuclear materials, equipment, or facilities.

"(5) Nothing in this section shall be construed to authorize the Secretary to authorize the withholding of information from the appropriate committees of the Congress.

Penalties.

"b. (1) Any person who violates any regulation or order of the Secretary issued under this section with respect to the unauthorized dissemination of information shall be subject to a civil penalty, to be imposed by the Secretary, of not to exceed $100,000 for each such violation. The Secretary may compromise, mitigate, or remit any penalty imposed under this subsection.

42 USC 2282.

"(2) The provisions of subsections b. and c. of section 234 of this Act shall be applicable with respect to the imposition of civil penalties by the Secretary under this section in the same manner that such provisions are applicable to the imposition of civil penalties by the Commission under subsection a. of such section.

42 USC 2273.

"c. For the purposes of section 223 of this Act, any regulation prescribed or order issued by the Secretary under this section shall also be deemed to be prescribed or issued under section 161 b. of this Act.".

42 USC 2201.

(2) The table of contents at the beginning of such Act is amended by inserting after the item relating to section 147 the following new item:

"Sec. 148. Prohibition Against the Disclosure of Certain Unclassified Information.".

(b) Section 181 of such Act (42 U.S.C. 2231) is amended—

(1) by striking out "or" before "safeguards information protected";

(2) by inserting "or information protected from dissemination under the authority of section 148" after "section 147"; and

(3) by striking out ", defense information, or such safeguards information," each place it appears and inserting in lieu thereof ", defense information, such safeguards information, or information protected from dissemination under the authority of section 148".

ARREST AUTHORITY FOR PERSONS AUTHORIZED TO CARRY FIREARMS UNDER THE ATOMIC ENERGY ACT OF 1954

SEC. 211. Section 161 k. of the Atomic Energy Act of 1954 (42 U.S.C. 2201(k)) is amended by striking out the semicolon and inserting in lieu thereof a period and the following: "A person authorized to carry firearms under this subsection may, while in the performance of, and in connection with, official duties, make arrests without warrant for any offense against the United States committed in that person's presence or for any felony cognizable under the laws of the United States if that person has reasonable grounds to believe that the

individual to be arrested has committed or is committing such felony. A person granted authority to make arrests by this subsection may exercise that authority only in the enforcement of (1) laws regarding the property of the United States in the custody of the Department of Energy, the Nuclear Regulatory Commission, or a contractor of the Department of Energy or Nuclear Regulatory Commission, or (2) any provision of this Act that may subject an offender to a fine, imprisonment, or both. The arrest authority conferred by this subsection is in addition to any arrest authority under other laws;".

ENVIRONMENTAL STUDIES AND THE NUCLEAR WEAPONS COMPLEX

SEC. 212. (a) None of the funds appropriated pursuant to an authorization of appropriations contained in this Act may be obligated or expended for the purpose of preparing any environmental impact statement not already in the process of preparation with respect to the operation of any defense facility of the Department of Energy unless the preparation of such statement is required by statute.

Notification to congressional committees.

(b) (1) The Secretary may not proceed with the preparation of an environmental impact statement relating to the construction or operation of a defense facility of the Department of Energy if the estimated cost of preparing such statement exceeds $250,000 unless—

(A) the Secretary has notified the Committees on Armed Services of the Senate and the House of Representatives of his intent to prepare such statement and a period of thirty days has expired after the date on which such notice was received by such committees; or

(B) the Secretary has received from each such committee, before the expiration of such thirty-day period, a written notice that the committee agrees with the decision of the Secretary regarding the preparation of such statement.

(2) The provisions of paragraph (1) shall not apply in the case of any environmental impact statement on which the Secretary began preparation before the date of the enactment of this Act.

PLAN FOR THE PERMANENT DISPOSAL OF WASTE FROM ATOMIC ENERGY DEFENSE ACTIVITIES

Report to congressional committees. 42 USC 2021a note.

SEC. 213. (a) The President shall submit to the Committees on Armed Services of the Senate and of the House of Representatives not later than June 30, 1983, a report which sets forth his plans for the permanent disposal of high-level and transuranic wastes resulting from atomic energy defense activities.

(b) Such report shall include, but not be limited to, for each State in which such wastes are stored in interim storage facilities on the date of enactment of this Act—

(1) specific estimates of amounts planned for expenditure in each of the next five fiscal years to achieve the permanent disposal of such wastes and general estimates of amounts planned for expenditure in fiscal years thereafter to achieve such purpose; and

(2) a thorough and detailed program management plan for the disposal of such wastes, including but not limited to—

(A) an explicit schedule for decisions regarding the further processing and permanent disposal of such wastes;

(B) a general description of new facilities likely to be required to achieve such permanent disposal; and

(C) identification of all major program objectives, milestones, key events, and critical path items.

Approved December 4, 1981.

LEGISLATIVE HISTORY—H.R. 3413 (S. 1549):

HOUSE REPORTS: No. 97-45 (Comm. on Armed Services) and No. 97-342 (Comm. of Conference).

SENATE REPORT No. 97-173 accompanying S. 1549 (Comm. on Armed Services).

CONGRESSIONAL RECORD, Vol. 127 (1981):

June 11, considered and passed House.

Nov. 3, considered and passed Senate, amended, in lieu of S. 1549.

Nov. 19, House and Senate agreed to conference report.

Public Law 97-91
97th Congress

An Act

Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 4, 1981
[H.R. 4522]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1982, and for other purposes, namely:

District of Columbia Appropriation Act, 1982.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

For payment to the District of Columbia for the fiscal year ending September 30, 1982, $336,600,000, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code 47-2501d); and $13,500,000 in lieu of reimbursements for charges for water and water services and sanitary sewer services furnished to facilities of the United States Government as authorized by the Act of May 18, 1954, as amended (D.C. Code 43-1541 and 1611).

For the Federal contribution to the Police Officers and Fire Fighters', Teachers' and Judges' Retirement Funds as authorized by the District of Columbia Retirement Reform Act, Public Law 96-122, approved November 17, 1979 (93 Stat. 866), $52,070,000.

LOANS TO THE DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY

For loans to the District of Columbia, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended, $155,000,000, which together with balances of previous appropriations for this purpose, shall remain available until expended and be advanced upon request of the Mayor: *Provided,* That during fiscal year 1982 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $145,000,000.

D.C. Code 1-121 note.

DIVISION OF EXPENSES

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided:

GOVERNMENTAL DIRECTION AND SUPPORT

Governmental direction and support, $85,234,300: *Provided,* That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: *Provided further,* That not to exceed $7,500 of this

appropriation shall be available for test borings and soil investigations: *Provided further*, That $3,366,300 of this appropriation shall be available solely for the settlement of claims and suits as provided for by an Act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia, approved February 11, 1929 (45 Stat. 1160; D.C. Code 1-902): *Provided further*, That none of the funds appropriated for the Office of Financial Management shall be apportioned and payable for debt service for short-term borrowing on the bond market: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated $1,348,300 to pay legal, management, investment and other fees and expenses of the District of Columbia Retirement Board of which $312,700 shall be derived from the general fund and not to exceed $1,035,600 shall be derived from the earnings of the applicable retirement funds: *Provided further*, That the District of Columbia Retirement Board shall provide to the Congress a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor for transmittal to the Council of the District of Columbia an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

Report to Congress.

ECONOMIC DEVELOPMENT AND REGULATION

Economic development and regulation, $29,096,100: *Provided*, That the District of Columbia Housing Finance Agency, based upon its capability of repayment as determined each year by the Council of the District of Columbia from the Agency's annual audited financial statements to the Council of the District of Columbia, shall repay $2,000,000 to the Department of Housing and Community Development at an interest rate of 4 percent per annum for a term of fifteen years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or a part of the $2,000,000 shall be subject to the rights of the holders of any bonds or notes issued by the Agency and shall be repaid to the District only from available operating revenues of the Agency which are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That the annual debt service of not to exceed $178,000 shall be designated by the Council of the District of Columbia prior to the commencement of annual payments: *Provided further*, That the District of Columbia will establish a special fund to assure that any moneys available to the Lottery and Charitable Games Control Board shall be derived from non-Federal District of Columbia revenues.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For establishment of the Lottery and Charitable Games Enterprise Fund for the purpose of implementing D.C. Law 3-172 and for the budgeting and accounting of all revenues and expenses of the Lottery and Charitable Games Control Board, $628,000, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia will identify the source of funding for this appropriation from its own locally generated revenues when the Enterprise

Fund is established and that no revenues from Federal sources shall be used to support the operations of the Lottery and Charitable Games Control Board: *Provided further,* That the level of administrative expenses to be incurred by the Board shall be appropriated in the District's general fund budget as a transfer from locally generated revenues; administrative expenses being defined as all anticipated expenses of the Board for the coming fiscal year excluding moneys necessary for the payments of prizes to the winners of the games specified in D.C. Law 3-172: *Provided further,* That the Board shall have the authority to expend, from revenues generated by its operations, funds necessary for the payments of prizes: *Provided further,* That the annual expenses for prizes and administration of the Board shall not exceed resources available to the Board from appropriated authority or revenues generated by the operations of the Board: *Provided further,* That all revenues received by the Board in excess of the funds used by the Board for prize money in a given month shall be transferred to the general fund from the Lottery and Charitable Games Enterprise Fund through a general operating transfer, promptly after the first of the month for the preceding month: *Provided further,* That the Board may establish a reserve not to exceed 2 percent of projected annual prize payments to provide for prizes awarded in any month which may exceed the revenue generated during that month: *Provided further,* That the Mayor may approve a change in the reserve limit, as necessary, upon the request of the Board: *Provided further,* That the financial operations of the Board with respect to the amount appropriated for administrative expenses shall be in accordance with all laws, regulations, and policies of the District of Columbia government regarding appropriated funds: *Provided further,* That for the fiscal year ending September 30, 1982, and for each fiscal year thereafter, the District of Columbia Auditor shall conduct a comprehensive audit on the financial status of the Fund, including but not limited to all appropriations, revenues, and transfers to the Fund, and provide such report to the Mayor, Chairman of the District of Columbia Council, and to the Subcommittees on District of Columbia Appropriations of the House of Representatives and the Senate: *Provided further,* That in addition to current restrictions, advertising on public transportation and at stations and stops is prohibited: *Provided further,* That the advertising, sale, operation, or playing of the lotteries, raffles, bingos, or other games authorized by D.C. Law 3-172 is prohibited on the Federal enclave, and in adjacent public buildings and land controlled by the Shipstead-Luce Act as amended by 53 Stat. 1144, as well as in the Old Georgetown Historic District: *Provided further,* That the Board shall make an annual report to the Subcommittees on District of Columbia Appropriations of the House of Representatives and the Senate at the end of each year detailing the receipts and disbursements of the Board and summarizing measures of regulation and enforcement enacted as well as other information and recommendations deemed of value or which may be requested.

PUBLIC SAFETY AND JUSTICE

Public safety and justice, including purchase of one hundred and thirty-five passenger motor vehicles for replacement only (including one hundred and thirty for police-type use and five for fire-type use without regard to the general purchase price limitation for the current fiscal year), $366,396,200, of which $5,539,000 shall be payable from the revenue sharing trust fund: *Provided,* That the Police

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Department is authorized to replace not to exceed twenty-five passenger carrying vehicles, and the Fire Department is authorized to replace not to exceed five such vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further,* That funds appropriated for expenses under the District of Columbia Criminal Justice Act, Public Law 93-412, approved September 3, 1974 (D.C. Code 11-2601 et seq.) for fiscal year 1982 shall be available for obligations incurred under that Act in each fiscal year since inception in fiscal year 1975: *Provided further,* That not to exceed $200,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further,* That $50,000 of any appropriations available to the District of Columbia may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness for the purchase of civil defense equipment and supplies approved by the Department of Defense, when authorized by the Mayor: *Provided further,* That not to exceed $2,500 for the Joint Committee on Judicial Administration shall be available from this appropriation for official purposes.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $377,921,300, of which $6,000,000 shall be payable from the revenue sharing trust fund, to be allocated as follows: $253,794,400 for the District of Columbia Public Schools; $60,220,900 for the District of Columbia Teachers' Retirement Fund; $48,937,100 for the University of the District of Columbia; $9,979,300 for the Public Library; $784,100 for the Commission on the Arts and Humanities; $90,500 for the Educational Institution Licensure Commission; and $4,115,000 for the School Transit Subsidy: *Provided,* That the District of Columbia Public Schools are authorized to accept not to exceed thirty-one motor vehicles for exclusive use in the driver education program: *Provided further,* That not to exceed $1,000 for the Superintendent of Schools and $2,500 for the President of the University of the District of Columbia shall be available from this appropriation for expenditures for official purposes: *Provided further,* That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts for fiscal year 1982 a tuition rate schedule which will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area: *Provided further,* That the $60,220,900 of this appropriation allocated for the District of Columbia Teachers' Retirement Fund shall be transferred to the Teachers' Retirement Fund, in accordance with the provisions of section 142(c)(2) of the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 880; D.C. Code 1-1822(c)(2)): *Provided further,* That not less than $7,257,800 of this appropriation shall be used exclusively for maintenance of the public schools.

HUMAN SUPPORT SERVICES

Human support services, including care and treatment of indigent patients in institutions under contracts to be made by the Director of the Department of Human Services, $397,313,100, of which $5,200,000

shall be payable from the revenue sharing trust fund: *Provided,* That the inpatient rate under such contracts shall not exceed $76 per diem and the outpatient rate shall not exceed $12 per visit except for services provided to patients who are eligible for such services under the District of Columbia plan for medical assistance under title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; 42 U.S.C. 1396 et seq.) and the inpatient rate (excluding the proportionate share for repairs and construction) for services rendered by Saint Elizabeths Hospital for patient care shall be at the per diem rate established pursuant to section 2 of An Act to authorize certain expenditures from the appropriation of Saint Elizabeths Hospital, and for other purposes, approved August 4, 1947 (61 Stat. 751; 24 U.S.C. 168a): *Provided further,* That total reimbursements in operating funds to Saint Elizabeths Hospital, including funds from title XIX of the Social Security Act, approved July 30, 1965 (79 Stat. 343; 42 U.S.C. 1396 et seq.) shall not exceed $22,948,700: *Provided further,* That $11,374,600 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further,* That none of the funds appropriated for the summer youth jobs program shall be obligated until the Subcommittees on District of Columbia Appropriations of the House of Representatives and the Senate have approved a plan submitted by the Mayor and the Council of the District of Columbia detailing proposed expenditures.

Transportation Services and Assistance

Transportation services and assistance, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $123,681,600, of which $2,500,000 shall be payable from the revenue sharing trust fund: *Provided,* That this appropriation shall not be available for the purchase of driver-training vehicles.

Environmental Services and Supply

Environmental services and supply, $31,287,300: *Provided,* That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business or from apartment houses with four or more apartments, or from any building or connected group of buildings operating as a rooming or boarding house as defined in the housing regulations of the District of Columbia: *Provided further,* That $550,000 of this appropriation shall be transferred to the Water and Sewer Enterprise Fund as a miscellaneous revenue.

Personal Services

For pay increases and related costs, to be transferred by the Mayor of the District of Columbia to the appropriations for fiscal year 1982 from which employees are properly payable, $36,279,100.

Repayment of Loans and Interest

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896); section 743(f) of the District of

Columbia Self-Government and Governmental Reorganization Act, approved October 13, 1977 (91 Stat. 1156; D.C. Code 9-220, note); the Departments of Labor, and Health, Education and Welfare Appropriation Act, 1955, approved July 2, 1954 (68 Stat. 443); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; D.C. Code 9-220); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; D.C. Code 43-163); and section 723 of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 821; D.C. Code 47-241, note), including interest as required thereby, $126,060,600.

REPAYMENT OF GENERAL FUND DEFICIT

For the purpose of eliminating the general fund accumulated deficit, $10,000,000.

CONTINGENT SERVICES FUND

For establishment of the contingent services fund, $2,400,000: *Provided,* That these funds shall be made available to the Board of Education in whole or in part pursuant to an agreement duly executed by the Mayor and the Board of Education for the use of school space in lieu of rental space for the Department of Human Services: *Provided further,* That upon the execution of the agreement a reprogramming request detailing the disposition of applicable funds for the Board of Education or for the Department of Human Services for space rental will be forwarded by the Mayor to the Council of the District of Columbia in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100).

CAPITAL OUTLAY

For construction projects as authorized by An Act Authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; D.C. Code 43-1510 et seq.); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; D.C. Code 43-1521a-1521d); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; D.C. Code 9-220); An Act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942, as amended, approved August 20, 1958 (72 Stat. 686); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 321; D.C. Code 1-1443 and 9-220(b)(3)); including acquisition of sites; preparation of plans and specifications; conducting preliminary surveys; erection of structures, including building improvement and alteration and treatment of grounds; to remain available until expended, $211,521,100: *Provided,* That $3,019,700 shall be available for project management and

D.C. Code 40-804.

$4,172,100 for design by the Director of the Department of General Services or by contract for architectural engineering services, as may be determined by the Mayor, and that the funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further,* That all such funds shall be available only for the specific projects and purposes intended: *Provided further,* That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, Public Law 90-495, approved August 23, 1968 (82 Stat. 827, D.C. Code 7-135, note), for which funds are provided by this paragraph, shall expire on September 30, 1983, except authorizations for projects as to which funds have been obligated in whole or in part prior to such date. Upon expiration of any such project authorization the funds provided herein for such project shall lapse: *Provided further,* That the Mayor of the District of Columbia shall not request the advance of any moneys for new general fund capital improvement projects without the approval by resolution of the Council of the District of Columbia.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $106,208,200: *Provided,* That $24,552,000 of the funds appropriated to the Water and Sewer Enterprise Fund shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund, $1,231,300: *Provided,* That the Convention Center Board, established by section 3 of the Washington Convention Center Management Act of 1979, effective November 3, 1979 (D.C. Law 3-36; D.C. Code 9-602) shall reimburse the Auditor of the District of Columbia for all reasonable costs for performance of the annual convention center audit.

GENERAL PROVISIONS

Consulting services.

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Vouchers.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

Maximum allowances.

SEC. 103. Whenever in this Act an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount which may be expended for said purpose or object rather than an amount set apart exclusively therefor, except for those funds and programs for the Metropolitan Police Department under the heading "Public Safety and Justice" which shall be

considered as the amount set apart exclusively for expenditure by that Department.

Automobile and motorcycle allowances.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided,* That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed from time to time in the Federal Travel Regulations.

Travel expenses and organization dues.

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided,* That the Council of the District of Columbia may expend such funds without authorization by the Mayor.

Taxicab regulation.

SEC. 106. Appropriations in this Act shall not be used for or in connection with the preparation, issuance, publication, or enforcement of any regulation or order of the Public Service Commission requiring the installation of meters in taxicabs, or for or in connection with the licensing of any vehicle to be operated as a taxicab except for operation in accordance with such system of uniform zones and rates and regulations applicable thereto as shall have been prescribed by the Public Service Commission.

Judgment payments.

SEC. 107. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments which have been entered against the District of Columbia government: *Provided,* That nothing contained in this section shall be construed as modifying or affecting the provisions of paragraph 3, subsection (c) of section 11 of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved July 16, 1947 (61 Stat. 355; D.C. Code 47-1586(j)).

SEC. 108. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 5(b) of the District of Columbia Public Assistance Act of 1962, approved October 15, 1962 (76 Stat. 915; D.C. Code 3-204) and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, Public Law 90-445, approved July 31, 1968 (82 Stat. 462; 42 U.S.C. 3801).

Fiscal year limitation.

SEC. 109. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Overtime and temporary positions.

SEC. 110. Not to exceed 4½ per centum of the total of all funds appropriated by this Act for personal compensation may be used to pay the cost of overtime or temporary positions.

Travel expenditure limitation.

SEC. 111. The total expenditure of funds appropriated by this Act for authorized travel and per diem costs outside the District of Columbia, Maryland, and Virginia shall not exceed $225,000.

Employment limitation.

SEC. 112. Appropriations in this Act shall not be available, during the fiscal year ending September 30, 1982, for the compensation of any person appointed—

(1) as a full-time employee to a permanent, authorized position in the District of Columbia government during any month when the number of such employees is greater than 32,950, which includes 31,991 for the general fund and 959 for the water and sewer fund: *Provided,* That—

(A) positions within this city employment limitation shall be set aside as the maximum number of permanent, authorized employees for the general fund as follows: Appropriated positions, 28,857, of which 8,869 shall be for Public Schools;

intra-District positions, 1,079; District of Columbia General Hospital positions, 2,055; and

(B) the District of Columbia Public Schools and the District of Columbia General Hospital shall not exceed their respective employment limitations and are required to report monthly to the Mayor, for the purpose of maintaining controls on city-wide employment, regarding the total number of current employees and the total number of separations and filling of positions within their respective employment limitations; or

(2) as a temporary or part-time employee in the government of the District of Columbia during any month in which the number of such employees exceeds the number of such employees for the same month of the preceding fiscal year.

Partisan political activities.

SEC. 113. No funds appropriated in this Act for the government of the District of Columbia for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

D.C. annual budget, transmittal to Congress.

SEC. 114. The annual budget for the District of Columbia government for fiscal year 1983 shall be transmitted to the Congress by not later than April 15, 1982. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations or their duly authorized representatives.

SEC. 115. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code 47-331 et seq.).

SEC. 116. None of the funds contained in this Act shall be made available to pay the salary of any employee of the government of the District of Columbia whose name and salary are not available for public inspection.

Partisan publicity or propaganda.

SEC. 117. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

Abortion funding.

SEC. 118. None of the Federal funds provided in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy.

Report to Council of District of Columbia and Congress.

SEC. 119. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for borrowing from the United States Treasury: *Provided,* That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

Capital project funds.

SEC. 120. The Mayor shall not borrow any funds for capital projects from the United States Treasury unless he has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 121. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

Police and firefighters, hiring.

SEC. 122. None of the funds appropriated in this Act may be used for the implementation of a personnel lottery with respect to the hiring of firefighters or police officers.

Municipal waste disposal.

SEC. 123. None of the funds appropriated by this Act may be used to transport any output of the municipal waste system of the District of Columbia for disposal at any public or private landfill located in any State, excepting currently utilized landfills in Maryland and Virginia, until the appropriate State agency has issued the required permits.

SEC. 124. None of the Federal funds provided under this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

Passenger automobile procurement.

SEC. 125. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon. This section shall not apply to security, emergency rescue, or armored vehicles.

Short title.

This Act may be cited as the "District of Columbia Appropriation Act, 1982".

Approved December 4, 1981.

LEGISLATIVE HISTORY—H.R. 4522:

HOUSE REPORTS: No. 97-235 (Comm. on Appropriations) and No. 97-327 (Comm. of Conference).
SENATE REPORT No. 97-254 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 22, considered and passed House.
Oct. 30, considered and passed Senate, amended.
Nov. 18, House agreed to conference report; concurred in certain Senate amendments.
Nov. 19, Senate agreed to conference report; resolved amendments in disagreement.

Public Law 97-92
97th Congress

Joint Resolution

Making further continuing appropriations for the fiscal year 1982, and for other purposes.

Dec. 15, 1981
[H.J. Res. 370]

Further continuing appropriations for fiscal year 1982.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1982, and for other purposes, namely:

SEC. 101. (a)(1) Such amounts as may be necessary for projects or activities (not otherwise specifically provided for in this joint resolution) for which appropriations, funds, or other authority would be available in the following appropriations Acts:

Department of Defense Appropriation Act, 1982;

Military Construction Appropriation Act, 1982;

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1982; and

Treasury, Postal Service and General Government Appropriation Act, 1982.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed the House as of December 15, 1981, is different from that which would be available or granted under such Act as passed by the Senate as of December 15, 1981, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority: *Provided,* That where an item is included in only one version of an Act as passed by both Houses as of December 15, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations of the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal year 1981: *Provided further,* That for the purposes of this joint resolution, when an Act listed in this subsection has been reported to a House but not passed by that House as of December 15, 1981, it shall be deemed as having been passed by that House: *Provided further,* That, in addition to the sums otherwise made available by this paragraph the following additional sums are hereby appropriated: for low income home energy assistance program, $175,000,000; for the foster care program authorized by title IV of the Social Security Act, $75,000,000: *Provided further,* That the provisions contained in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act for fiscal year 1982 (H.R. 4560), as reported by the Senate Committee on Appropriations on

42 USC 601.

November 9, 1981, related to a limitation on entitlement to payments under parts A and E of title IV of the Social Security Act and transfer of funds under parts B and E of such title (contained in H.R. 4560 as so reported beginning with "provided" on page 39, line 17, and ending on page 40, line 8) shall not be applicable with respect to any sums appropriated pursuant to this joint resolution; for the family medicine residency training programs authorized by section 786 of the Public Health Service Act, $10,000,000; for the Community Services Block Grant, $62,552,000; and for the State Block Grant authorized by chapter 2 of the Education Consolidation and Improvement Act of 1981, $140,000,000; and for the Office of Smoking and Health, as authorized by section 301 of the Public Health Service Act, $1,500,000: *Provided further,* That the college housing loan program shall operate under the terms and conditions as contained in H.R. 4560 as passed the House October 6, 1981, except that the gross commitments for the principal amount of direct loans shall not exceed $75,000,000: *Provided further,* That notwithstanding the rate otherwise established by this subsection, and notwithstanding section 143 of this joint resolution, for the Department of Labor Grants to States for Unemployment Insurance and Employment Services account, $19,272,000 in new budget authority is appropriated, and no more than $1,913,384,000 may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided further,* That no funds provided by this joint resolution shall be used for administrative or other expenses in connection with the closure of any State unemployment office, except in such cases as may be determined by the respective State agency to render its services more efficient: *Provided further,* That notwithstanding the rate otherwise established by this subsection, for carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, and sections 1526 and 1533(d) of the Public Health Service Act, $78,535,000, with not to exceed $872,000,000, to be transferred to this appropriation as authorized by section 201(g)(1) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein, but not subject to the reduction contained in section 143 of this joint resolution; none of these funds shall be used to pay the expenses of Statewide Professional Standards Review Councils; $20,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes (31 U.S.C. 665), only to the extent necessary and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further,* That notwithstanding the rate otherwise established by this subsection, for necessary expenses for the Social Security Administration, not more than $3,017,000,000 may be expended as authorized by section 201(g)(1), of the Social Security Act, from any one or all of the trust funds referred to therein, but not subject to the reduction contained in section 143 of this joint resolution; $70,000,000 of the foregoing amount shall be apportioned for use pursuant to section 3679 of the Revised Statutes (31 U.S.C. 665), only to the extent necessary for additional automatic data processing expenses, to process other workloads not anticipated in the budget estimates, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs

42 USC 601, 670.
42 USC 620, 670.
42 USC 295g-6.
Ante, p. 469.
42 USC 241.
Post, p. 1203.
42 USC 1301, 1395, 1396.
42 USC 300m-5, 300n-2.
42 USC 401.
42 USC 1381, 1395, 421.

within the remainder of the existing limitation has been achieved: *Provided further,* That funds which would be available under H.R. 4121, entitled the Treasury, Postal Service and General Government Appropriation Act, 1982, for the Government payment of annuitants and employees health benefits, shall be available under the authority and conditions set forth in H.R. 4121 as reported to the Senate on September 22, 1981: *Provided further,* That for the purposes of this joint resolution, the Senate reported level of H.R. 4121, entitled the Treasury, Postal Service, and General Government Appropriation Act, 1982, shall be the level reported by the Senate on September 22, 1981 (S. Rept. No. 97-192), as modified on November 17, 1981.

(4) Whenever an Act listed in this subsection has been passed by only one House as of December 15, 1981, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations of the current rate or the rate permitted by the action of the one House, whichever is lower, and under the authority and conditions provided in applicable appropriation Acts for the fiscal year 1981.

(5) No provision which is included in an appropriation Act enumerated in this subsection but which was not included in the applicable appropriation Act of 1981, and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in the joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(6) In addition to any sums otherwise appropriated there is appropriated an additional sum of $25,000,000 which shall be made available for training, job search allowances, and relocation allowances, under sections 236, 237, and 238 of the Trade Act of 1974. 19 USC 2296, 2297, 2298.

(b) Such amounts as may be necessary for continuing programs and activities, not otherwise provided for, which were conducted in the fiscal year 1981, for which provision was made in and under the terms and conditions of section 101(b) of Public Law 96-536 regarding foreign assistance and related programs, notwithstanding section 10 of Public Law 91-672, and section 15(a) of the State Department Basic Authorities Act of 1956, at a rate for operations not in excess of the current rate provided in fiscal year 1981 or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority: *Provided,* That the limitation on gross obligations for the principal amount of direct loans by the Export-Import Bank shall be increased by $100,000,000, and the limitation on total commitments to guarantee loans by the Export-Import Bank shall be increased by $2,220,000,000 of contingent liability for loan principal: *Provided further,* That this section shall be deemed to allow the continuation of the activities of the Department of State for contributions to the United Nations Relief and Works Agency for Palestinian Refugees at a rate of operations not in excess of the current rate.

94 Stat. 3166.
22 USC 2412.
22 USC 2680.

(c) Such amounts as may be necessary for projects or activities provided for in the Department of Transportation and Related Agencies Appropriation Act, 1982, at a rate for operations and to the extent and in the manner provided for in the conference report and joint explanatory statement of the committee of conference (H. Rept. No. 97-331) filed in the House of Representatives on November 13, 1981, as if such Act had been enacted into law, except that appropriations made available for the projects or activities provided for in the Department of Transportation and Related Agencies Appropriation Act, 1982, in this joint resolution are hereby reduced in the following amounts:

DEPARTMENT OF TRANSPORTATION

Office of the Secretary, salaries and expenses and transportation planning, research, and development, $4,500,000;

Coast Guard, operating expenses, $48,400,000, of which $5,000,000 shall be deducted from the amounts made available for recreational boating safety; acquisition, construction, and improvements, $16,000,000; alteration of bridges, $4,000,000; research, development, test, and evaluation, $4,000,000; offshore oil pollution compensation fund, $3,000,000; and deepwater port liability fund, $3,000,000;

Federal Aviation Administration, operations, $125,000,000; facilities, engineering and development, $9,000,000; facilities and equipment (Airport and Airway Trust Fund), $24,000,000; research, engineering and development (Airport and Airway Trust Fund), $16,000,000; and construction, Metropolitan Washington Airports, $5,000,000;

Federal Highway Administration, highway safety research and development, $2,000,000; highway beautification, $1,500,000; territorial highways, $1,000,000; and interstate transfer grants-highways, $37,000,000;

National Highway Traffic Safety Administration, operations and research, $7,000,000;

Federal Railroad Administration, office of the administrator, $500,000; railroad safety, $2,500,000; railroad research and development, $9,000,000; rail service assistance, $4,000,000, of which at least $2,000,000 shall be deducted from amounts made available for the Minority Business Resource Center; Northeast corridor improvement program, $6,000,000; and redeemable preference shares, $7,000,000;

Urban Mass Transportation Administration, administrative expenses, $3,000,000; research, development, and demonstrations and university research and training, $10,000,000; urban discretionary grants, $29,500,000; non-urban formula grants, $4,000,000; urban formula grants, $64,750,000; and interstate transfer grants-transit, $22,000,000;

Research and Special Programs Administration, research and special programs, $9,000,000, of which $2,500,000 shall be deducted from the amounts made available for research and development and $750,000 shall be deducted from amounts made available for grants-in-aid as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968;

49 USC 1674.

RELATED AGENCIES

Architectural and Transportation Barriers Compliance Board, salaries and expenses, $100,000;

National Transportation Safety Board, salaries and expenses, $2,000,000;

Civil Aeronautics Board, salaries and expenses, $1,500,000;

Interstate Commerce Commission, salaries and expenses, $4,000,000;

Department of the Treasury, Office of the Secretary, investment in fund anticipation notes, ($7,000,000); and

United States Railway Association, administrative expenses, $4,000,000.

(d) Such amounts as may be necessary for projects or activities provided for in the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1982 (H.R. 4034), at a rate for operations and to the extent and in the manner provided for

in the conference report and joint explanatory statement of the committee of conference (H. Rept. No. 97-222) filed in the House of Representatives on September 11, 1981, as if such Act had been enacted into law, with the following new title:

"TITLE V

"SEC. 501. Notwithstanding any other provision of this Act—

"(1) The amount of the increase in contract authority under the heading 'HOUSING PROGRAMS, ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING', shall be $897,177,848, and the amount of the increase in budget authority under such heading shall be $17,373,528,040.

"(2) The amount appropriated under the heading 'HOUSING PROGRAMS, HOUSING COUNSELING ASSISTANCE', shall be $3,520,000.

"(3) The amount appropriated under the heading 'SOLAR ENERGY AND ENERGY CONSERVATION BANK, ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS', shall be $23,000,000.

"(4) The amount appropriated under the heading 'COMMUNITY PLANNING AND DEVELOPMENT, COMMUNITY DEVELOPMENT GRANTS', shall be $3,600,000,000.

"(5) The amount appropriated under the heading 'COMMUNITY PLANNING AND DEVELOPMENT, URBAN DEVELOPMENT ACTION GRANTS', shall be $458,000,000.

"(6) The amount appropriated under the heading 'POLICY DEVELOPMENT AND RESEARCH, RESEARCH AND TECHNOLOGY', shall be $20,000,000.

"(7) The amount appropriated under the heading 'FAIR HOUSING AND EQUAL OPPORTUNITY, FAIR HOUSING ASSISTANCE', shall be $5,016,000.

"(8) The amount appropriated under the heading 'MANAGEMENT AND ADMINISTRATION, WORKING CAPITAL FUND', shall be $528,000.

"(9) The amount appropriated under the heading 'DEPARTMENT OF DEFENSE—CIVIL, CEMETERIAL EXPENSES, ARMY, SALARIES AND EXPENSES', shall be $4,476,000.

"(10) The amount appropriated under the heading 'ENVIRONMENTAL PROTECTION AGENCY, SALARIES AND EXPENSES', shall be $562,837,000.

"(11) The amount appropriated under the heading 'ENVIRONMENTAL PROTECTION AGENCY, RESEARCH AND DEVELOPMENT', shall be $167,759,000.

"(12) The amount appropriated under the heading 'ENVIRONMENTAL PROTECTION AGENCY, ABATEMENT, CONTROL AND COMPLIANCE', shall be $395,000,000.

"(13) The amount appropriated under the heading 'ENVIRONMENTAL PROTECTION AGENCY, BUILDINGS AND FACILITIES', shall be $3,621,000.

"(14) The amount appropriated under the heading 'EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY', shall be $919,000.

"(15) The amount appropriated under the heading 'EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF SCIENCE AND TECHNOLOGY POLICY', shall be $1,578,000.

"(16) The amount appropriated under the heading 'FEDERAL EMERGENCY MANAGEMENT AGENCY, FUNDS APPROPRIATED TO THE PRESIDENT, DISASTER RELIEF', shall be $301,694,000.

"(17) The amount appropriated under the heading 'FEDERAL EMERGENCY MANAGEMENT AGENCY, SALARIES AND EXPENSES', shall be $93,879,000.

"(18) The amount appropriated under the heading 'FEDERAL EMERGENCY MANAGEMENT AGENCY, STATE AND LOCAL ASSISTANCE', shall be $121,829,000.

"(19) The amount appropriated under the heading 'FEDERAL EMERGENCY MANAGEMENT AGENCY, EMERGENCY PLANNING AND ASSISTANCE', shall be $67,906,000.

"(20) There are appropriated, out of any money in the Treasury not otherwise appropriated, for the repayment of notes dated April 17, 1979, and September 28, 1979, issued by the Director of the Federal Emergency Management Agency to the Secretary of the Treasury pursuant to section 15(e) of the Federal Flood Insurance Act of 1956 (42 U.S.C. 2414(e)), $328,240,000.

"(21) The amount appropriated under the heading 'DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF CONSUMER AFFAIRS', shall be $1,760,000.

"(22) The amount appropriated under the heading 'NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, RESEARCH AND DEVELOPMENT', for the Space Shuttle including space flight operations shall not exceed $3,104,900,000: *Provided*, That the limitations subject to the approval of the Committees on Appropriations contained under this heading shall not be affected by this subsection.

"(23) The amount appropriated under the heading 'NATIONAL SCIENCE FOUNDATION, RESEARCH AND RELATED ACTIVITIES', shall be $1,010,000,000.

"(24) The amount appropriated under the heading 'NATIONAL SCIENCE FOUNDATION, SCIENCE EDUCATION ACTIVITIES', shall be $22,000,000.

"(25) The amount appropriated under the heading 'NATIONAL SCIENCE FOUNDATION, SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)', shall be $3,080,000.

"(26) The amount appropriated under the heading 'SELECTIVE SERVICE SYSTEM, SALARIES AND EXPENSES', shall be $18,633,000.

"(27) The amount appropriated under the heading 'DEPARTMENT OF THE TREASURY, OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES', shall be $6,148,000.

"(28) The amount appropriated under the heading 'DEPARTMENT OF THE TREASURY, NEW YORK CITY LOAN GUARANTEE PROGRAM', shall be $822,000.

"(29) The amount appropriated under the heading 'VETERANS ADMINISTRATION, COMPENSATION AND PENSIONS', shall be $13,824,000,000.

"(30) The amount appropriated under the heading 'VETERANS ADMINISTRATION, READJUSTMENT BENEFITS', shall be $1,938,800,000.

"(31) The amount appropriated under the heading 'VETERANS ADMINISTRATION, MEDICAL AND PROSTHETIC RESEARCH', shall be $128,215,000.

"(32) The amount appropriated under the heading 'VETERANS ADMINISTRATION, MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES', shall be $57,700,000.

"(33) The amount appropriated under the heading 'VETERANS ADMINISTRATION, CONSTRUCTION, MAJOR PROJECTS', shall be $378,338,000.

"(34) The amount appropriated under the heading 'VETERANS ADMINISTRATION, CONSTRUCTION, MINOR PROJECTS', shall be $102,942,000, of which not to exceed $30,018,000 shall be available for the Office of Construction.

"(35) The amount appropriated under the heading 'VETERANS ADMINISTRATION, GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES', shall be $15,840,000.

"(36) The amount appropriated under the heading 'DEPARTMENT OF THE TREASURY, INVESTMENT IN NATIONAL CONSUMER COOPERATIVE BANK', shall be $43,000,000: *Provided,* That the final Government equity redemption date for the National Consumer Cooperative Bank shall occur on December 31, 1981.

"(37) During fiscal year 1982, gross obligations of not to exceed $75,960,000 are authorized for payments under section 230(a) of the National Housing Act, as amended, from the insurance fund chargeable for benefits on the mortgage covering the property to which the payments made relate, and payments in connection with such obligations are hereby approved. 12 USC 1715u.

"(38) The amount appropriated under the heading 'HOUSING PROGRAMS, PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS—FISCAL YEAR 1981', shall remain available until September 30, 1982: *Provided,* That any part of the foregoing amount which has not been obligated before the forty-fifth calendar day following the enactment of this joint resolution, shall be deemed obligated notwithstanding the provisions of 31 U.S.C. 200(a).

"(39) The Congress also disapproves the deferral under the heading 'VETERANS' ADMINISTRATION, (DISAPPROVAL OF DEFERRAL)', of the Washington, District of Columbia, and Long Beach, California, projects as contained in deferral notice D82-140.

"(40) Notwithstanding any other provision of this Act, including any other provision of this title, any agency may before December 31, 1981, transfer to salaries and expenses from other sources made available to it by this Act, such amounts as may be required if the aggregate amount available for salaries and expenses, after such transfer, does not exceed the amount contained for such purposes in this Act before the application of the changes contained in title V: *Provided,* That such transfers shall be subject to the approval of the Committees on Appropriations: *Provided further,* That in the Department of Housing and Urban Development not to exceed (1) $34,000,000 shall be available for data processing services, (2) 12 full-time permanent positions and 16 staff years shall be available for the Immediate Office of the Assistant Secretary for Administration, and (3) 26 full-time permanent positions and 27 staff years shall be available for the Office of the Assistant Secretary for Legislation and Congressional Relations: *Provided further,* That in the National Aeronautics and Space Administration not to exceed (1) 150 full-time permanent positions shall be available for the Office of the Comptroller, and (2) 120 full-time permanent positions shall be available for the Office of External Relations: *Provided further,* That in the Veterans' Administration not to exceed (1) $1,500,000 shall be available for the Office of Planning and Program Evaluation, and (2) 649 staff years shall be available for the Supply Service.". Funds, transfer.

(e) Such amounts as may be necessary for projects or activities provided for in the Department of the Interior and Related Agencies Appropriation Act, 1982, at a rate for operations and to the extent and in the manner provided for in the conference report and joint

explanatory statement of the committee of conference (H. Rept. No. 97-315) as approved by the House of Representatives on November 12, 1981, as if such Act had been enacted into law.

(f) Such amounts as may be necessary for projects or activities provided for in the Agriculture, Rural Development, and Related Agencies Appropriation Act, 1982, at a rate for operations and to the extent and in the manner provided for in the conference report and joint explanatory statement of the committee of conference (H. Rept. No. 97-313) filed in the House of Representatives on November 4, 1981, as if such Act had been enacted into law.

5 USC 5318 note.

(g) The provisions of section 305 (a), (b), and (d) of H.R. 4120, entitled the Legislative Branch Appropriation Act, 1982, shall apply to any appropriation, fund, or authority made available for the period October 1, 1981, through September 30, 1982, by this or any other Act.

22 USC 2680.
22 USC 1476.

(h) Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956 and section 701 of the United States Information and Educational Exchange Act of 1948, as amended, such amounts as may be necessary for projects or activities provided for in the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriation Act, 1982, at the rate provided in H.R. 4169 as passed the House of Representatives on September 9, 1981, and under the authority and conditions provided in the applicable appropriation Act for fiscal year 1981, except that for the following items funding shall be at the rate specified herein:

TITLE I

DEPARTMENT OF COMMERCE

Bureau of the Census: "Salaries and Expenses", $57,200,000; "Periodic Censuses and Programs", $87,898,000;

Economic Development Administration, "Economic Development Assistance Programs", $198,500,000;

International Trade Administration, "Operations and Administration", $151,700,000: *Provided*, That during fiscal year 1982 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $20,000,000. During fiscal year 1982, total commitments to guarantee loans shall not exceed $38,250,000 of contingent liability for loan principal;

United States Travel and Tourism Administration, "Salaries and Expenses", $7,600,000;

Funds, transfer.

National Oceanic and Atmospheric Administration: "Operations, Research and Facilities", $830,455,000, of which $10,000,000 is to be derived by transfer from the fund entitled "Promote and develop fishery products and research pertaining to American fisheries"; "Coastal Zone Management", $7,415,000; "Fisheries Loan Fund", $0; "Foreign Fishing Observer Fund", $4,000,000; "Fishermen's Guaranty Fund", $1,800,000;

Science and Technical Research: "Scientific and Technical Research and Services", $125,528,000, of which $2,042,000 shall be available for necessary expenses to enable the Department of Commerce to enter into an agreement with the Smithsonian Institution to close out the Smithsonian Science Information Exchange (SSIE), to transfer the assets of the SSIE to the Department of Commerce, and to pay the outstanding net liabilities of SSIE, including severance pay to SSIE employees;

National Telecommunications and Information Administration: "Salaries and Expenses", $16,483,000; "Public Telecommunications Facilities, Planning and Construction", $18,000,000;

Maritime Administration: "Operations and Training", $74,898,000;

RELATED AGENCIES

Federal Communications Commission, "Salaries and Expenses", $76,900,000;

Federal Maritime Commission, "Salaries and Expenses", $11,225,000;

Federal Trade Commission, "Salaries and Expenses", $68,774,000;

International Trade Commission, "Salaries and Expenses", $17,200,000;

Office of the United States Trade Representative, "Salaries and Expenses", $9,000,000: *Provided,* That not to exceed $60,000 shall be available for official reception and representation expenses;

Securities and Exchange Commission, "Salaries and Expenses", $82,906,000;

Small Business Administration, "Salaries and Expenses", $221,945,000: *Provided,* That $14,000,000 of said amount shall be available only for grants for Small Business Development Centers as authorized by section 20(a) of the Small Business Act, as amended. In addition, $19,200,000 for disaster loan making activities, including loan servicing, shall be transferred to this appropriation from the "Disaster Loan Fund"; "Business Loan and Investment Fund", $326,000,000; "Disaster Loan Fund", $0; "Lease Guarantees Revolving Fund", $3,000,000; "Surety Bond Guarantees Revolving Fund", $19,000,000; 15 USC 631 note.

United States Metric Board, "Salaries and Expenses", $2,000,000.

TITLE II

DEPARTMENT OF JUSTICE

General Administration, "Salaries and Expenses", $41,233,000, of which $500,000, to remain available until expended, is for the Federal justice research program;

United States Parole Commission, "Salaries and Expenses", $6,200,000;

Legal Activities, "Salaries and Expenses, General Legal Activities", $123,200,000;

"Salaries and Expenses, Antitrust Division", $44,000,000;

"Salaries and Expenses, United States Attorneys and Marshals", $291,950,000;

"Support of United States Prisoners", $24,100,000;

"Fees and Expenses of Witnesses", $27,921,000;

"Salaries and Expenses, Community Relations Service", $5,500,000;

Federal Bureau of Investigation, "Salaries and Expenses", $739,609,000;

Immigration and Naturalization Service, "Salaries and Expenses", $428,557,000;

Federal Prison System, "Salaries and Expenses", $353,000,000; "National Institute of Corrections", $11,186,000; "Buildings and Facilities", $13,731,000, including $1,920,000 for the planning, design, acquisition, and preparation of a site for a Federal Correctional Institution to be located in central Arizona and any necessary

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relocation or replacement of existing site structures or other improvements, as well as the grading and development of utility distribution systems; "Federal Prison Industries, Incorporated: (Limitation on Administrative and Vocational Training Expenses)", $5,066,000;

Office of Justice Assistance, Research, and Statistics, "Law Enforcement Assistance", $93,554,000: *Provided*, That $70,000,000 of said amount shall be available only for grants and administrative expenses authorized by title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended: *Provided further*, That $4,000,000 of said amount provided for the program "Treatment Alternatives to Street Crime" shall be allocated solely to implement part E of the Justice System Improvement Act of 1979;

42 USC 5611.

42 USC 3751.

RELATED AGENCIES

Equal Employment Opportunity Commission, "Salaries and Expenses", $139,889,000 of which not to exceed $18,500,000 is for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act, as amended, and sections 6 and 14 of the Age Discrimination in Employment Act.

42 USC 2000e.

29 USC 625, 633.

TITLE III

DEPARTMENT OF STATE

Administration of Foreign Affairs; "Salaries and Expenses", $890,758,000; "Acquisition, Operation and Maintenance of Buildings Abroad (Special Foreign Currency Program)", $9,102,000; "Emergencies in the Diplomatic and Consular Service", $4,400,000; "Buying Power Maintenance", $1,500,000;

International Organizations and Conferences: "Contributions to International Organizations", $398,240,000, including funds for the payment of 1982 assessed contributions to the Pan American Health Organization, and to reimburse the Pan American Health Organization for payments under the tax equalization program for employees who are United States citizens; "International Conferences and Contingencies", $7,284,000;

International Commissions; "International Boundary and Water Commission, United States and Mexico, Salaries and Expenses", $7,927,000; "American Sections, International Commissions", $2,847,000; International Fisheries Commissions", $8,237,000; and "The Asia Foundation", $4,100,000.

RELATED AGENCIES

Board for International Broadcasting, "Grants and Expenses", $86,519,000;

Commission on Security and Cooperation in Europe, "Salaries and Expenses", $404,000; and

International Communication Agency: "Salaries and Expenses", $443,286,000; "Center for Cultural and Technical Interchange Between East and West", $16,880,000; "Acquisition and Construction of Radio Facilities", $19,000,000.

TITLE IV

THE JUDICIARY

Courts of Appeals, District Courts, and Other Judicial Services: "Salaries of Judges", $59,400,000; "Salaries of Supporting Personnel", $263,400,000; "Expenses of Operation and Maintenance of the Courts", $55,600,000; "Bankruptcy Courts, Salaries and Expenses", $81,200,000; "Fees of Jurors and Commissioners", $43,500,000; "Space and Facilities", $123,000,000.

Funding availability.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall be available from December 15, 1981, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) March 31, 1982, whichever first occurs.

Subsection (c) of this section shall not reduce the availability of funds which would remain available beyond March 31, 1982, under the terms and conditions otherwise effective under this joint resolution.

SEC. 103. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 104. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 105. All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution for the purposes of maintaining the minimum level of essential activities necessary to protect life and property and bringing about orderly termination of other functions are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

SEC. 106. No provision in any appropriation Act for the fiscal year 1982 that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 102(c) of this joint resolution.

42 USC 293, 293b.

SEC. 107. Notwithstanding any other provisions of this joint resolution and the provisions of sections 720(b) and 722(a)(1) of the Public Health Service Act, $35,790,000 is appropriated and shall remain available until expended for grants for the construction or expansion of two teaching facilities under section 720(a)(1) of such Act.

Post, p. 1201.

SEC. 108. Notwithstanding any other provision of this joint resolution except section 142, $869,240,000 is appropriated under this joint resolution for payment to the Postal Service Fund, of which $230,000,000 shall be available for public service costs and $639,240,000 shall be available for revenue forgone on free and reduced-rate mail. Notwithstanding any other provision of law, the Postal Service shall promptly adjust preferred rates so as to recover the difference between the amount which was authorized to be appropriated under section 2401(c) of title 39, United States Code, and the amount hereby appropriated. Such adjustments shall be made in accordance with the following subsections:

(a) The amount attributable to the reduction in authorization specified in section 1723(a)(1) of the Omnibus Budget Reconciliation Act of August 13, 1981, shall be recovered from the classes of mail specified in section 1723(b)(1) of such Act.

Ante, p. 759.

(b)(1) The remaining amount shall be recovered through proportional adjustment, except as provided in paragraph (2) of this subsection, to the rates for each class of reduced-rate mail under section 3626 of title 39, United States Code, after the adjustment required by subsection (a) of this section.

(2) The adjustment made under paragraph (1) of this subsection shall provide for recovery of $20,000,000 less from mail under former sections 4358(a), 4554(b), and 4554(c) of title 39, United States Code, and $20,000,000 more from the other affected categories, than if such adjustment were fully proportional for all affected categories.

(c) Any further adjustments needed because of section 143 of this resolution shall be proportional as provided in subsection (b)(1) of this section without regard to subsection (b)(2).

(d) Any adjustments under this section shall look first to the phased rates under section 3626 of title 39, United States Code, and shall not affect the remaining (continuing) rate reductions for any category until phasing for all categories is exhausted.

SEC. 109. No funds made available pursuant to this continuing resolution may be used to accomplish or implement a proposed reorganization of the Bureau of Alcohol, Tobacco and Firearms before March 30, 1982. Such reorganization plan may be implemented after March 30, 1982, unless disapproved by the House and Senate Committees on Appropriations: *Provided*, That of the funds made available by this Continuing Resolution for the Bureau of Alcohol, Tobacco and Firearms, $15,000,000 shall be available solely for the enforcement of the Federal Alcohol Administration Act during fiscal year 1982.

27 USC 201.

SEC. 110. Notwithstanding any other provision of this joint resolution, the Secretary of the Treasury is authorized to transfer up to 2 per centum from any appropriation account provided by this joint resolution for the Department of the Treasury otherwise appropriated in H.R. 4121, entitled the Treasury, Postal Service and General Government Appropriation Act, 1982, to any other such appropriation account: *Provided*, That the recipient appropriation account is not increased by more than 2 per centum of the amount provided by this joint resolution: *Provided further*, That approval for such transfers is obtained in advance from the House and Senate Committees on Appropriations.

SEC. 111. Notwithstanding any other provision of this joint resolution, funds available to the Federal Building Fund within the General Services Administration may be used to initiate new construction, advance design, and repairs and alteration line-item projects and lease construction projects which are included in either H.R. 4121, as passed by the House, or in H.R. 4121, as reported by the Senate on September 22, 1981.

SEC. 112. (a) None of the funds appropriated by this joint resolution may be used to—

(1) enforce Revenue Ruling 81-216 or the proposed amendments to Income Tax Regulations sections 1.103-7 and 1.103-10 which were published in the Federal Register on October 8, 1981, or

46 FR 50014.
26 CFR Part 1.

(2) propose, promulgate, or enforce any ruling or regulation reaching the same result as, or a result similar to, such Revenue Ruling or Regulations,

in connection with a qualified issue, or

(3) issue rulings or regulations which treat as exempt from taxation under section 103(b)(6) of the Internal Revenue Code of 1954 any interest earned on an obligation the proceeds of which are used for a disqualified facility. 26 USC 103.

(b)(1) For purposes of subsection (a), the term "qualified issue" means a single issue (whether or not part of a composite or multiple series of issues)— "Qualified issue."

(A) all of the obligations of which are directly or indirectly guaranteed or secured in whole or in part by—

(i) a State or political subdivision thereof or an instrumentality of either, or

(ii) in the case of an issue all of the proceeds of which are used for agricultural purposes, a qualified person (within the meaning of section 46(c)(8)(D) of the Internal Revenue Code of 1954 determined without regard to clauses (iii) and (iv) thereof), and 26 USC 46.

(B) none of the proceeds of which are used in connection with a disqualified facility or a facility with respect to which, at any time before January 1, 1987—

(i) any disqualified person used more than 5 percent of the facility, or

(ii) more than 25 percent of the facility is (in the aggregate) used by disqualified persons.

For purposes of subparagraph (B), use by a related person (within the meaning of section 103(b)(6)(C) of such Code) shall be treated as use by the disqualified person.

(2)(A) For purposes of paragraph (1), the term "disqualified person" means a person (other than an exempt person within the meaning of section 103(b)(3) of such Code) which has aggregate capital expenditures for any purpose which, for the period beginning October 1, 1979, and ending September 30, 1982, exceed $25,000,000. "Disqualified person."

(B) For purposes of determining the aggregate capital expenditures of any person under subparagraph (A), there shall be taken into account the capital expenditures of all persons which are—

(i) related persons (within the meaning of section 103(b)(6)(C) of such Code) with respect to such person; or

(ii) guarantors of any portion of the issue with respect to which a determination is being made under this subsection other than a guarantor which—

(I) is a State or a political subdivision thereof or an instrumentality of either,

(II) in the case of an issue all of the proceeds of which are used for agricultural purposes, a person described in paragraph (1)(A)(ii), or

(III) one or more financial institutions which are not related persons (within the meaning of section 103(b)(6)(C) of such Code to the user of the proceeds of the isssue.

(C) For purposes of this paragraph, the term "capital expenditures" has the meaning given such term by section 103(b)(6)(D) of such Code, except that such term shall not include any amount paid or incurred by the taxpayer which constitutes a qualified research expense (within the meaning of section 44F(b) of such Code). 26 USC 44F.

(c) For purposes of subsection (a) and subparagraph (b)(1)(B), a "disqualified facility" is any private or commercial— "Disqualified facility."

(i) golf course,
(ii) country club,
(iii) massage parlor, or
(iv) tennis club.

(d) It is the sense of the Congress that after August 23, 1981, and until Congress enacts legislation which affects section 103(b)(6) of such Code, the Secretary of the Treasury or his delegate should in all cases enforce any ruling or regulation described in subsection (a) (1) or (2) in a manner consistent with the provisions of subsection (a).

26 USC 103.

SEC. 113. It is the sense of the Congress that the President of the United States should not include in his recommendations for revenue enhancements any recommendations which would have the effect of reducing Federal tax incentives for energy conservation or the development of renewable energy sources.

SEC. 114. Notwithstanding any other provision of law, funds provided under this joint resolution for the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)) shall not be withheld from obligation unless and until a special message specifying a deferral or rescission of budget authority for such programs is officially submitted to the Congress, when the Congress is in session.

49 USC 10903 note.

SEC. 115. Notwithstanding any other provision of law or of this joint resolution, none of the funds provided in this or any other Act shall hereafter be used by the Interstate Commerce Commission to approve railroad branchline abandonments in the State of North Dakota by the entity generally known as the Burlington Northern Railroad, or its agents or assignees, in excess of a total of 350 miles: *Provided*, That this section shall be in lieu of section 311 (amendment numbered 93) as set forth in the conference report and the joint explanatory statement of the committee of conference on the Department of Transportation and Related Agencies Appropriations Act, 1982 (H.R. 4209), filed in the House of Representatives on November 13, 1981 (H. Rept. No. 97-331).

SEC. 116. Notwithstanding any other provision of law or of this joint resolution, the funds provided for section 18 nonurban formula grants and section 5 urban formula grants in this joint resolution shall be apportioned and allocated using data from the 1970 decennial census for one-half of the sums appropriated and the remainder shall be apportioned and allocated on the basis of data from the 1980 decennial census.

SEC. 117. Notwithstanding any other provision of this joint resolution, the funds made available by this joint resolution which would be available under H.R. 4560, entitled "Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982", for school assistance in federally affected areas under title III of such Act shall be available under the authority and conditions set forth in H.R. 4560 as passed the House on October 6, 1981: *Provided*, That the total amount available for entitlements under section 3(a) of the Act of September 30, 1950, as amended, is amended so as to permit payment to any local educational agency under such section 3(a) not to exceed 90 per centum of the amount of such payment for fiscal year 1981, unless the entitlement for such agency is determined under section 3(d)(2)(B) of such Act: *Provided further*, That the provisions of section 3(d)(2)(B) shall be fully funded and not subject to rateable reduction: *Provided further*, That the provisions of section 5(c) shall not apply.

SEC. 118. Notwithstanding section 1903(s) of the Social Security Act, all medicaid payments to the States for Indian health service facilities as defined by section 1911 of the Social Security Act shall be paid entirely by Federal funds, and notwithstanding section 1903(t) of the Social Security Act, all medicaid payments to the States for Indian health service facilities shall not be included in the computation of the target amount of Federal medicaid expenditures.

42 USC 1396b note.
Ante, p. 803.
42 USC 1396j.
Ante, p. 804.

SEC. 119. There are appropriated $750,000 to continue the operations of the Office of Adolescent Pregnancy Programs of the Department of Health and Human Services.

SEC. 120. Notwithstanding any provision of law, none of the funds appropriated for the Department of Labor, Mine Safety and Health Administration, shall be used to classify a mine in the potash industry as gassy based upon air samples containing concentrations of methane gas, unless such classification standard has been adopted through formal rulemaking on or before November 5, 1981.

SEC. 121. Amounts at the level provided in H.R. 4560 as passed by the House are available for general departmental management, Department of Health and Human Services, and the program direction and support services activity, Assistant Secretary for Health.

SEC. 122. Notwithstanding any other provision of this joint resolution, appropriations for administrative costs including but not limited to salaries, expenses, travel and consultants in this joint resolution for the Department of Health and Human Services are hereby reduced by $21,800,000: *Provided*, That none of this reduction shall be taken from activities supported under the budget account entitled "Social Security Administration, Limitation on Administrative Expenses" or from funds available for the administration of the Medicare program.

SEC. 123. Funding for sections 501 (a), (b), and (c) of the Refugee Education Assistance Act of 1980 and for the Refugee Act of 1980 shall be at the levels and under the terms and conditions of H.R. 4560, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982, as reported to the Senate on November 9, 1981.

8 USC 1522 note, 1101 note.

SEC. 124. Notwithstanding any other provision of the joint resolution, the funds made available by this joint resolution which would be available under H.R. 4560, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982, as reported to the Senate on November 9, 1981, for Student Financial Assistance shall be subject to the following additional conditions:

(1) The maximum Pell Grant a student may receive in 1982-1983 academic year is $1,800, notwithstanding section 411(a)(2)(A)(i)(II) of the Higher Education Act of 1965.

20 USC 1070a.

(2) The cost of attendance used for calculating eligibility for and amount of Pell Grants shall be established by the Secretary of Education.

(3) The Secretary of Education may establish or approve separate systems of need analysis for academic year 1982-1983, without regard to the provisions of subsections (a), (b), and (c) of section 482 of the Higher Education Act of 1965, for the programs authorized under subpart 2 of part A, part C, and part E of title IV of the Higher Education Act of 1965.

Ante, p. 453.
20 USC 1070b, 42 USC 2751, 20 USC 1088.

(4) The family contribution schedule for the 1981-1982 academic year shall be the family contribution schedule for the 1982-1983 academic year, modified by the Secretary of Education to exclude payments under the Social Security Act and title 38,

42 USC 1305.

United States Code, described in paragraph (5) and to reflect the most recent and relevant data, except that the Secretary of Education shall establish a series of assessment rates applicable to discretionary income in accordance with section 482(b)(4) of the Higher Education Act of 1965. The modified family contribution schedule under this paragraph shall be submitted to the President of the Senate and the Speaker of the House of Representatives not later than 15 days after the date of enactment of this resolution and shall otherwise be subject to the provisions of section 482(a) of the Higher Education Act of 1965.

Ante, p. 453.

20 USC 1089.
20 USC 1070a.

(5) Notwithstanding the provisions of section 482 (b)(3) and the provisions of section 411(a)(2)(B)(ii), no Pell Grant shall exceed the difference between the cost of attendance at the institution at which the student is in attendance, and the sum of the expected family contribution and any amount paid to, or on account of, the student under the Social Security Act and any amount paid the student under chapters 34 and 35 of title 38, United States Code, and if with respect to any student, it is determined that the amount of a Pell Grant plus the amount of the expected family contribution, the amount paid to, or on account of, the student under the Social Security Act, and the amount paid the student under chapters 34 and 35 of title 38, United States Code, exceeds the cost of attendance for that year, the amount of the Pell Grant shall be reduced until the combination of expected family contribution, the amount of the Pell Grant, and the amount paid under the Social Security Act, and chapters 34 and 35 of title 38 of the United States Code, does not exceed the cost of attendance at such institution.

42 USC 1305.
38 USC 1651 *et seq.*, 1700 *et seq.*

2 USC 61b-3.

SEC. 125. For each fiscal year (beginning with the fiscal year which ends September 30, 1982), the Secretary of the Senate is authorized to expend from the contingent fund of the Senate such amount as may be necessary to enable the Secretary to obtain from the General Services Administration the services of a professional archivist. Such services shall be obtained on a reimbursable basis and shall not be obtained except with the consent of the General Services Administration and the Committee on Rules and Administration.

20 USC 1411.

SEC. 126. There is appropriated $69,800,000 for section 611 of the Education of the Handicapped Act which is in addition to amounts appropriated under this joint resolution which would otherwise be made available under H.R. 4560, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982, as reported to the Senate on November 9, 1981, for such section 611.

29 USC 701 note.
22 USC 2101 note.

SEC. 127. For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, as amended, and the International Health Research Act of 1960, $991,845,000, of which $892,865,538 shall be for allotments under section 100(b)(1), $6,134,462 shall be for activities under section 110(b)(3), $650,000 shall be made available to the Navajo Tribal Council for activities under section 130, and $18,000,000 shall be for activities under section 711 of the Rehabilitation Act of 1973.

29 USC 796e

SEC. 128. The Attorney General shall exercise his best efforts to ensure that none of the funds appropriated by this joint resolution may be obligated or expended after March 1, 1982, for the detention of any entrant, any applicant for political asylum or for refugee status, or any other alien which would cause the total number of aliens to exceed five hundred and twenty-five at the facility known as Krome North, located in the State of Florida, or to exceed five hundred and

twenty-five at any other facility in the State of Florida for the detention of aliens awaiting exclusion, deportation, or resettlement which is not used for such purpose on the date of enactment of this joint resolution.

SEC. 129. There is appropriated an additional $45,000,000 for the payment of windfall benefits, as provided under section 15(d) of the Railroad Retirement Act of 1974, which, together with the amounts appropriated under this joint resolution which would otherwise be made available under H.R. 4560, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982, for the payment of such benefits, shall be the maximum amount available for payments through September 30, 1982. 45 USC 231n.

SEC. 130. Notwithstanding any other provision of this joint resolution, each State shall establish such fiscal control procedures as are necessary to assure that the funds made available under this resolution for the low-income energy assistance program are used for payments in accordance with section 2605(b) (1) and (2) of the Omnibus Budget Reconciliation Act of 1981 and that each eligible household receiving such payments does not use the payments for any other purpose than the purpose described in section 2602(a). *Ante*, p. 896. *Ante*, p. 893.

SEC. 131. Notwithstanding any other provision of this joint resolution, the provisions of section 210 of the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982 (H.R. 4560), as passed by the House of Representatives on October 6, 1981, and the provisions of section 209 of such Act as reported by the Senate Committee on Appropriations on November 9, 1981, shall be applicable with respect to sums appropriated pursuant to this joint resolution.

SEC. 132. Notwithstanding any other provision of law, none of the funds appropriated for the Department of Labor, Mine Safety and Health Administration shall be obligated or expended to prescribe, issue, administer or enforce any standard, rule, regulation or order under the Federal Mine Safety and Health Act of 1977 with respect to any independent construction contractor who is engaged by an operator for the construction, repair or alteration of structures, facilities, utilities or private ways or roads located on (or appurtenant to) the surface areas of any coal or other mine, and whose employees work in a specifically demarcated area, separate from actual mining or extraction activities: *Provided*, That no funds shall be obligated or expended to prescribe, issue, administer or enforce any standard, rule, regulation or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. 30 USC 801 note.

SEC. 133. There is appropriated the sum of $362,000,000 for the Maternal and Child Health Care Block Grant Act. *Ante*, p. 818.

SEC. 133a. Notwithstanding section 102 of this joint resolution, section 139(b)(3) of Public Law 97-51 is amended by striking out "1981" and inserting in lieu thereof "1980". 26 USC 162 note. *Ante*, p. 967.

SEC. 134. There are appropriated to the Department of Health and Human Services $61,180,000 for activities under the Developmental Disabilities Assistance and Bill of Rights Act of 1981.

SEC. 135. There is appropriated $10,000,000 for part B of title IV of the Comprehensive Employment and Training Act relating to the Job Corps which is in addition to the amounts appropriated under this joint resolution which would otherwise be made available under H.R. 4560, the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1982, as reported to the Senate on November 9, 1981, for the Job Corps. 29 USC 923.

SEC. 136. Notwithstanding any other provision of this joint resolution, subject only to the absence of qualified applicants, and within the limits of funds and authority available, the head of each department and agency for which authority to enter into commitments to guarantee or insure is provided for in this joint resolution or H.R. 4034 shall enter into commitments to guarantee or insure in the full amounts provided for in this joint resolution or other applicable law.

SEC. 137. Notwithstanding any other provision of law or of this joint resolution, of the fiscal year 1982 Highway Trust Funds available for emergency relief, $17,000,000 shall be made available for damaged highways or for the prevention of damage to highways in the area affected by eruptions of the Mount Saint Helens volcano.

SEC. 138. Notwithstanding any other provision of title 23, United States Code, or of this joint resolution, the Secretary of Transportation shall approve, upon the request of the State of Indiana, the construction of an interchange to appropriate standards at I-94 and County Line Road at the Porter-La Porte County Line near Michigan City, Indiana, with the Federal share of such construction to be financed out of funds apportioned to the State of Indiana under section 104(b)(5)(A) of title 23, United States Code.

SEC. 139. Notwithstanding any other provision of law, or of this joint resolution, any proposal for deferral of budget authority under section 1013 of the Impoundment Control Act of 1974 (31 U.S.C. 1403) with respect to budget authority for expenses related to the Northeast Corridor Improvement Project authorized under title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210) shall, upon transmittal to the Congress, be referred to the House and Senate Committees on Appropriations and any amount of budget authority proposed to be deferred therein shall be made available for obligation unless, within a 45-day period which begins on the date of transmittal and which is equivalent to that described in section 1011 (3) and (5) of the Impoundment Control Act of 1974 (31 U.S.C. 1401 (3) and (5)), the Congress has completed action on a bill approving all or part of the proposed deferral.

45 USC 851.

28 USC 461 note.

SEC. 140. Notwithstanding any other provision of law or of this joint resolution, none of the funds appropriated by this joint resolution or by any other Act shall be obligated or expended to increase, after the date of enactment of this joint resolution, any salary of any Federal judge or Justice of the Supreme Court, except as may be specifically authorized by Act of Congress hereafter enacted: *Provided,* That nothing in this limitation shall be construed to reduce any salary which may be in effect at the time of enactment of this joint resolution nor shall this limitation be construed in any manner to reduce the salary of any Federal judge or of any Justice of the Supreme Court.

5 USC 5318 note.

SEC. 141. (a) Notwithstanding the provisions of section 305 of H.R. 4120 made applicable by section 101(g) of this joint resolution, but subject to subsection (b) of this section, nothing in section 101(g) shall (or shall be construed to) require that the rate of salary or basic pay, payable to any individual for or on account of services performed after December 31, 1981, be limited to or reduced to an amount which is less than—

(1) $59,500, if such individual has an office or position the salary or pay for which corresponds to the rate of basic pay for level III of the Executive Schedule under section 5314 of title 5, United States Code;

(2) $58,500, if such individual has an office or position the salary or pay for which corresponds to the rate of basic pay for

level IV of the Executive Schedule under section 5315 of title 5, United States Code; or

(3) $57,500, if such individual has an office or position the salary or pay for which corresponds to the rate of basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b)(1) For purposes of subsection (a), any rate of salary or pay shall be considered to correspond to the basic pay for a level of the Executive Schedule if the rate of salary or pay for that office or position is (i) fixed at a rate which is equal to or greater than the rate of basic pay for that level of the Executive Schedule or (ii) limited to a maximum rate which is equal to or greater than the rate of basic pay for such level (or to a percentage of such a maximum rate) by reason of section 5308 of title 5, United States Code, or any other provision of law (other than the provisions of such section 305, as made applicable by section 101(g) of this joint resolution) or congressional resolution.

(2) In applying subsection (a) for any office or position for which the rate of salary or basic pay is limited to a percentage of such a maximum rate, there shall be substituted, in lieu of the amount specified in subsection (a) for that office or position, an amount equal to such percentage of the specified amount.

(c) Any adjustment pursuant to this section made to the pay of any employee or class of employees whose pay is disbursed by the Clerk of the House should be of such amount as to assure, to the maximum extent practicable, that such employees are not paid at rates at less than employees or classes of employees whose pay is disbursed by the Secretary of the Senate and who hold equivalent positions.

SEC. 142. (a) Notwithstanding any other provision of this joint resolution, and except as otherwise provided in this section, total budget authority provided by this joint resolution for appropriation accounts for which provision would be made in the following appropriation Acts:

the Agriculture, Rural Development, and Related Agencies Appropriation Act, 1982;

the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1982;

the Department of the Interior and Related Agencies Appropriation Act, 1982;

the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 1982; and

the Treasury, Postal Service, and General Government Appropriation Act, 1982;

shall be reduced by 4 per centum.

(b) Notwithstanding any other provision of this joint resolution, and except as otherwise provided in this section, total budget authority provided by this joint resolution for appropriation accounts for which provision would be made in the Military Construction Appropriation Act, 1982, shall be reduced by 2 per centum.

(c) The reductions made by subsections (a) and (b) of this section shall be applied proportionally to each appropriation account.

(d) Notwithstanding any other provision of this joint resolution, and except as otherwise provided in this section, total budget authority provided by this joint resolution for appropriation accounts for which provision would be made in the Department of Defense Appropriation Act, 1982, shall be reduced by 2 per centum. The reduction in this subsection shall be taken only from appropriation accounts in titles IV and V of that Act, and shall be applied proportionally to those accounts. After the conclusion of the first

session of the Ninety-seventh Congress, the level of budget authority for the Department of Defense shall be the level of the conference agreement on the Department of Defense Appropriation Act, 1982, and this section shall not apply to that level. If such agreement has not been reached by the conclusion of the first session of the Ninety-seventh Congress, the level shall be as set forth in section 101(a) of this joint resolution, and this section shall not apply to that level.

(e) The reduction made by this section shall be applied so that the budget authority provided in this joint resolution within any appropriation account for any program or project shall not be reduced by more than 6 per centum.

(f) The reduction made by this section shall be applied so that no program or project shall be terminated.

(g) The reduction made by this section shall not apply to budget authority made available by this joint resolution for:

the Food Stamp program;

the Veterans' Administration medical care account;

any account, program or project involving spending authority defined in section 401(c)(2)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344);

31 USC 1351.

the Payment to State and Local Government Fiscal Assistance Trust Fund (31 U.S.C. 1221-1263);

accounts of the Veterans' Administration where budget authority otherwise provided by this joint resolution would be at or below the revised budget estimates;

the Internal Revenue Service, the Federal Bureau of Investigation, and the Drug Enforcement Administration in the Department of Justice, the law enforcement activities of the Customs Service and the Secret Service in the Department of the Treasury, and the law enforcement activities of the Coast Guard.

(h) This section shall not apply to any appropriation account, program or project for which budget authority is provided by a 1982 appropriation Act enacted into law subsequent to the enactment of this joint resolution.

SEC. 143. Notwithstanding section 102 of this joint resolution, appropriations and funds made available and authority granted pursuant to this joint resolution for appropriation accounts, programs, and projects for which provision would be made in the Department of Defense Appropriation Act, 1982, shall be available from December 15, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) February 15, 1982, whichever first occurs.

Approved December 15, 1981.

LEGISLATIVE HISTORY—H.J. Res. 370:

HOUSE REPORT No. 97-372 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 10, considered and passed House.
Dec. 10, 11, considered and passed Senate.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 51 (1981):
Dec. 15, Presidential statement.

Public Law 97-93
97th Congress

Joint Resolution

Dec. 15, 1981
[S.J. Res. 115]

To approve the President's recommendation for a waiver of law pursuant to the Alaska Natural Gas Transportation Act of 1976.

Alaska natural gas transportation system.
15 USC 719f note.
15 USC 717 *et seq.*
42 USC 6201 note.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the House of Representatives and Senate approve the waiver of the provision of law (Public Law 95-158, Public Law numbered 688, Seventy-fifth Congress, second session, and Public Law 94-163) as proposed by the President, submitted to the Congress on October 15, 1981.**

Approved December 15, 1981.

LEGISLATIVE HISTORY—S.J. Res. 115 (H.J. Res. 341):

HOUSE REPORTS: No. 97-350, pt. 1 (Comm. on Interior and Insular Affairs) and No. 97-350, pt. 2 (Comm. on Energy and Commerce) accompanying H.J. Res. 341.
SENATE REPORT No. 97-272 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 19, considered and passed Senate.
Dec. 8, 9, H.J. Res. 341 considered and passed House.
Dec. 10, considered and passed House.

Public Law 97-94
97th Congress

An Act

To amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

Dec. 17, 1981
[H.R. 4591]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1947 (61 Stat. 915; 30 U.S.C. 355), is amended by adding the following at the end thereof: "Notwithstanding the preceding provisions of this section, all receipts derived from leases on lands acquired for military or naval purposes, except the naval petroleum reserves and national oil shale reserves, shall be paid into the Treasury of the United States and disposed of in the same manner as provided under section 35 of the Act of February 25, 1920 (41 Stat. 450; 30 U.S.C. 191), in the case of receipts from sales, bonuses, royalties, and rentals of the public lands under that Act.

Mineral leasing laws of U.S., amendment.

SEC. 2. The amendment made by the first section of this Act shall take effect with respect to leases entered into after January 1, 1981.

Effective date. 30 USC 355 note.

Approved December 17, 1981.

LEGISLATIVE HISTORY—H.R. 4591 (S. 859):

HOUSE REPORT No. 97-296 (Comm. on Armed Services).
SENATE REPORT No. 97-162 accompanying S. 859 (Comm. on Energy and Natural Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 4, considered and passed House.
Dec. 1, considered and passed Senate.

Public Law 97-95
97th Congress

Joint Resolution

Dec. 17, 1981
[S.J. Res. 136]

To validate the effectiveness of a plan for the use or distribution of funds appropriated to pay a judgment awarded to the San Carlos Tribe of Arizona.

Whereas, pursuant to Public Law 93-134 (Act of October 19, 1973, 87 Stat. 466; 25 U.S.C. 1401), the Secretary of the Interior or his designee submitted a plan on October 7, 1981, for the use or distribution of funds appropriated to pay a judgment awarded to the San Carlos Apache Indian Tribe of Arizona;

Whereas, such plan has not been disapproved by congressional action;

Whereas, such plan has lain before the Senate for the requisite period of sixty legislative days as provided by Public Law 93-134 but sixty legislative days in the House of Representatives will not expire until December 18, 1981, after the Congress has adjourned; and

Whereas, it is the purpose of this resolution to validate the effectiveness of the plan which was submitted to the Congress pursuant to Public Law 93-134.

San Carlos Indians. Judgment appropriation plan.

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the plan for the use or distribution of funds awarded the San Carlos Apache Tribe of Indians in Docket No. 22-H before the United States Court of Claims is hereby declared to be valid and effective as of the date of enactment of this resolution and such plan is declared to have been validly submitted and is exempted from any further review.**

Approved December 17, 1981.

LEGISLATIVE HISTORY—S.J. Res. 136:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-96
97th Congress

An Act

To authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

Dec. 21, 1981
[S. 1098]

Be it enacted by the Senate of House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1981:

National Aeronautics and Space Administration Authorization Act, 1982.

(a) For "Research and development", for the following programs:
(1) Space Shuttle, $2,189,000,000;
(2) Space flight operations, $907,900,000;
(3) Expendable launch vehicles, $31,200,000;
(4) Physics and astronomy, $333,400,000;
(5) Planetary exploration, $215,300,000;
(6) Life sciences, $43,500,000;
(7) Space applications, $398,600,000;
(8) Technology utilization, $12,600,000;
(9) Aeronautical research and technology, $284,800,000;
(10) Space research and technology, $129,300,000; and
(11) Tracking and data acquisition, $408,180,000.

Facilities construction.

(b) For "Construction of facilities", including land acquisition, as follows:
(1) Modification of 12-foot pressure wind tunnel, Ames Research Center, $18,500,000;
(2) Modifications to space flight operations facility, Jet Propulsion Laboratory, $9,800,000;
(3) Rehabilitation of utility control system, various buildings, Lyndon B. Johnson Space Center, $680,000;
(4) Construction of waste material incinerator, John F. Kennedy Space Center, $895,000;
(5) Repair of operations and checkout building roof, John F. Kennedy Space Center, $825,000;
(6) Modifications for enhanced 20-inch supersonic wind tunnel, Langley Research Center, $2,950,000;
(7) Modifications for high pressure turbine corrosion and thermal fatigue testing, Lewis Research Center, $1,200,000;
(8) Modification and relocation of 26-meter antenna, STDN, Goldstone, California, $4,700,000;
(9) Relocation of DSS-44 antenna to Tidbinbilla, Australia, $2,200,000;
(10) Space Shuttle facilities at various locations as follows:
(A) Construction of solid rocket booster processing and segment storage facilities, John F. Kennedy Space Center, $12,400,000;
(B) Modifications to firing rooms, John F. Kennedy Space Center, $3,100,000;
(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $2,785,000;

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(D) Modifications to Building 30 for Shuttle operations, Lyndon B. Johnson Space Center, $650,000;

(E) Minor Shuttle-unique projects, various locations, $1,115,000;

(11) Repair of facilities at various locations, not in excess of $500,000 per project, $12,800,000;

(12) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $17,700,000;

(13) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $2,320,000; and

(14) Facility planning and design not otherwise provided for, $10,000,000.

Research and program management.

(c) For "Research and program management", $1,114,300,000 and such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Research and development.

(d) Notwithstanding the provisions of subsection 1(g), appropriations hereby authorized for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

Scientific consultations or extraordinary expenses.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to

existing facilities, and for repair, rehabilitation, or modification of facilities: *Provided*, That, of the funds appropriated pursuant to subsection 1(a), not in excess of $250,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (13), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 percent, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 percent,

Report to congressional committees.

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 percent of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (14) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (i) the nature of such construction, expansion, or modification, (ii) the cost thereof including the cost of any real estate action pertaining thereto, and (iii) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Transfer of funds.

Report to congressional committees.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

Notification to congressional committees.

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

Federal research funds, geographical distribution. 42 USC 2459 note.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. Section 7 of title 18, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(6) Any vehicle used or designed for flight or navigation in space and on the registry of the United States pursuant to the Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies and the Convention on Registration of Objects Launched into Outer Space, while that vehicle is in flight, which is from the moment when all external doors are closed on Earth following embarkation until the moment when one such door is opened on Earth for disembarkation or in the case of a forced landing, until the competent authorities take over the responsibility for the vehicle and for persons and property aboard.".

42 USC 2451 note. 42 USC 2457.

SEC. 7. The National Aeronautics and Space Act of 1958, as amended, is amended by inserting at the end of section 305, the following new subsections:

"(k) Any object intended for launch, launched, or assembled in outer space shall be considered a vehicle for the purpose of section 272 of title 35, United States Code.

"(l) The use or manufacture of any patented invention incorporated in a space vehicle launched by the United States Government for a person other than the United States shall not be considered to be a use or manufacture by or for the United States within the meaning of section 1498(a) of title 28, United States Code, unless the Administration gives an express authorization or consent for such use or manufacture.".

SEC. 8. Section 6 of the National Aeronautics and Space Administration Authorization Act, 1970, as amended (42 U.S.C. 2462), is repealed. Repeal.

SEC. 9. Appropriations hereby authorized for space transportation system upper stages in section 1(a)(2) shall not be used to initiate sole-source procurement of a new upper stage until NASA in cooperation with other agencies has reviewed alternative systems and assessed competitive procurement of a new upper stage to satisfy national requirements, and until 30 days after reporting its findings to the authorizing committees of the House of Representatives and the Senate.

SEC. 10. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1982". Short title.

Approved December 21, 1981.

LEGISLATIVE HISTORY—S. 1098 (H.R. 1257):

HOUSE REPORTS: No. 97-32 accompanying H.R. 1257 (Comm. on Science and Technology) and No. 97-351 (Comm. of Conference).
SENATE REPORT No. 97-100 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 21, considered and passed Senate.
June 23, H.R. 1257 considered and passed House; proceedings vacated and S. 1098, amended, passed in lieu.
Nov. 23, Senate agreed to conference report.
Dec. 8, House agreed to conference report.

Public Law 97-97
97th Congress

An Act

Dec. 21, 1981
[H.R. 4845]

To designate the building known as the Lincoln Federal Building and Courthouse in Lincoln, Nebraska, as the "Robert V. Denney Federal Building and Courthouse".

Robert V. Denney Federal Building and Courthouse. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the building located at 100 Centennial Mall, Lincoln, Nebraska, known as the Lincoln Federal Building and Courthouse, shall hereafter be known and designated as the "Robert V. Denney Federal Building and Courthouse". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be deemed to be a reference to the "Robert V. Denney Federal Building and Courthouse".

Approved December 21, 1981.

LEGISLATIVE HISTORY—H.R. 4845 (S. 1837):

HOUSE REPORT No. 97-325 (Comm. on Public Works and Transportation).
SENATE REPORT No. 97-289 accompanying S. 1837 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 16, considered and passed House.
Dec. 11, considered and passed Senate, in lieu of S. 1837.

Public Law 97-98
97th Congress

An Act

Dec. 22, 1981
[S. 884]

To provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That this Act, with the following table of contents, may be cited as the "Agriculture and Food Act of 1981".**

Agriculture and Food Act of 1981.
7 USC 1281 note.

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TITLE I—DAIRY

FEDERAL MILK MARKETING ORDERS

SEC. 101. (a) The Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, is further amended by—

(1) striking out in subparagraph (B) of subsection 8c(5) all that part of said subparagraph (B) which follows the comma at the end of clause (c) and inserting in lieu thereof the following: "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, which need not be limited to one year, and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order.";

7 USC 608c.

(2) striking out the period at the end of subsection 8c(17) and adding in lieu thereof the following: ": *Provided further*, That if one-third or more of the producers as defined in a milk order apply in writing for a hearing on a proposed amendment of such order, the Secretary shall call such a hearing if the proposed amendment is one that may legally be made to such order. Subsection (12) of this section shall not be construed to permit any cooperative to act for its members in an application for a hearing under the foregoing proviso and nothing in such proviso shall be construed to preclude the Secretary from calling an amendment hearing as provided in subsection (3) of this section. The Secretary shall not be required to call a hearing on any proposed amendment to an order in response to an application for a hearing on such proposed amendment if the application requesting the hearing is received by the Secretary within ninety days after the date on which the Secretary has announced the decision on a previously proposed amendment to such order and the two proposed amendments are essentially the same."; and

(3) inserting after the phrase "pure and wholesome milk" in section 8c(18) the phrase "to meet current needs and further to assure a level of farm income adequate to maintain productive capacity sufficient to meet anticipated future needs".

(b) The provisions of subsection (a) shall become effective January 1, 1982, and shall terminate December 31, 1985.

Effective date.
7 USC 608c note.

LEGAL STATUS OF PRODUCER HANDLERS

SEC. 102. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, shall be the same subsequent to the adoption of the amendment made by the Agriculture and Food Act of 1981 as it was prior thereto.

7 USC 608c note
7 USC 601 note.

MILK PRICE SUPPORT

SEC. 103. Section 201 of the Agricultural Act of 1949, as amended by section 150 of the Omnibus Budget Reconciliation Act of 1981, is amended by—

Ante, p. 369.

(1) striking out everything in subsection (c) after the first sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, (1) effective for the period beginning with the date of enactment of this sentence and ending September 30, 1982, the price of milk shall be supported at such level as determined by the Secretary, but not less than $13.10 per hundredweight for milk containing 3.67 per centum milk fat; and (2) effective for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, the price of

milk shall be supported at such level as determined by the Secretary, but not less than $13.25, $14.00, and $14.60, respectively, per hundredweight for milk containing 3.67 per centum milk fat: *Provided*, That, for each fiscal year during the period beginning October 1, 1982, and ending September 30, 1985, if the Secretary estimates as of the beginning of any such fiscal year that the net cost of Government price support purchases of milk or the products of milk will be less than $1,000,000,000 during the fiscal year, the price of milk shall be supported at such level as determined by the Secretary, but not less than 70 per centum of the parity price therefor as of the beginning of the relevant fiscal year: *Provided further*, That if the Secretary estimates that net Government price support purchases of milk or the products of milk will be less than 4.0 billion pounds (milk equivalent) in fiscal year 1983; 3.5 billion pounds (milk equivalent) in fiscal year 1984; and 2.69 billion pounds (milk equivalent) in fiscal year 1985, the price of milk shall be supported at such level as determined by the Secretary, but not less than 75 per centum of the parity price therefor as of the beginning of the relevant fiscal year. Such price support shall be provided through the purchase of milk and the products of milk."; and

(2) repealing subsection (d).

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

7 USC 1446a.

SEC. 104. Section 202 of the Agricultural Act of 1949 is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

DAIRY INDEMNITY PROGRAM

7 USC 450*l*.

SEC. 105. Section 3 of the Act of August 13, 1968 (7 U.S.C. 450l), is amended by striking out "1981" and inserting in lieu thereof "1985".

REDUCTION OF DAIRY PRODUCT INVENTORIES

7 USC 1446c-1.

15 USC 714 note.

7 USC 1691 note.

SEC. 106. The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including exportation of dairy products at not less than prevailing world market prices), the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

31 USC 1301 note.

DAIRY PROGRAM OPERATION REPORT

7 USC 1446c-1 note.

SEC. 107. Not later than December 31, 1982, the Secretary of Agriculture shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry a report describing the strengths and weaknesses of existing Federal programs, and the consequences of possible new programs, for controlling or minimizing surpluses of fluid milk and the products thereof. The report shall include, but need not be limited to, an assessment, on

a region by region basis, of the effect of existing and proposed pricing mechanisms on supply and demand conditions, including the impact on farm income and consumer costs. The report shall also describe the social costs and benefits associated with such programs.

TITLE II—WOOL AND MOHAIR

EXTENSION OF SUPPORT PROGRAM; SUPPORT PRICE

SEC. 201. Section 703 of the National Wool Act of 1954 is amended by— 7 USC 1782.

(1) striking out "1981" in subsection (a) and inserting in lieu thereof "1985"; and

(2) striking out all that follows the comma in subsection (b) after the word "*Provided*" and inserting in lieu thereof the following: "That for the marketing years beginning January 1, 1982, and ending December 31, 1985, the support price for shorn wool shall be 77.5 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula.".

TITLE III—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107A a new section as follows:

"SEC. 107B. Notwithstanding any other provision of law— 7 USC 1445b-1.

"(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than $3.55 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat: *Provided*, That if the Secretary determines that the average price of wheat received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for wheat for such marketing year, the Secretary may reduce the level of loans and purchases for wheat for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $3 per bushel.

"(b)(1)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop

is less than the established price per bushel.

"(C) The established price for wheat shall be not less than $4.05 per bushel for the 1982 crop, $4.30 per bushel for the 1983 crop, $4.45 per bushel for the 1984 crop, and $4.65 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat in accordance with the proviso in subsection (a) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made: *Provided,* That any payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1101 of the Agriculture and Food Act of 1981.

Post, p. 1263.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to

the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage. 7 USC 1501.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1982 crop, the proclamation shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any

crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the acreage base established for the farm under subsection (e)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop either for a program under which the acreage planted to wheat would be limited as described in paragraph (2) or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of wheat, in the absence of such a program, will be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such wheat acreage limitation program or set-aside program not later than August 15 prior to the calendar year in which the crop is harvested, except that in the case of the 1982 crop, the Secretary shall announce such program as soon as practicable after enactment of the Agriculture and Food Act of 1981.

"(2) If a wheat acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each wheat-producing farm. Producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible

for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph shall be the acreage planted on the farm to wheat for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to wheat for harvest shall include any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of wheat, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such

production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. In determining the amount of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

16 USC 590h.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section. 16 USC 590h.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986. 7 USC 1379d note. 7 USC 1379d-1379j.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat. 7 USC 1331 note. 7 USC 1331-1336, 1338, 1339, 1379b, 1379c.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985. 7 USC 1330 note. 7 USC 1330, 1340.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat. 7 USC 1445a note. 7 USC 1445a.

TITLE IV—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION AND SET-ASIDE PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A a new section as follows:

"SEC. 105B. Notwithstanding any other provision of law— 7 USC 1444d.

"(a)(1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level, not less than $2.55 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive

total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn: *Provided*, That if the Secretary determines that the average price of corn received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for corn for such marketing year, the Secretary may reduce the level of loans and purchases for corn for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for grain, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $2 per bushel.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

7 USC 1421.

"(b)(1)(A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

"(B) The payment rate for corn shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop

is less than the established price per bushel.

"(C) The established price for corn shall be not less than $2.70 per bushel for the 1982 crop, $2.86 per bushel for the 1983 crop, $3.03 per bushel for the 1984 crop, and $3.18 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for corn in accordance with the proviso in subsection (a)(1) of this section, the Secretary shall provide emergency compensation by increasing the established price payments for corn by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been

made: *Provided*, That any such payments under this subparagraph shall not be included in the payments subject to limitations under the provisions of section 1101 of the Agriculture and Food Act of 1981. *Post*, p. 1263.

"(E) The payment rate for grain sorghums, oats, and, if designated by the Secretary, barley, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(F) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed grain acreage. 7 USC 1501.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c)(1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 15 of each calendar year for the crop harvested in the next succeeding calendar year, except that in the case of the 1982 crop, the proclamation shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the acreage base established for the farm under subsection (e)(2) of this section by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the acreage base established for the farm under subsection (e)(2), but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no

payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State or county program payment yields.

"(e)(1) Notwithstanding any other provision of this section, the Secretary may provide for any crop either for a program under which the acreage planted to feed grains would be limited as described in paragraph (2) or a set-aside program as described in paragraph (3) of this subsection if the Secretary determines that the total supply of feed grains, in the absence of such a program, will be excessive, taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. The Secretary shall announce any such feed grain acreage limitation program or set-aside program not later than November 15 prior to the calendar year in which the crop is harvested, except that in the case of the 1982 crop, the Secretary shall announce such progam as soon as practicable after enactment of the Agriculture and Food Act of 1981.

"(2) If a feed grain acreage limitation program is announced under paragraph (1) of this subsection, such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each feed grain-producing farm. Producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation under this paragraph shall be the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to feed grains for harvest shall include any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of

acres on the farm determined by dividing (A) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (B) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. If an acreage limitation program is announced under paragraph (1) of this subsection for a crop of feed grains, subsection (c) of this section shall not be applicable to such crop, including any prior announcement which may have been made under such subsection with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(3) If a set-aside program is announced under paragraph (1) of this subsection, then as a condition of eligibility for loans, purchases, and payments authorized by this section, the producers on a farm must set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect. The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms. The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary to correct for abnormal factors affecting production, and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary deems necessary.

"(4) The regulations issued by the Secretary under paragraphs (2) and (3) of this subsection with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(5) The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determin-

ing the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program. 16 USC 590h.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section if an acreage limitation program is established under subsection (e)(2) of this section, but may be required if a set-aside program is established under subsection (e)(3) of this section.".

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

7 USC 1444b note.
7 USC 1444b.

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE V—COTTON

SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS AND RELATED PROVISIONS

7 USC 1342 note.
7 USC 1342-1346, 1377.

SEC. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF UPLAND COTTON

7 USC 1444.

SEC. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(g)(1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to producers nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest-priced growths of the growths quoted for Middling one-and-three-thirty-seconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern European price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, except that in the case of the 1982 crop such determination and announcement shall be made as soon as

practicable after enactment of the Agriculture and Food Act of 1981, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the producer during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period.

"(2) Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(A) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

"(B) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in subparagraph (A) of this paragraph or the amount required to increase the supply to 130 per centum of the demand.

"(C) As used in subparagraph (B) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eighty-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(D) When a special quota is established under the provisions of this paragraph, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

Notwithstanding the foregoing provisions of this paragraph, a special quota period shall not be established that overlaps an existing quota period.

"(3)(A) In addition, payments shall be made for each of the 1982 through 1985 crops of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(i) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) of this subsection for such crop,

is less than the established price per pound times in each case the farm program acreage for cotton (determined in accordance with paragraph (7) paragraph (9)(A) of this subsection, but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by the farm program payment yield for cotton (determined in accordance with paragraph (8) of this subsection).

"(B) The established price for upland cotton shall not be less than the higher of (i) $0.71 per pound for the 1982 crop, $0.76 per pound for the 1983 crop, $0.81 per pound for the 1984 crop, and $0.86 per pound for the 1985 crop, plus any adjustment made for changes in production costs as provided in subparagraph (C) of this paragraph, or (ii) 120 per centum of the loan level determined for such crop under paragraph (1) of this subsection.

"(C) The prices referred to in clause (i) of the preceding subparagraph may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (4) of this subsection.

"(4)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ per centum of the established

price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton acreage. 7 USC 1501.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(5) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established, except that in the case of the 1982 crop, such announcement shall be made as soon as practicable after enactment of the Agriculture and Food Act of 1981. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (6) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres.

"(6) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(7) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the acreage base established for the farm under paragraph (9)(A) of this subsection by at least the percentage recommended by the Secretary in the announcement of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than the acreage base established for the farm under paragraph (9)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for upland cotton, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(9)(A) Notwithstanding any other provision of this subsection, the Secretary may establish a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton, in the absence of such limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each cotton-producing farm. Producers who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as a result of a limitation under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop

years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to cotton for harvest shall include any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. If an acreage limitation program is announced under this paragraph for a crop of upland cotton, paragraphs (5), (6), and (7) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraphs with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(B) The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation for upland cotton is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The

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Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(10) An operator of a farm desiring to participate in the program conducted under paragraph (9) of this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(11) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(12) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(13) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

16 USC 590h.

"(14) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(15) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(16) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(17) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(18) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act.".

15 USC 714 note.

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Effective only with respect to the period beginning August 1, 1978, and ending July 31, 1986, the tenth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out all of that sentence through the words "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells

7 USC 1427.

cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. Sections 103(a) and 203 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops. 7 USC 1446d note. 7 USC 1444, 1446d.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 is amended by striking out "1981" and inserting in lieu thereof "1985". 7 USC 1374.

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938, as amended, shall again become effective as preliminary allotments for the 1986 crop. 7 USC 1342 note. 7 USC 1379.

UPLAND COTTON LOAN DIFFERENTIALS

SEC. 507. Section 403 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Beginning with the 1982 crop, the quality differences (premiums and discounts for grade, staple, and micronaire) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets. The Secretary shall establish a study committee of ten members, eight of whom shall be representatives of cotton producers selected to equally represent each of the four major geographic regions which produce and market upland cotton, one of whom shall be a representative of cotton merchants, and one of whom shall be a representative of the textile manufacturers. The committee shall study alternative methods of establishing values of premiums and discounts for grade, staple, and micronaire for the upland cotton loan program that will accurately represent true relative market values and reflect actual market demand for upland cotton produced in the United States. The committee shall submit the results of such study to the Secretary at the earliest practicable date together with such recommendations as the committee considers appropriate. The Secretary may, prior to the announcement of loan rate differences for the 1982 crop of upland cotton, review the procedures and criteria, including the recommendations made by the study committee and the formula provided in the fifth sentence of this section for determining quality differences, including the loan differentials for grade, staple, and micronaire for the upland cotton loan program and, on the basis of such review, revise such procedures and criteria to accurately reflect the actual market value of upland cotton produced in the United States.". 7 USC 1423. Study committee.

EXTRA LONG STAPLE COTTON PRICE SUPPORT

7 USC 1441.

SEC. 508. Effective beginning with the 1982 crop of extra long staple cotton, section 101(f) of the Agricultural Act of 1949 is amended to read as follows:

"(f) The provisions of this Act relating to price support for cotton shall apply severally to (1) American upland cotton and (2) extra long staple cotton described in subsection (a) and ginned as required by subsection (e) of section 347 of the Agricultural Adjustment Act of 1938, as amended, except that, notwithstanding any other provision of this Act, price support shall be made available for the 1982 and each subsequent crop of extra long staple cotton through nonrecourse loans as provided in this subsection. If producers have not disapproved marketing quotas for any crop of extra long staple cotton, price support loans shall be made available to cooperators for such crop at a level which is not less than 75 per centum or more than 125 per centum in excess of the loan level established for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) of such crop at average location in the United States. If producers have disapproved marketing quotas for any crop of extra long staple cotton, price support loans shall be made available to cooperators for such crop at a level which shall be 50 per centum in excess of the loan level established for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) of such crop at average location in the United States. Nothing contained herein shall affect the authority of the Secretary to make price support available for extra long staple cotton in accordance with section 402 of this Act.".

7 USC 1347.

7 USC 1422.

TITLE VI—RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPORTIONMENT, MARKETING QUOTAS, AND PENALTIES

Repeals. 7 USC 1352-1356.

SEC. 601. Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356 of the Agricultural Adjustment Act of 1938 are repealed.

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

7 USC 1441.

SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(i) Notwithstanding any other provision of law—

"(1) The Secretary shall make available to producers in the several States of the United States loans and purchases for each of the 1982 through 1985 crops of rice at such level as bears the same ratio to the loan level for the preceding year's crop as the established price for each such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at the foregoing level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any

such crop at such level, not less than $8 per hundredweight, as the Secretary determines necessary to avoid such consequences: *Provided,* That the loan and purchase level for the succeeding crop shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of this sentence. The loan and purchase level and the established price for each of the 1982 through 1985 crops of rice shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(2)(A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States in an amount computed as provided in this paragraph. Payments for each such crop of rice shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(B) The payment rate for rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(i) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under paragraph (1) for such crop.

"(C) The established price for rice shall be not less than $10.85 per hundredweight for the 1982 crop, $11.40 per hundredweight for the 1983 crop, $11.90 per hundredweight for the 1984 crop, and $12.40 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The yield established for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the producers. If no rice was produced on the farm during such period, the yield shall be determined taking into consideration the yield of comparable farms in the surrounding area and such other factors as the Secretary determines will produce a fair and equitable yield.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (3) of this subsection.

"(3)(A) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the yield established for the farm times a payment rate equal to 33⅓ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the yield established for the farm for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to producers at a rate equal to 33⅓ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) Producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

7 USC 1501.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(4)(A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Secretary

may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined. The farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the acreage base established for the farm under paragraph (5)(A) of this subsection by at least the percentage recommended by the Secretary in the proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than the acreage base established for the farm under paragraph (5)(A) of this subsection, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(5)(A) Notwithstanding any other provision of this subsection, the Secretary may establish a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice, in the absence of such limitation, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Any such limitation shall be announced by the Secretary not later than January 31 of the calendar year in which the crop for which the announcement is made is harvested. Such limitation shall be achieved by applying a uniform percentage reduction to the acreage base for each rice-producing farm. Producers who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any

reduction required to be made for any year as the result of a limitation under this subparagraph shall be the acreage planted on the farm to rice for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. For the purpose of the preceding sentence, acreage planted to rice for harvest shall include any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (ii) the number of acres authorized to be planted to rice under the limitation established by the Secretary shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely. If an acreage limitation program is announced under this paragraph for a crop of rice, paragraph (4) of this subsection shall not be applicable to such crop, including any prior announcement which may have been made under such paragraph with respect to such crop. The individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(B) The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation for rice is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers. The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted. The Secretary shall limit the total acreage

to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(C) The reduced acreage and the additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(D) An operator of a farm desiring to participate in the program conducted under this paragraph shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers on the farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(6) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(7) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(8) If the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program. 16 USC 590h.

"(9) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(10) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(11) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(12) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.".

REPORT ON TRADING OF RICE FUTURES

7 USC 1441 note.

SEC. 603. The Secretary of Agriculture shall by July 31, 1983, submit a report to Congress evaluating the trading of rice futures on the commodity exchanges. The report shall contain an assessment as to whether the rice futures prices effectively reflect the market prices for rice except for certain factors such as carrying charges and storage costs. In addition, the Secretary shall include in such report an assessment of the feasibility of using the seasonal average price received by farmers for rough rice or the futures price for rice as a basis for calculating the support and loan rate for rice as provided for in the Agricultural Act of 1949. Such report shall contain any other recommendations of the Secretary as may relate to these matters.

7 USC 1421 note.

TITLE VII—PEANUTS

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 701. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of peanuts:

7 USC 1358 note.
7 USC 1358a note.
7 USC 1359 note.
7 USC 1361 note.
7 USC 1371 note.

(1) Subsections (a) through (j) of section 358;
(2) Subsections (a) through (h) of section 358a;
(3) Subsections (a), (b), (d), and (e) of section 359;
(4) Part I of subtitle C of title III; and
(5) Section 371.

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA

7 USC 1358.

SEC. 702. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows:

"(k) The national poundage quota for peanuts for each marketing year shall be 1,200,000 tons for 1982; 1,167,300 tons for 1983; 1,134,700 tons for 1984; and 1,100,000 tons for 1985.

"(l)(1) The national poundage quota established under subsection (k) of this section shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1981.

"(2) Notwithstanding any other provision of this section—

"(A) Beginning with the 1982 marketing year, the reduction in the poundage quota allocated to any State for any marketing year below the poundage quota allocated to such State for the immediately preceding marketing year (which poundage quota, for the 1981 marketing year, shall be deemed to be the total of the farm poundage quotas allocated to farms in the State for such marketing year) shall, insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, be accomplished by reducing the farm poundage quota for each farm in the State to the extent that the farm poundage quota has not been produced on such farm. For purposes of the foregoing sentence, the farm poundage quota shall be considered as not having been produced on a farm to the extent that (i) during any crop year immediately preceding the crop year for which the adjustment is being made, such quota was not actually produced on the farm because there was inadequate tillable cropland available on the farm to produce such quota; or (ii) during any

two of the three crop years immediately preceding the crop year for which the adjustment is made, (I) such quota was not actually produced for any other reason (other than natural disasters or such other reasons as the Secretary may prescribe), or (II) such quota was produced but by another operator on a farm to which the poundage quota (or the acreage allotment upon which such poundage quota was based) was transferred by lease. To achieve the reduction in the State poundage quota in any marketing year, the reductions in farm poundage quotas shall be made first under clause (i) of the preceding sentence and, if necessary, under clause (ii)(I) and then clause (ii)(II) thereof.

"(B) If application of the provisions of subparagraph (A) of this paragraph results in a total reduction of farm poundage quotas that exceeds the reduction in the State poundage quota for the marketing year, the reductions in the farm poundage quotas shall be adjusted upward by the Secretary so that the total reduction of farm poundage quotas equals the reduction in the State poundage quota.

"(C) If application of the provisions of subparagraph (A) of this paragraph results in a total reduction of farm poundage quotas that is less than the reduction in the State poundage quota for the marketing year, the balance of the reduction in the State poundage quota shall be accomplished by such further reduction in farm poundage quotas for farms in the State as the Secretary determines to be fair and equitable.

"(m) (1) A farm poundage quota shall be established for each farm which had an acreage allotment for the 1981 crop year. The farm poundage quota for any such farm for the 1982 through 1985 marketing years shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year, as adjusted under subsection (l) of this section, but not including any increases for undermarketings from previous marketing years, except that if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a of this Act, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years. 7 USC 1358a.

"(2) The farm poundage quota so determined shall be increased by the number of pounds by which total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the total amount of the applicable farm poundage quotas (disregarding adjustments for undermarketings from prior marketing years) for such marketing years. Increases in farm poundage quotas made under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

"(3) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (2) of this subsection exceeds 10 per centum of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 per centum of the national poundage quota.

"(n) For each farm for which a farm poundage quota was established for the 1981 crop of peanuts, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each farm. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event

that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

Referendum.

"(o) Not later than December 15 of each calendar year (or in the case of the 1982 crop, as soon as practicable after enactment of the Agriculture and Food Act of 1981), the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the four calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, and fourth years of the period. The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held, and if more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held. For purposes of this subsection, if the referendum for the 1982 crop is held after December 31, 1981, it shall be deemed to have been held in calendar year 1981.

Definitions.
7 USC 1441.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m) of this section, that are eligible for domestic edible use as determined by the Secretary, that are marketed or considered marketed from a farm, and that do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year (A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year, and (B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (m) of this section.

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or processing into flakes or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (3) of this subsection) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.".

7 USC 1359.

SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

SEC. 703. Effective only for the 1982 through 1985 crops of peanuts, section 358a of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows: 7 USC 1358a.

"(i) The owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may, subject to such terms, conditions or limitations as the Secretary may prescribe, sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm. The owner or operator of a farm may transfer all or any part of such farm's farm poundage quota to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the 1981 crop. Notwithstanding the foregoing provisions of this subsection, in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the 1981 crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to the following conditions: (1) no transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders; (2) no transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota; (3) no transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with the provisions of this section; and (4) such other terms and conditions that the Secretary may by regulation prescribe.". 16 USC 590h.

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections as follows: 7 USC 1359.

"(f)(1) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year (August 1 through July 31) in which such marketing occurs. The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either (A) placed under loan at the additional loan rate in effect for such peanuts under section 108A of the Agricultural Act of 1949 and not redeemed by the producers, (B) marketed through an area marketing association designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949, or (C) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (j) of this section. Such penalty shall be paid by the person who buys or otherwise acquires the peanuts *Post*, p. 1254.

from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts and the penalty in respect thereof shall be paid and remitted by the producer.

Ante, p. 1248.

Regulations.

"(2) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight that do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.

16 USC 590h.

"(g) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (k) of this section. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

7 USC 1359.

"(h) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949. Quota and additional

Post, p. 1254.

peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing. Failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced.

"(k) Subject to the provisions of section 407 of the Agricultural Act of 1949, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108A(3)(A) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts.

7 USC 1427.

Post, p. 1254.

"(l)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for

payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations. All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) Notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section if the Secretary finds that the violation upon which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.".

PRICE SUPPORT PROGRAM

SEC. 705. Effective only for the 1982 through 1985 crops of peanuts, the Agricultural Act of 1949 is amended by adding a new section as follows:

"PRICE SUPPORT FOR 1982 THROUGH 1985 CROPS OF PEANUTS

7 USC 1445c-1.

"SEC. 108A. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops. The national average quota support rate for the 1982 crop of quota peanuts shall be the national average cost of production, including the cost of land on a current value basis, for such crop, as estimated by the Secretary, but in no event less than 27.5 cents per pound, farmers stock basis. The national average quota support rate for each of the 1983, 1984, and 1985 crops of quota peanuts shall be the national average quota support rate for such peanuts for the preceding crop, adjusted to reflect any increase, during the period January 1 and ending December 31 of the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any increase in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 per centum the national average quota support rate for the preceding crop. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403 of this Act.

7 USC 1423.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops at such levels as

the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided,* That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(3)(A) In carrying out paragraphs (1) and (2) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980 ed.)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

7 USC 1359.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type, area, and segregation for quota peanuts handled under loan, for additional peanuts placed under loan, and for additional peanuts produced without a contract between a handler and a producer as described in section 359(j) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary , shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of (i) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (ii) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this subparagraph. Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such producer.

Ante, p. 1251.

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"(4) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938.".

Ante, p. 1248.

REPORTS AND RECORDS

SEC. 706. Effective only for the 1982 through 1985 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,".

7 USC 1373.

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

7 USC 1441 note.
7 USC 1441.

SEC. 707. Section 101 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of peanuts.

TITLE VIII—SOYBEANS

SOYBEAN PRICE SUPPORT

SEC. 801. Effective only for the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 is amended by—

7 USC 1446.

(1) inserting in the first sentence "soybeans," after "tung nuts,"; and

(2) adding at the end thereof a new subsection as follows:

"(g)(1) The price of soybeans shall be supported through loans and purchases during each of the four marketing years beginning with the 1982 marketing year at a level equal to 75 per centum of the simple average price received by farmers for soybeans for each of the preceding five marketing years, excluding the high and low valued years, except that in no event shall the Secretary establish a support price of less than $5.02 per bushel: *Provided*, That if the Secretary determines that the average price of soybeans received by producers in any marketing year is not more than 105 per centum of the level of loans and purchases for soybeans for such marketing year, the Secretary may reduce the level of loans and purchases for soybeans for the next marketing year by the amount the Secretary determines necessary to maintain domestic and export markets for soybeans, except that the level of loans and purchases shall not be reduced by more than 10 per centum in any year nor below $4.50 per bushel. For the purposes of this subsection, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"(2) Notwithstanding any other provision of law—

"(A) the Secretary shall not require participation in any production adjustment control program for soybeans or any other commodity as a condition of eligibility for price support for soybeans; and

"(B) soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans.".

TITLE IX—SUGAR

SUGAR PRICE SUPPORT

SEC. 901. Effective only for the 1982 through 1985 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 is amended by— 7 USC 1446.

(1) striking out in the first sentence "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugarcane"; and

(2) adding at the end thereof a new subsection as follows:

"(h) The price of each of the 1982 through 1985 crops of sugar beets and sugarcane, respectively, shall be supported in the manner specified below:

"(1) Effective with respect to sugar processed from domestically grown sugar beets and sugarcane beginning with the date of enactment of this subsection through March 31, 1982, the Secretary shall, through purchases of the processed products thereof, support the price of sugarcane at such level as the Secretary determines appropriate to approximate a raw sugar price of 16.75 cents per pound, and the price of sugar beets at such level as the Secretary determines to be fair and reasonable in relation to the support level for sugarcane.

"(2) Effective October 1, 1982, the Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 17 cents per pound for raw cane sugar for the 1982 crop, 17.5 cents per pound for the 1983 crop, 17.75 cents per pound for the 1984 crop, and 18 cents per pound for the 1985 crop. Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for sugarcane. The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this subsection. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.".

TITLE X—GRAIN RESERVES AND NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD

Subtitle A—Grain Reserves

PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS

SEC. 1001. Effective beginning with the 1982 crops, section 110 of the Agricultural Act of 1949 is amended to read as follows: 7 USC 1445e.

"PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS

"SEC. 110. (a) The Secretary shall formulate and administer a program under which producers of wheat and feed grains will be able to store wheat and feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary shall provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at such level of support as the Secretary determines appropriate, except that the loan rate shall not be less than the then current level of support under the wheat and feed grain programs established under this title. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payments to producers for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program; (3) a rate of interest as determined under subsection (c) of this section; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges if such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels determined under clause (5) of this sentence; and (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary.

"(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate to effectuate the purposes of this section. The Secretary may increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for the commodity has attained the level determined under clause (5) of the third sentence of subsection (b) of this section.

Emergency conditions. Report to President and congressional committees.

"(d) Notwithstanding any other provision of law, the Secretary may require producers to repay loans under this section plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports such determination and the reasons therefor to the President, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Committee on Agricul-

ture of the House of Representatives at least fourteen days before taking such action.

"(e) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities. The Secretary may place an upper limit on the amount of wheat and feed grains placed in the reserve, but such upper limit may not be less than seven hundred million bushels for wheat and one billion bushels for feed grains.

"(f) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans with respect to the commodity prior to the maturity dates of such loans, as determined under clause (5) of the third sentence of subsection (b) of this section. The foregoing restriction shall not apply to— 7 USC 1736f-1. 7 USC 4001.

"(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

"(2) sales or other disposals of such commodities under (A) the fifth and sixth sentences of section 407 of this Act; (B) the Act of September 21, 1959 (7 U.S.C. 1427 note); and (C) section 813 of the Agricultural Act of 1970; and 7 USC 1427. 7 USC 1427a.

"(3) sales of corn for use in the production of alcohol for motor fuel at facilities that—

"(A) began operation after January 4, 1980, and

"(B) whenever supplies of corn are not readily available, can produce alcohol from agricultural or forestry biomass feedstocks other than corn,

when sold at not less than the price at which producers may repay producer storage loans and redeem corn prior to the maturity dates of loans, as determined under clause (5) of the third sentence of subsection (b) of this section, or, whenever the fuel conversion price (as defined in section 212 of the Agricultural Trade Suspension Adjustment Act of 1980) for corn exceeds such price, at not less than the fuel conversion price. 7 USC 4005.

"(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.

"(h) Whenever grain is stored under the provisions of this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or con-

trols. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(i) The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.".

FORGIVENESS OF VIOLATIONS

SEC. 1002. The Agricultural Act of 1949 is amended by adding at the end thereof a new section as follows:

"FORGIVENESS OF VIOLATIONS

7 USC 1433a.

"SEC. 422. Notwithstanding any other provision of law, whenever a producer samples, turns, moves, or replaces grain or any other commodity which is security for a Commodity Credit Corporation producer loan or is held under a producer reserve program, and does so in violation of law or regulation, the appropriate county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act may forgive some or all of the penalties and requirements that would normally be imposed on the producer by reason of the violation, if such committee determines that (1) the violation occurred inadvertently or accidentally, because of lack of knowledge or understanding of the law or regulation, or because the producer or the producer's agent acted to prevent spoilage of the commodity, and (2) the violation did not result in harm or damage to the rights or interests of any person. The county committee shall furnish a copy of its determination to the Administrator of the Agricultural Stabilization and Conservation Service and the appropriate State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act. The determination may be disapproved by either the Administrator or the State committee within sixty days after receipt of a copy of the determination. Any determination not disapproved by the Administrator or such State committee within such sixty-day period shall be considered approved.".

16 USC 590h.

DISASTER RESERVE

SEC. 1003. Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is amended by striking out "shall" wherever it appears in subsections (a) and (b) of that section and inserting in lieu thereof "may".

CONFORMING AMENDMENT

SEC. 1004. Section 208 of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by—

7 USC 4001.

(1) striking out "second" and inserting in lieu thereof "third" in subsection (c)(2)(A); and

(2) amending clause (i) of subsection (c)(2)(B) to read as follows:

"(i) if there is a producer storage program in effect for the commodity, at not less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under

clause (5) of the third sentence of section 110(b) of the Agricultural Act of 1949, or".

Ante, p. 1257.

Subtitle B—National Agricultural Cost of Production Standards Review Board

ESTABLISHMENT OF BOARD

SEC. 1005. There is hereby established an advisory board to be known as the National Agricultural Cost of Production Standards Review Board (hereafter in this subtitle referred to as the "Board").

7 USC 4101.

MEMBERSHIP OF BOARD

SEC. 1006. (a) The Board shall be composed of eleven members appointed by the Secretary of Agriculture (hereafter in this subtitle referred to as the "Secretary") as follows:

7 USC 4102.

(1) seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States. The Secretary shall assure that the major geographical production areas of the major agricultural commodities are represented;

(2) three members who, by virtue of their education, training, or experience, have extensive knowledge of the costs associated with the production of the major agricultural commodities; these members may be drawn from the fields of agricultural economics, banking, finance, accounting, or related areas; and

(3) one member who is an employee of the Department of Agriculture (hereafter referred to in this subtitle as the "Department"), who shall serve at the pleasure of the Secretary, and who shall advise and inform the Board as to the methodology used by the Department in making its cost of production calculations.

(b) The terms of the initial Board members shall expire (as designated by the Secretary at the time of appointment) as follows: two at the end of the first year, two at the end of the second year, three at the end of the third year, and three at the end of the fourth year. Thereafter, the terms of all members, with the exception of the member provided for in subsection (a)(3) of this section, shall be four years, except that any person appointed to fill a vacancy on the Board shall be appointed only for the unexpired term of such person's predecessor.

(c) With the exception of the member provided for in subsection (a)(3) of this section, no person may serve as a member of the Board for more than two terms.

(d) The Secretary shall designate one member of the Board to serve as Chairman and one member to serve as Vice Chairman, respectively, each of which shall serve as such until his or her respective term expires. The Board member provided for in subsection (a)(3) of this section may not serve as Chairman or Vice Chairman.

FUNCTIONS OF BOARD

SEC. 1007. The Board shall—

7 USC 4103.

(1) review the adequacy, accuracy, and timeliness of the cost-of-production methodology used by the Department in determining specific cost of production estimates;

(2) advise the Secretary as to whether the cost of production methodology used by the Department in connection with the

administration of its price support programs accurately and fairly represents the costs of production incurred by producers;

(3) review the adequacy of the parity formulae;

(4) advise the Secretary on such other matters dealing with the cost of production of agricultural commodities and price support operations as the Secretary may request; and

(5) make such recommendations to the Secretary as the Board deems appropriate, including ways in which the cost of production methodology and parity formulae can be improved.

BOARD MEETINGS

7 USC 4104.

SEC. 1008. The Board shall meet twice annually, or more frequently, if necessary, for the purpose of carrying out its functions.

RECOMMENDATIONS TO SECRETARY

7 USC 4105.

SEC. 1009. From time to time, as necessary, the Board shall make written findings and recommendations to the Secretary. The Secretary shall report to the Board on the disposition of these recommendations, including the Secretary's reasons for declining to accept the Board's recommendations, if such declinations are made. The Secretary shall make such reports no later than one hundred and twenty days after the written submission of such recommendations.

REPORTS

7 USC 4106.

SEC. 1010. Within ninety days after the close of each calendar year and immediately prior to the Board's expiration, the Board shall submit a written report to the Secretary, the Senate Committee on Agriculture, Nutrition, and Forestry, and the House Committee on Agriculture. This report shall outline the activities undertaken by the Board since its inception or last annual report and shall include any findings and recommendations made to the Secretary during the reporting period.

SUPPORT SERVICES

7 USC 4107.

SEC. 1011. The Secretary shall provide such staff personnel, clerical assistance, services, materials, and office space as are essential to assist the Board in carrying out its duties.

COMPENSATION

7 USC 4108.

SEC. 1012. The members of the Board shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

AUTHORIZATION FOR APPROPRIATIONS

7 USC 4109.

SEC. 1013. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

TERMINATION

SEC. 1014. The Board established in this subtitle shall cease to exist on September 30, 1985. 7 USC 4110.

TITLE XI—MISCELLANEOUS

Subtitle A—Miscellaneous Commodity Provisions

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

SEC. 1101. Notwithstanding any other provision of law— 7 USC 1308.

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed $50,000 for each of the 1982 through 1985 crops. 7 USC 1421 note.

(2) The total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed $100,000 for each of the 1982 through 1985 crops.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments) or public access for recreation. "Payments."

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage requirement established under a set-aside or acreage limitation program for the farm or farms on which such person will be sharing in payments earned under such program shall be adjusted to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation: *Provided*, That the provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970. Regulations. 7 USC 1307.

FINALITY OF DETERMINATIONS

SEC. 1102. The first sentence of section 385 of the Agricultural Adjustment Act of 1938 is amended to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when 7 USC 1385.

officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.".

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

7 USC 1427.

SEC. 1103. Effective only for the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949 is amended by—

(1) striking out in the third sentence the language following the third colon and inserting in lieu thereof the following: "*Provided*, That the Corporation shall not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges.";

(2) striking out in the fifth sentence "current basic county support rate including the value of any applicable price-support payment in kind (or a comparable price if there is no current basic county support rate)" and inserting in lieu thereof the following: "current basic county loan rate (or a comparable price if there is no current basic county loan rate)"; and

(3) striking out in the seventh sentence ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

7 USC 1428.

SEC. 1104. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

7 USC 1422, 1423, 1426, 1427, 1431.

"(k) Reference made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat, feed grains, upland cotton, and rice under this Act.".

7 USC 1421.

SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

7 USC 1445h.

SEC. 1105. Effective for the 1982 through 1985 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 is amended to read as follows:

"SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105B(e) or 107B(e) of this title for one or more of the crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of Government. In order to carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.". *Ante*, p. 1227, 1221.

NORMALLY PLANTED ACREAGE AND TARGET PRICES

SEC. 1106. Section 1001 of the Food and Agriculture Act of 1977 is amended to read as follows: 7 USC 1309.

"SEC. 1001. (a) Notwithstanding any other provision of law, whenever a set-aside program is in effect for one or more of the 1982 through 1985 crops of wheat and feed grains, the Secretary of Agriculture may require, as a condition of eligibility for loans, purchases, and payments for such crops under the Agricultural Act of 1949, that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary, adjusted as deemed necessary by the Secretary to be fair and equitable among producers and reduced by any set-aside or diverted acreage. Such normal crop acreage for any crop year shall be determined as provided by the Secretary. The Secretary may require producers participating in the program to keep such records as the Secretary determines necessary to assist in making such determination. 7 USC 1421 note.

"(b) Notwithstanding any other provision of law—

"(1) Whenever the Secretary, for one or more of the 1982 through 1985 crops of wheat and feed grains, requires that producers not exceed the acreage on the farm normally planted to crops designated by the Secretary in accordance with subsection (a) of this section, the Secretary may increase the established price payments for any such commodity by such amount (or if there are no such payments in effect for such crop by providing for payments in such amount) as the Secretary determines appropriate to compensate producers for not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

"(2) In determining the amount of any payments for any commodity under this subsection, the Secretary shall take into account changes in the costs of production resulting from not exceeding the acreage on the farm normally planted to crops designated by the Secretary and participation in any required set-aside with respect to such commodity.

"(3) If payments are provided for any commodity under this subsection, the Secretary may provide for payments for any other commodity in such amount as the Secretary determines necessary for effective operation of the program.

"(4) The Secretary shall adjust any payments under this subsection to reflect, in whole or in part, any land diversion

payments for the commodity for which an increase is determined.".

NORMAL SUPPLY

7 USC 1310a.

SEC. 1107. Notwithstanding any other provision of law, if the Secretary of Agriculture determines that the supply of wheat, corn, upland cotton, or rice for the marketing year for any of the 1982 through 1985 crops of such commodity is not likely to be excessive and that program measures to reduce or control the planted acreage of the crop are not necessary, such a decision shall constitute a determination that the total supply of the commodity does not exceed the normal supply and no determination to the contrary shall be made by the Secretary with respect to such commodity for such marketing year.

NONQUOTA TOBACCO SUBJECT TO QUOTA

7 USC 1314f.

SEC. 1108. Effective beginning with the 1982 crop of tobacco, section 320 of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"SEC. 320. (a) Notwithstanding any other provision of law, effective with respect to the 1982 and subsequent crops of tobacco, any kind of tobacco for which marketing quotas are not in effect that is produced in an area where marketing quotas are in effect for any kind of tobacco shall be subject to the quota for the kind of tobacco for which marketing quotas are in effect in that area. If marketing quotas are in effect in an area for more than one kind of quota tobacco, nonquota tobacco produced in the area shall be subject to the quota for the kind of quota tobacco produced in the area having the highest price support under the Agricultural Act of 1949.

7 USC 1421 note.

"(b) Subsection (a) of this section shall not apply to—

"(1) Maryland (type 32) tobacco when it is nonquota tobacco and produced in a quota area on a farm for which a marketing quota for Maryland (type 32) tobacco was established when marketing quotas for such kind of tobacco were last in effect;

"(2) cigar-filler (type 41) tobacco when it is nonquota tobacco and produced in Pennsylvania;

"(3) cigar-wrapper (type 61) tobacco when it is nonquota tobacco and produced in Connecticut and Massachusetts, and cigar-wrapper (type 62) tobacco when it is nonquota tobacco and produced in Georgia and Florida; and

"(4) tobacco produced in a quota area that is represented to be nonquota tobacco and that is readily and distinguishably different from all kinds of quota tobacco, as determined through the application of the standards issued by the Secretary for the inspection and identification of tobacco.".

TOBACCO PROGRAM COST

7 USC 1445 note.

SEC. 1109. It is the intent of Congress that the tobacco price support and production adjustment program be carried out in such a manner as to result in no net cost to the taxpayers other than such administrative expense as is incidental to the implementation of any commodity program. To accomplish this objective, the Secretary of Agriculture shall promulgate such regulations and policies as are currently within the Secretary's existing authority by January 1982. The Secretary shall recommend to Congress by January 1982 any legislative changes the Secretary believes necessary and proper to achieve this objective.

Regulations.

Recommendation to Congress.

Subtitle B—General Provisions

SPECIAL GRAZING AND HAY PROGRAM

SEC. 1110. Section 109 of the Agricultural Act of 1949 is amended by— 7 USC 1445d.

(1) striking out "1981" in the first sentence of subsection (a) and inserting in lieu thereof "1985";

(2) striking out "Under the special program" in the second sentence of subsection (a) and inserting in lieu thereof "If a special program is implemented"; and

(3) inserting ", reduced acreage, or land diversion" in subsection (d) after "acreage set-aside".

EMERGENCY FEED PROGRAM

SEC. 1111. (a) The fifth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out "shall" wherever it appears and inserting in lieu thereof "may". 7 USC 1427.

(b)(1) The first sentence of section 1105(a) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(a)) is amended by inserting "and poultry" after "maintenance of livestock".

(2) Paragraphs (1) and (2) of section 1105(b) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(b)) are amended by inserting "or poultry" after "livestock" wherever it appears.

FARM INCOME PROTECTION INSURANCE PROGRAM STUDY

SEC. 1112. (a) It is the sense of Congress that the concept of farm income protection insurance should be studied in order to determine whether such a concept might provide the basis for an acceptable alternative to the commodity price support, income maintenance, and disaster assistance programs currently administered by the United States Department of Agriculture for the benefit of United States farmers. Toward this objective, the Secretary of Agriculture shall appoint a special task force to study and report on such concept. 7 USC 1421 note.

(b) The special task force appointed by the Secretary shall be composed of the following: a total of three representatives of agricultural commodity organizations and general farm organizations, three representatives of the private insurance industry (including stock companies, mutual companies, agents, or brokers), two full-time farmers, one official of the Federal Crop Insurance Corporation, one official of the Agricultural Stabilization and Conservation Service, two individuals from appropriate academic fields, and the designated representative of the Secretary of Agriculture. The designated representative of the Secretary shall serve as the chairman of the special task force.

(c) The study conducted by the special task force shall include, but not be limited to, an analysis of the following:

(1) the characteristics of a farm income protection insurance program;

(2) the feasibility of such a program as a substitute for the commodity price support, income maintenance, and disaster assistance programs administered by the Department of Agriculture for United States farmers;

(3) the appropriate roles of the private insurance industry and the Federal Government in the development, implementation, and administration of such a program;

(4) alternate mechanisms for administering such a program;

(5) the acceptability of such a program to farmers; and

(6) the costs associated with the development and implementation of such a program.

Transmittal to congressional committees.

(d) Not later than eighteen months following enactment of this Act, the special task force shall transmit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives copies of the report on farm income protection insurance and any legislative changes that the special task force recommends for purposes of establishing a farm income protection insurance program. Minority views, if submitted in a timely manner, shall be included in the report prepared and transmitted by the special task force.

(e) The Secretary of Agriculture shall provide such staff personnel, clerical assistance, services, materials, and office space as may be required to assist the special task force in carrying out its duties.

(f) In conducting its study and preparing its report and recommendations, the special task force may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal departments or agencies who may have relevant expertise in the areas of insurance, income maintenance, disaster assistance, agriculture, program management, and program evaluation.

(g) Members of the special task force shall serve without compensation, if not otherwise officers or employees of the United States, except that, while away from their homes or regular places of business in the performance of services under this section, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

(h) The special task force shall be dissolved forty-five days after submission of the report required in subsection (d) of this section.

STATE AGENCY AUTHORITY FOR GRAIN INSPECTIONS AT EXPORT PORT LOCATIONS

SEC. 1113. (a) The first sentence of section 7(e)(2) of the United States Grain Standards Act (7 U.S.C. 79(e)(2)) is amended by striking out "If the Administrator determines" and all that follows down through "the criteria in subsection (f)(1)(A) of this section," and inserting in lieu thereof: "If the Administrator determines, pursuant to paragraph (3) of this subsection, that a State agency is qualified to perform official inspection, meets the criteria in subsection (f)(1)(A) of this section, and (A) was performing official inspection at an export port location under this Act on July 1, 1976, or (B)(i) performed official inspection at an export port location at any time prior to July 1, 1976, (ii) was designated under subsection (f) of this section on the date of enactment of the Agriculture and Food Act of 1981 to perform official inspections at locations other than export port locations, and (iii) operates in a State from which total annual exports of grain do not exceed, as determined by the Administrator, 5 per centum of the total amount of grain exported from the United States annually,".

Effective date. 7 USC 79 note.

(b) The provisions of this section shall become effective one hundred and eighty days after enactment of this Act.

DISTRIBUTION OF SURPLUS COMMODITIES; SPECIAL NUTRITION PROJECTS

SEC. 1114. (a) Notwithstanding any other provision of law, whenever Government stocks of commodities are acquired under the price support programs and are not likely to be sold by the Commodity Credit Corporation or otherwise used in programs of commodity sale or distribution, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), to child nutrition programs providing food service, and to food banks participating in the special nutrition projects established under section 211 of the Agricultural Act of 1980. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act of 1965. The Commodity Credit Corporation is authorized to use available funds to operate the program under this subsection and to further process products to facilitate bonus commodity use. 7 USC 1431e.

(b) Section 211 of the Agricultural Act of 1980 (7 U.S.C. 4004) is amended by—

(1) striking out "demonstration projects" wherever that phrase occurs in subsections (a) and (b) and inserting in lieu thereof "special nutrition projects";

(2) striking out "a report to Congress on October 1, 1982," in subsection (d) and inserting in lieu thereof "to Congress a progress report on July 1, 1983, and a final report on January 1, 1984,";

(3) striking out "demonstration projects" in subsection (d) and inserting in lieu thereof "special nutrition projects";

(4) redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

"(f) The Secretary shall minimize paperwork requirements placed on food banks which participate in the special nutrition projects established under this section and shall otherwise encourage food banks to participate in such projects."; and

(5) striking out "to carry out this section $356,000" in subsection (g), as redesignated by paragraph (4) of this subsection, and inserting in lieu thereof "such sums as may be necessary to carry out this section".

(c) The heading for section 211 of the Agricultural Act of 1980 is amended to read as follows:

"DISTRIBUTION OF EXCESS AGRICULTURAL COMMODITIES THROUGH COMMUNITY FOOD BANKS".

(d) Section 4(b) of the Food Stamp Act of 1977 shall not apply with respect to distribution of surplus commodities under section 211 of the Agricultural Act of 1980. 7 USC 4004a. 7 USC 2013.

PERISHABLE AGRICULTURAL COMMODITIES

SEC. 1115. (a) Paragraphs (6) and (7) of section 1 of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a (6) and (7)), are amended by striking out "$200,000" and inserting in lieu thereof "$230,000".

(b) Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c(b)), is amended by striking out "$150", "$50", and

"$1,000", and inserting in lieu thereof "$300", "$150", and "$3,000", respectively.

(c) Sections 6(c) and 6(d) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499f (c) and (d)), are amended by striking out "$3,000" wherever it appears and inserting in lieu thereof "$15,000".

DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

SEC. 1116. (a) Title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) is amended to read as follows:

"TITLE XVIII—DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

"PURPOSES

7 USC 2281.

"SEC. 1801. The purposes of this title are to—

"(1) require strict financial and program accounting by advisory committees of the Department of Agriculture;

"(2) assure balance and objectivity in the membership of such advisory committees; and

"(3) prevent the formation or continuation of unnecessary advisory committees by the Department of Agriculture.

"DEFINITIONS

7 USC 2282.

"SEC. 1802. When used in this title—

"(1) the term 'Secretary' means the Secretary of Agriculture of the United States;

"(2) the term 'Department of Agriculture' means the United States Department of Agriculture; and

"(3) the term 'advisory committee' means any committee, board, commission, council, conference, panel, task force, or other similiar group, or any subcommittee or other subgroup thereof that is established or used by the Department of Agriculture in the interest of obtaining advice or recommendations for the President or the Department of Agriculture, except that such term excludes any committee which (A) is composed wholly of full-time officers or employees of the Federal Government, (B) is established by statute or reorganization plan, or (C) is established by the President.

"MEMBERSHIP ON ADVISORY COMMITTEES

7 USC 2283.

"SEC. 1803. (a) No person other than an officer or employee of the Department of Agriculture may serve simultaneously on more than one advisory committee, unless authorized by the Secretary.

"(b) Not more than one officer or employee of any corporation or other non-Federal entity, including all subsidiaries and affiliates thereof, may serve on the same advisory committee at any one time, unless authorized by the Secretary.

"(c) No person other than an officer or employee of the Department of Agriculture may serve for more than six consecutive years on an advisory committee, unless authorized by the Secretary.

"ANNUAL REPORT

7 USC 2284.

"SEC. 1804. The Secretary shall annually transmit to the appropriate committees of Congress having legislative jurisdiction or over-

sight with respect to the agency within the Department of Agriculture that provides support services to an advisory committee, and to the Library of Congress—

"(1) a copy of the report concerning that advisory committee prepared in compliance with section 6(c) of the Federal Advisory Committee Act (5 U.S.C. App.);

"(2) a list of the members of that advisory committee which shall specify the principal place of residence, persons or companies by whom they are employed, and other major sources of income, as defined by the Secretary, of each member; and

"(3) a statement of the amount of expenses incurred in connection with advisory committee meetings by any member of an advisory committee for which reimbursement was received from any source other than the United States or the member's employer.

"BUDGET PROHIBITIONS

"SEC. 1805. No advisory committee may expend funds in excess of its estimated annual operating costs by more than 10 per centum or $500, whichever is greater, until it provides the Secretary with an explanation of the need for the additional expenditure and the Secretary approves such additional expenditure. 7 USC 2285.

"TERMINATION OF ADVISORY COMMITTEES

"SEC. 1806. The Secretary shall terminate any advisory committee upon a finding that any such advisory committee— 7 USC 2286.

"(1) has expended funds in excess of its estimated annual operating costs by more than 10 per centum or $500, whichever is greater, without the prior approval of the Secretary pursuant to the provisions of section 1805 of this title;

"(2) has failed to file all reports required under the provisions of the Federal Advisory Committee Act or this title; 5 USC app.

"(3) has failed to meet for two consecutive years;

"(4) is responsible for functions that otherwise would be or should be performed by Federal employees; or

"(5) does not serve or has ceased to serve an essential public function.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the items relating to sections 1801 through 1809 and inserting in lieu thereof the following items:

"Sec. 1801. Purposes.
"Sec. 1802. Definitions.
"Sec. 1803. Membership on advisory committees.
"Sec. 1804. Annual report.
"Sec. 1805. Budget prohibitions.
"Sec. 1806. Termination of advisory committees.".

COST OF PRODUCTION STUDY

SEC. 1117. Section 808 of the Agricultural Act of 1970 (7 U.S.C. 1441a) is amended by—

(1) adding after the phrase "all typical variable costs," the following: "including interest costs,"; and

(2) striking out "equal to the existing interest rates charged by the Federal Land Bank, and return for management comparable to the normal management fees charged by other comparable industries. These studies shall be based upon the size unit that

requires one man to farm on a full-time basis." and inserting in lieu thereof ", and a return for management.".

UNLAWFUL TO OFFER FOR SALE OR ADVERTISE PROTECTED SEED WHEN NOT CERTIFIED BY A STATE AGENCY

SEC. 1118. Section 501 of the Federal Seed Act (7 U.S.C. 1611) is amended to read as follows:

"SEC. 501. It shall be unlawful in the United States or in interstate or foreign commerce to sell or offer for sale or advertise, by variety name, seed not certified by an official seed certifying agency, when it is a variety for which a certificate of plant variety protection under the Plant Variety Protection Act specifies sale only as a class of certified seed: *Provided*, That seed from a certified lot may be labeled as to variety name when used in a mixture by, or with the approval of, the owners of the variety.".

7 USC 2321 note.

PROTECTION AGAINST THE INTRODUCTION AND DISSEMINATION OF PLANT PESTS

SEC. 1119. The Federal Plant Pest Act (7 U.S.C. 150aa et seq.) is amended by—

7 USC 150dd.

(1) redesignating subsections (b), (c), and (d) in section 105 as (c), (d), and (e), respectively, and adding a new subsection (b) as follows:

"(b)(1) Whereas, the existence of a plant pest new to or not theretofore known to be widely prevalent or distributed within and throughout the United States on any premises in the United States would constitute a threat to crops, other plant life, and plant products of the Nation and thereby seriously burden interstate or foreign commerce, whenever the Secretary determines that an extraordinary emergency exists because of the presence of such plant pest on any premises in the United States, and that the presence of such plant pest anywhere in the United States threatens the crops, other plant life, or plant products of the United States, the Secretary may (A) seize, quarantine, treat, apply other remedial measures to, destroy, or otherwise dispose of, in such manner as the Secretary deems appropriate, any product or article of any character whatsoever, or means of conveyance which the Secretary has reason to believe is infested or infected by or contains any such plant pest; (B) quarantine, treat, or apply other remedial measures to, in such manner as the Secretary deems appropriate, any premises, including articles on such premises which the Secretary has reason to believe are infested or infected by any such plant pest: *Provided*, That any action taken under clauses (A) and (B) shall be consistent with the provisions of the Federal Insecticide, Fungicide, and Rodenticide Act: *Provided further*, That such action may be taken under this subsection only if the Secretary finds after review of measures taken by the State or other jurisdiction and after consultation with the Governor that the measures being taken are inadequate. Before any action is taken in any State or other jurisdiction under this subsection, the Secretary shall notify the Governor of the State or other jurisdiction, shall issue a public announcement and shall file a statement for publication in the Federal Register of the action the Secretary intends to take together with the findings and reasons therefor: *Provided*, That if it is not possible to make such a filing with the Federal Register prior to taking action, the filing shall be made within a reasonable time, not to exceed five business days, after commencement of the action. If the

7 USC 136 note.

Publication in Federal Register.

Secretary wishes to change any action previously taken under this subsection, the Secretary shall follow the procedure set forth in the preceding sentence. The cost of any action taken by the Secretary under this subsection shall be at the expense of the United States.

"(2) The Secretary may pay compensation to producers and other persons for economic losses incurred by them as a result of the quarantine, destruction, or other action taken under the authority of paragraph (1) of this subsection. The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final. Compensation.

"(3) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection."; and Appropriation authorization.

(2) adding after the second semicolon in section 107 the following: "to stop and inspect without a warrant any person or means of conveyance moving intrastate upon probable cause to believe that the person or conveyance is carrying any product or article subject to treatment or disposal under the provisions of this Act or the regulations issued thereunder;". 7 USC 150ff.

AUTHORITY TO RELEASE BEE GERM PLASM

SEC. 1120. Section 103 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 283) is amended by adding immediately before the period "and may release bee germ plasm to the public".

USER FEES FOR REPORTS AND PUBLICATIONS

SEC. 1121. The Secretary of Agriculture may furnish upon request copies of pamphlets, reports, or other publications prepared in the Department of Agriculture in carrying out agricultural economic research and statistical reporting functions authorized by law, and charge such fees therefor as the Secretary may determine to be reasonable: *Provided*, That the imposition of such charges shall be consistent with the provision of title V of the Act of August 31, 1951 (31 U.S.C. 483a), except that all moneys received in payment for work or services performed or for documents, reports, or other publications provided shall be deposited in a separate account or accounts to be available until expended and may be used to pay directly the costs of such work, services, documents, reports, or publications, and to repay or make advances to appropriations or funds which do or will initially bear all or part of such costs. 7 USC 2242a.

INSPECTION AND OTHER STANDARDS FOR IMPORTED MEAT PRODUCTS

SEC. 1122. Section 20 of the Federal Meat Inspection Act (21 U.S.C. 620) is amended by adding at the end thereof a new subsection as follows:

"(f) Notwithstanding any other provision of law, all carcasses, parts of carcasses, meat, and meat food products of cattle, sheep, swine, goats, horses, mules, or other equines, capable of use as human food, offered for importation into the United States shall be subject to the inspection, sanitary, quality, species verification, and residue standards applied to products produced in the United States. Any such imported meat articles that do not meet such standards shall not be permitted entry into the United States. The Secretary shall enforce this provision through (1) the imposition of random inspections for such species verification and for residues, and (2) random sampling and testing of internal

organs and fat of the carcasses for residues at the point of slaughter by the exporting country in accordance with methods approved by the Secretary. The provisions of this subsection shall become effective six months after enactment of the Agriculture and Food Act of 1981.".

Effective date.

TITLE XII—AGRICULTURAL EXPORTS AND PUBLIC LAW 480

Subtitle A—General Export Provisions

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 1201. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707(a) is amended by adding at the end thereof a new subsection as follows:

7 USC 1707a.

"(d)(1) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund, which shall be available without fiscal year limitation for use by the Commodity Credit Corporation (hereafter referred to in this subsection as the 'Corporation') for financing in accordance with this section and section 5(f) of the Commodity Credit Corporation Charter Act the following—

Establishment.

15 USC 714c.

"(A) commercial export sales of United States agricultural commodities out of private stocks or stocks owned or controlled by the Corporation on credit terms of not to exceed three years;

"(B) export sales of United States breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

"(C) the establishment of facilities in importing countries to improve the capacity of such countries for handling, marketing, processing, storing, or distributing fungible agricultural commodities produced in and exported from the United States (through the use of local currency generated from the sale of United States agricultural commodities).

"(2) The Corporation shall use the revolving fund only to extend credit for purposes of market development and expansion and only where there is substantial potential for developing or enhancing regular commercial markets for United States agricultural commodities.

"(3) The Secretary of Agriculture shall ensure that the revolving fund is used in such a manner as to involve equitable use of the funds to finance sales to the greatest feasible number of countries consistent with maximizing market opportunities. In carrying out this objective, the Secretary shall establish procedures under which—

"(A) not less than 85 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the purposes provided in clause (A) of paragraph (1) of this subsection; and

"(B) not to exceed 25 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the financing of credit sales to any one country for the purposes described in paragraph (1) of this subsection.

"(4) There are authorized to be appropriated to the Agricultural Export Credit Revolving Fund such sums as may be necessary to carry out the provisions of this subsection. All funds received by the Corporation in payment for credit extended by the Corporation using the revolving fund, including interest or other receipts on invest-

Appropriation authorization.

ments and credit obligations, in financing export sales of the types specified in paragraph (1) of this subsection shall be added to and become a part of such revolving fund.

"(5) The Secretary shall submit an annual report to Congress not later than December 1 of each year with respect to the use of the revolving fund in carrying out export credit sales by the Corporation in the previous fiscal year. Such report shall include, for the previous fiscal year, the names of the countries extended credit under this subsection, the total amount of such credit extended to each such country, the names of the United States exporters that received any such credit, the total amount of credit provided to each such exporter stated separately for each commodity for which the credit was extended, and a discussion and evaluation of the market development and expansion activities of the Corporation under this subsection during such fiscal year. The first such report shall be submitted to Congress not later than December 1, 1982. Report to Congress.

"(6) The revolving fund created by this subsection is abolished effective October 1, 1985, and all unobligated money in such fund on September 30, 1985, shall be transferred to and become part of the miscellaneous receipts account of the Treasury. Fund abolition.

"(7) The authority provided under this subsection shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Corporation under any other provision of law.

"(8) The authority provided under this subsection to incur obligations to make loans shall be effective only to the extent that such obligations do not exceed annual limitations on new direct loan obligations which shall be provided in annual appropriations Acts.".

CONGRESSIONAL CONSULTATION ON BILATERAL COMMODITY SUPPLY AGREEMENTS

SEC. 1202. As soon as practicable before the Government of the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality thereof to United States agricultural commodities or products thereof on a commercial basis, the President is encouraged to notify and consult with the appropriate committees of Congress for the purpose of setting forth in detail the terms of and reasons for negotiating such agreement. 7 USC 1736h.

SPECIAL STANDBY EXPORT SUBSIDY PROGRAM

SEC. 1203. (a) In order to discourage foreign countries or instrumentalities thereof from using subsidies to promote the exportation of agricultural commodities, the Secretary of Agriculture shall formulate a special standby export subsidy program for agricultural commodities or products thereof produced in the United States. Such program shall be designed to neutralize the effects of export subsidy programs instituted by foreign countries or instrumentalities to encourage exports of their agricultural commodities to foreign markets other than the United States. 7 USC 1736i.

(b) The Secretary may implement the special standby export subsidy program formulated under subsection (a) of this section only after the President—

(1) makes a determination under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) that action by the United States is

appropriate to obtain the elimination of an act, policy, or practice of a foreign country or instrumentality that results in—

(A) substantial displacement of United States exports of agricultural commodites to foreign markets, or

(B) prices for agricultural commodities in foreign markets materially below prices which suppliers of the same agricultural commodities produced in the United States must charge in order to supply such commodities to the same markets;

(2) makes a determination that such act, policy, or practice of the foreign country or instrumentality concerned involves the use of export subsidies to encourage exports of such country's or instrumentality's agricultural commodities to foreign markets other than the United States; and

(3) fails to reach a mutually acceptable resolution through consultation with the foreign country or instrumentality concerned.

(c) The Secretary shall use the Commodity Credit Corporation in carrying out the special standby export subsidy program authorized by this section.

(d) Notwithstanding any other provision of this section, the Secretary shall not implement the special standby export subsidy program for cotton.

(e) The authority provided under this section shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation by any other provision of law.

AGRICULTURAL EMBARGO PROTECTION

7 USC 1736j.

SEC. 1204. Notwithstanding any other provision of law—

(a) If the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law, and if such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world, and if sales of such agricultural commodity for export from the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceed 3 per centum of the total sales of such commodity for export from the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect, the Secretary of Agriculture shall compensate producers of the commodity involved by—

50 USC app. 2401 note.

(1) making payments available to such producers, as provided in subsection (b) of this section;

(2) on the date on which the suspension or restriction is imposed, establishing the loan level for such commodity under the Agricultural Act of 1949, if a loan program is in effect for the commodity, at 100 per centum of the parity price for the commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

7 USC 1421 note.

(3) undertaking any combination of the measures described in clauses (1) and (2) of this subsection.

(b) If the Secretary makes payments available to producers pursuant to clause (1) of subsection (a) of this section, the amount of such payment shall be determined by—

(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under title I of the Agricultural Act of 1949, multiplying (A) the producer's farm program payment yield or the yield established for the farm for the commodity involved, times (B) the farm program acreage established for the commodity, times (C) the amount by which the average market price per unit of such commodity received by producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or 7 USC 1441.

(2) in the case of other agricultural commodities for which price support is authorized for producers under the Agricultural Act of 1949, multiplying the amount by which the average market price per unit of such commodity received by the producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect. 7 USC 1421 note.

(c) The payments made pursuant to clause (1) of subsection (b) of this section shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at ninety-day intervals, beginning ninety days after the date of the imposition of the suspension or restriction.

(d)(1) Any loan level established pursuant to clause (2) of subsection (a) of this section shall remain in effect as long as the suspension or restriction described in subsection (a) remains in effect.

(2) Any commodity loan the level of which is increased by the Secretary pursuant to clause (2) of subsection (a) of this section shall be made available to producers of the commodity without interest.

(e) The Secretary may issue such regulations as are deemed necessary to carry out the provisions of this section.

(f) The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

(g) The provisions of this section shall become effective with respect to any suspension or restriction of the export of any agricultural commodity, as described in subsection (a) of this section, implemented after the date of enactment of this Act. Effective date.

DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EXPORT EMBARGOES ON AGRICULTURAL COMMODITIES

SEC. 1205. In order to alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities when the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall— 7 USC 1736k.

(1) develop a comprehensive contingency plan that includes—

(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to enable the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs;

(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in clause (1)(B) of this section;

(2) for any suspension or restriction for which compensation is not provided under section 1204 of this title, develop and submit to Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively, efficiently, economically, and fairly the impact of any such suspension or restriction;

(3) for any suspension or restriction for which compensation is provided under section 1204 of this title, develop and submit to Congress a plan for implementing and administering section 1204; and

(4) require the Commodity Credit Corporation, before such corporation purchases any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

(A) prepare an economic justification for each commodity involved in the suspension or restriction to determine if such a purchase is necessary;

(B) estimate any suspension- or restriction-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

(C) limit its purchases to only those types and grades of commodities suspended or restricted from shipment and make such purchases at prices at or near the current market prices.

CONSULTATION ON GRAIN MARKETING

7 USC 1736l.

SEC. 1206. Congress encourages the Secretary of Agriculture, in coordination with other appropriate Federal departments and agencies, to continue to consult with representatives of other major grain exporting nations toward the goal of establishing more orderly marketing of grain and achieving higher farm income for producers of grain.

EXPANSION OF INTERNATIONAL MARKETS FOR UNITED STATES AGRICULTURAL COMMODITIES AND PRODUCTS THEREOF

7 USC 1736m.

SEC. 1207. (a) It is the sense of Congress that, in order to further assist in the development, maintenance, and expansion of international markets for United States agricultural commodities and the products thereof, the Secretary of Agriculture should and is requested to—

(1) use the intermediate credit program authorized under section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) to improve the capability of importing nations to purchase and use United States agricultural commodities and the products thereof on a long-term basis;

(2) ask Congress, at the earliest practicable date, for funds for the agricultural export credit revolving fund in an amount sufficient to meet the demand for short-term credit authorized to be made available under section 4 of the Food for Peace Act of 1966;

(3) establish, insofar as practicable, the maximum number of United States Agricultural Trade Offices in other nations authorized by section 605A of the Act of August 28, 1954 (7 U.S.C. 1765a);

(4) use, to the maximum extent practicable, existing authority to ensure full utilization of the levy-free quota, established during the Tokyo round of the multilateral trade negotiations, for the export sale of United States high quality beef to the European Economic Community;

(5) expand, to the fullest extent possible, the market development activities of the Foreign Agricultural Service of the Department of Agriculture in developed, developing, market, and nonmarket foreign countries with particular emphasis on (A) continuation of the cooperator programs at the same funding level (adjusted for inflation) as provided during fiscal year 1970; (B) a more active export market development program for value added farm products and processed foods; and (C) the implementation of a full-scale program for forestry products, including commodity information, trade policy, and market development for such products;

(6) ensure that the European Economic Community observes its commitments under the General Agreement on Tariffs and Trade regarding the tariff-free binding on imports of soybeans and corn gluten feed;

(7) consult with the appropriate officials of the Government of Japan with the objective of increasing the export sales of citrus fruits and high quality beef to Japan and to develop mutually acceptable standards for the certification of lettuce and other specialty crops for export to Japan; and

(8) use the authority under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to establish a special standby export subsidy program for United States agricultural commodities and the products thereof, the export of which has been restricted by foreign government subsidies.

(b) It is further declared to be the sense of Congress that any special standby export subsidy program established by the Secretary of Agriculture pursuant to subsection (a)(8) of this section should be (1) consistent with United States international obligations, and (2) designed to neutralize the effects of those foreign agricultural commodity subsidy programs that—

(A) the President has determined, pursuant to section 301 of the Trade Act of 1974 (19 U.S.C. 2411), are acts, policies, or practices described in section 301(a) of such Act that should be eliminated by appropriate action of the United States; and

(B) have, as the result of the appropriate dispute settlement procedures, been found to be in violation of the General Agreement on Tariffs and Trade or the Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General

Agreement on Tariffs and Trade (relating to subsidies and countervailing measures), if applicable.

INCREASED USAGE OF PROTEIN BYPRODUCTS DERIVED FROM ALCOHOL FUEL PRODUCTION

7 USC 1736n.

SEC. 1208. (a) Congress finds that the use of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities may make it possible for the United States to make available significantly increased amounts of protein to meet the food needs of developing countries without any increase in handling, storage, and transportation facilities. It is the sense of Congress that serious consideration should be given to the potential of this protein byproduct and that, if found to be feasible, this protein byproduct should be included in the Department of Agriculture's commodity export and donation programs.

(b) Accordingly, the Secretary of Agriculture shall continue to investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in meeting the food needs of developing countries through food for peace programs carried out under the Agricultural Trade Development and Assistance Act of 1954 and through the export credit sales program carried out under section 4 of the Food for Peace Act of 1966 and section 5(f) of the Commodity Credit Corporation Charter Act.

7 USC 1691 note.
7 USC 1707a.
15 USC 714c.

(c) The Secretary shall also continue to investigate the potential for using the protein byproduct resulting from the production of fuel alcohol from agricultural commodities in the distribution of food products under the commodity donation program carried out under clause (3) of section 416 of the Agricultural Act of 1949 and under section 210 of the Agricultural Act of 1956.

7 USC 1431.
7 USC 1859.

Report to Congress.

(d)(1) Not later than twelve months after enactment of this Act, the Secretary shall include the results of the investigations referred to in subsections (b) and (c) of this section in an appropriate report to Congress.

(2) The Secretary shall thereafter provide to Congress each year a description of the efforts being made by the Department to make available, as part of the programs referred to in subsections (b) and (c) of this section, the protein byproduct resulting from the production of fuel alcohol from agricultural commodities. The information for all such programs shall be included in the report submitted pursuant to section 408(a) of the Agricultural Trade Development and Assistance Act of 1954, or in any other appropriate annual report to Congress.

7 USC 1736b.

EXEMPTION FOR PROTEIN BYPRODUCTS

SEC. 1209. The Act entitled "An Act authorizing Commodity Credit Corporation to purchase flour and cornmeal and donating same for certain domestic and foreign purposes", approved August 19, 1958 (7 U.S.C. 1431 note), is amended in the proviso by inserting "(except that this limitation does not apply in the case of the protein byproduct resulting from the production of fuel alcohol from agricultural commodities)" immediately after "processed".

Subtitle B—Public Law 480

SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION; VERIFICATION OF SELF-HELP PROVISIONS

SEC. 1210. (a) Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by— 7 USC 1709.

(1) inserting in paragraph (3) immediately before the semicolon ", and reducing illiteracy among the rural poor";

(2) striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) inserting the following new paragraph immediately after paragraph (10);

"(11) carrying out programs to improve the health of the rural poor.".

(b) Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new subsection as follows:

"(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extent feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that the recipient country otherwise would have undertaken irrespective of that agreement or amendment.

"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carrried out.".

REQUIREMENT FOR INVITATIONS FOR BIDS ON TITLE I PURCHASES

SEC. 1211. Section 115(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "from private stocks" in the first sentence after "food commodities". 7 USC 1715.

TITLE II AUTHORIZATION CEILING

SEC. 1212. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the first sentence "$750,000,000" and inserting in lieu thereof "$1,000,000,000". 7 USC 1724.

OVERSEAS MARKET DEVELOPMENT

SEC. 1213. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "wine or beer" and inserting in lieu thereof "wine, beer, distilled spirits, or other alcoholic beverage". 7 USC 1732.

VALUATION OF COMMODITIES

7 USC 1733.

SEC. 1214. Section 403(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "a price not greater than" after "valued at".

ANNUAL REPORT

7 USC 1736b.

SEC. 1215. Section 408(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "April 1" and inserting in lieu thereof "February 15".

EXTENSION OF PROGRAM

7 USC 1736c.

SEC. 1216. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) striking out in the first sentence "1981" and inserting in lieu thereof "1985"; and

(2) striking out in the second sentence "Food and Agriculture Act of 1977" and inserting in lieu thereof "Agriculture and Food Act of 1981".

TITLE XIII—FOOD STAMP AND COMMODITY DISTRIBUTION AMENDMENTS OF 1981

SHORT TITLE

7 USC 2011 note.

SEC. 1301. This title may be cited as the "Food Stamp and Commodity Distribution Amendments of 1981".

HOUSEHOLD DEFINITION

7 USC 2012.

42 USC 1381.

42 USC 301, 401, 1201, 1351, 1381.

SEC. 1302. Section 3(i) of the Food Stamp Act of 1977 is amended by inserting before the period at the end of the first sentence the following: ", or receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act".

ALASKA'S THRIFTY FOOD PLAN

7 USC 2012.

SEC. 1303. Clause (2) of section 3(o) of the Food Stamp Act of 1977 is amended to read as follows:

"(2) make cost adjustments in the thrifty food plan for Hawaii and the urban and rural parts of Alaska to reflect the cost of food in Hawaii and urban and rural Alaska,".

ADJUSTMENT OF THE THRIFTY FOOD PLAN

Ante, p. 358.

SEC. 1304. Section 3(o) of the Food Stamp Act of 1977 is amended by striking out clause (6) and all that follows through the end of clause (9), and inserting in lieu thereof the following: "(6) on October 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twenty-one months ending the preceding June 30, 1982, and (7) on October 1, 1983, and each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30: *Provided*, That the periods upon which such adjustments are based shall be subject to revision by Act of Congress".

REIMBURSEMENT EXCLUSION

SEC. 1305. Section 5(d)(5) of the Food Stamp Act of 1977 is amended by adding before the comma the following: ": *Provided,* That no portion of benefits provided under title IV-A of the Social Security Act, to the extent it is attributable to an adjustment for work-related or child care expenses, shall be considered such reimbursement". 7 USC 2014. 42 USC 601.

ENERGY ASSISTANCE PAYMENTS; EXCLUDED PAYMENTS OF OTHER PROGRAMS

SEC. 1306. Section 5(d) of the Food Stamp Act of 1977 is amended by striking out "(10)" and all that follows through the period, and inserting in lieu thereof the following: "(10) any income that any other Federal law specifically excludes from consideration as income for purposes of determining eligibility for the food stamp program, and (11) any payments or allowances made under (A) any Federal law for the purpose of providing energy assistance, or (B) any State or local laws for the purpose of providing energy assistance, designated by the State or local legislative body authorizing such payments or allowances as energy assistance, and determined by the Secretary to be calculated as if provided by the State or local government involved on a seasonal basis for an aggregate period not to exceed six months in any year even if such payments or allowances (including tax credits) are not provided on a seasonal basis because it would be administratively infeasible or impracticable to do so.". 7 USC 2014.

DISALLOWANCE OF DEDUCTIONS FOR EXPENSES PAID BY VENDOR PAYMENTS

SEC. 1307. Section 5(e) of the Food Stamp Act of 1977 is amended by adding in the fourth and fifth sentences after "entitled" the following: ", with respect to expenses other than expenses paid on behalf of the household by a third party,".

ATTRIBUTION OF INCOME AND RESOURCES TO SPONSORED ALIENS

SEC. 1308. Section 5 of the Food Stamp Act of 1977 is amended by adding a new subsection as follows:

"(i)(1) For purposes of determining eligibility for and the amount of benefits under this Act for an individual who is an alien as described in section 6(f)(2)(B) of this Act, the income and resources of any person who as a sponsor of such individual's entry into the United States executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse if such spouse is living with the sponsor, shall be deemed to be the income and resources of such individual for a period of three years after the individual's entry into the United States. Any such income deemed to be income of such individual shall be treated as unearned income of such individual. 7 USC 2015.

"(2)(A) The amount of income of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the unearned income of an alien for any year shall be determined as follows:

"(i) the total yearly rate of earned and unearned income of such sponsor, and such sponsor's spouse if such spouse is living with the sponsor, shall be determined for such year under rules prescribed by the Secretary;

"(ii) the amount determined under clause (i) of this subparagraph shall be reduced by an amount equal to the income

7 USC 2014.

eligibility standard as determined under section 5(c) of this Act for a household equal in size to the sponsor, the sponsor's spouse if living with the sponsor, and any persons dependent upon or receiving support from the sponsor or the sponsor's spouse if the spouse is living with the sponsor; and

"(iii) the monthly income attributed to such alien shall be one-twelfth of the amount calculated under clause (ii) of this subparagraph.

"(B) The amount of resources of a sponsor, and the sponsor's spouse if living with the sponsor, which shall be deemed to be the resources of an alien for any year shall be determined as follows:

"(i) the total amount of the resources of such sponsor and such sponsor's spouse if such spouse is living with the sponsor shall be determined under rules prescribed by the Secretary;

"(ii) the amount determined under clause (i) of this subparagraph shall be reduced by $1,500; and

"(iii) the resources determined under clause (ii) of this subparagraph shall be deemed to be resources of such alien in addition to any resources of such alien.

"(C)(i) Any individual who is an alien shall, during the period of three years after entry into the United States, in order to be an eligible individual or eligible spouse for purposes of this Act, be required to provide to the State agency such information and documentation with respect to the alien's sponsor and sponsor's spouse as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide such information and documentation which such alien or the sponsor provided in support of such alien's immigration application as the State agency may request.

"(ii) The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to such persons and required in order to make any determination under this section will be provided by such persons to the Secretary, and whereby such persons shall inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(D) Any sponsor of an alien, and such alien, shall be jointly and severably liable for an amount equal to any overpayment made to such alien during the period of three years after such alien's entry into the United States, on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause for such failure existed. Any such overpayment which is not repaid shall be recovered in accordance with the provisions of section 13(b)(2) of this Act.

Ante, p. 363.

"(E) The provisions of this subsection shall not apply with respect to any alien who is a member of the sponsor's household, as defined in section 3(i) of this Act.".

7 USC 2012.

RESOURCES

7 USC 2014.

SEC. 1309. Section 5(g) of the Food Stamp Act of 1977 is amended by inserting "(other than those relating to licensed vehicles)" after "June 1, 1977" in the second sentence.

ANNUALIZATION OF WORK REGISTRATION

7 USC 2015.

SEC. 1310. Section 6(d)(1)(i) of the Food Stamp Act of 1977 is amended by striking out "six" and inserting in lieu thereof "twelve".

WORK REQUIREMENTS

SEC. 1311. Section 6(d) of the Food Stamp Act of 1977 is amended by— 7 USC 2015.

(1) striking out ", unless the household was certified for benefits under this Act immediately prior to such unemployment" in clause (iii) of paragraph (1);

(2) inserting "(including the lack of adequate child care for children above the age of five and under the age of twelve)" after "good cause" in clause (iv) of paragraph (1);

(3) inserting before the semicolon at the end of clause (A) of paragraph (2) ", in which case, failure by such person to comply with any work requirement to which such person is subject that is comparable to a requirement of paragraph (1) shall be the same as failure to comply with that requirement of paragraph (1)"; and

(4) striking out "twelve" and inserting in lieu thereof "six" in paragraph (2)(B).

STATE ISSUANCE LIABILITY

SEC. 1312. Section 7(f) of the Food Stamp Act of 1977 is amended to read as follows: 7 USC 2016.

"(f) Notwithstanding any other provision of this Act, the State agency shall be strictly liable to the Secretary for any financial losses involved in the acceptance, storage and issuance of coupons, including any losses involving failure of a coupon issuer to comply with the requirements specified in section 11(e)(21), except that in the case of losses resulting from the issuance and replacement of authorizations for coupons and allotments which are sent through the mail, the State agency shall be liable to the Secretary to the extent prescribed in the regulations promulgated by the Secretary.". *Post*, p. 1287.

ACCESS OF COMPTROLLER GENERAL TO INFORMATION

SEC. 1313. Section 9(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following: "Such purposes shall not exclude the audit and examination of such information by the Comptroller General of the United States authorized by any other provision of law.". 7 USC 2018.

REPORTING OF ABUSES BY THE PUBLIC

SEC. 1314. Section 9 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

"(e) Approved retail food stores shall display a sign providing information on how persons may report abuses they have observed in the operation of the food stamp program.".

RETAIL REDEMPTION

SEC. 1315. Section 10 of the Food Stamp Act of 1977 is amended by striking out the term "banks" whenever it appears and inserting in lieu thereof the following: "financial institutions which are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation". 7 USC 2019.

SIXTY-DAY TRANSFER OF CERTIFICATION

7 USC 2020.

SEC. 1316. Section 11 of the Food Stamp Act of 1977 is amended by striking out subsection (b).

NOTICE OF VERIFICATION

SEC. 1317. Section 11(e)(2) of the Food Stamp Act of 1977 is amended by inserting after the second period the following new sentence: "Each application shall also contain in understandable terms and in prominent and boldface lettering a statement that the information provided by the applicant in connection with the application for a coupon allotment will be subject to verification by Federal, State, and local officials to determine if such information is factual and that if any material part of such information is incorrect, food stamps may be denied to the applicant, and that the applicant may be subjected to criminal prosecution for knowingly providing incorrect information.".

RECERTIFICATION NOTICE

SEC. 1318. Section 11(e)(4) of the Food Stamp Act of 1977 is amended by—

(1) striking out "immediately prior to or at" and inserting in lieu thereof "prior to"; and

(2) striking out "it" after "advising" and inserting in lieu thereof "the household".

DISCLOSURE OF INFORMATION TO COMPTROLLER GENERAL, LAW ENFORCEMENT OFFICIALS

SEC. 1319. Section 11(e)(8) of the Food Stamp Act of 1977 is amended by inserting before the semicolon the following: ", except that (A) such safeguards shall not prevent the use or disclosure of such information to the Comptroller General of the United States for audit and examination authorized by any other provision of law, and (B) notwithstanding any other provision of law, all information obtained under this Act from an applicant household shall be made available, upon request, to local, State or Federal law enforcement officials for the purpose of investigating an alleged violation of this Act or any regulation issued under this Act".

RESTORATION OF LOST BENEFITS

SEC. 1320. (a) Section 11(e)(11) of the Food Stamp Act of 1977 is amended to read as follows:

"(11) upon receipt of a request from a household, for the prompt restoration in the form of coupons to a household of any allotment or portion thereof which has been wrongfully denied or terminated, except that allotments shall not be restored for any period of time more than one year prior to the date the State agency receives a request for such restoration from a household or the State agency is notified or otherwise discovers that a loss to a household has occurred;".

7 USC 2023.

(b) Section 14 of the Food Stamp Act of 1977 is amended by—

(1) inserting "(a)" immediately after the section designation; and

(2) adding a new subsection as follows:

"(b) In any judicial action arising under this Act, any food stamp allotments found to have been wrongfully withheld shall

be restored only for periods of not more than one year prior to the date of the commencement of such action, or in the case of an action seeking review of a final State agency determination, not more than one year prior to the date of the filing of a request with the State for the restoration of such allotments or, in either case, not more than one year prior to the date the State agency is notified or otherwise discovers the possible loss to a household.".

INFORMATION

SEC. 1321. Section 11(e) of the Food Stamp Act of 1977 is amended by— 7 USC 2020.

(1) striking out "and" at the end of paragraph (18);

(2) striking out the period at the end of paragraph (19) and inserting in lieu thereof a semicolon; and

(3) adding at the end thereof new paragraphs as follows:

"(20) that information available from the Social Security Administration under the provisions of section 6103(i)(7) of the Internal Revenue Code of 1954, and information available from agencies administering State unemployment compensation laws under the provisions of section 303(d) of the Social Security Act, shall be requested and utilized by the State agency (described in section 3(n)(1) of this Act) to the extent permitted under the provisions of such sections, except that the State agency shall not be required to request such information from the Social Security Administration if such information is available from the agency administering the State unemployment compensation laws; and 94 Stat. 365. 26 USC 6103. 94 Stat. 366. 42 USC 503. 7 USC 2012.

"(21) that, in project areas or parts thereof where authorization cards are used, and eligible households are required to present photographic identification cards in order to receive their coupons, the State agency shall include, in any agreement or contract with a coupon issuer, a provision that (A) the issuer shall (i) require the presenter to furnish a photographic identification card at the time the authorization card is presented, and (ii) record on the authorization card the identification number shown on the photographic identification card; and (B) if the State agency determines that the authorization card has been stolen or otherwise was not received by a household certified as eligible, the issuer shall be liable to the State agency for the face value of any coupons issued in the transaction in which such card is used and the issuer fails to comply with the requirements of clause (A) of this paragraph.".

NUTRITION EDUCATION PROGRAM

SEC. 1322. Section 11(f) of the Food Stamp Act of 1977 is amended to read as follows: 7 USC 2020.

"(f) To encourage the purchase of nutritious foods, the Secretary is authorized to extend food and nutrition education to reach food stamp program participants, using the methods and techniques developed in the expanded food and nutrition education and other programs.".

ALASKAN FEE AGENTS

SEC. 1323. Section 11 of the Food Stamp Act of 1977 is amended by adding thereto a new subsection as follows:

"Fee agent."

"(m) The Secretary shall provide for the use of fee agents in rural Alaska. As used in this subsection 'fee agent' means a paid agent who, although not a State employee, is authorized by the State to make applications available to low-income households, assist in the completion of applications, conduct required interviews, secure required verification, forward completed applications and supporting documentation to the State agency, and provide other services as required by the State agency. Such services shall not include making final decisions on household eligibility or benefit levels.".

MINIMUM MANDATORY COURT SENTENCE FOR CRIMINAL OFFENSES; WORK RESTITUTION PROGRAM

7 USC 2024.

SEC. 1324. Subsections (b) and (c) of section 15 of the Food Stamp Act of 1977 are amended to read as follows:

"(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons or authorization cards in any manner not authorized by this Act or the regulations issued pursuant to this Act shall, if such coupons or authorization cards are of a value of $100 or more, be guilty of a felony and shall, upon the first conviction thereof, be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than $10,000 or, if such coupons or authorization cards are of a value of less than $100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.

Ante, p. 362.

"(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual perform the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

"(c) Whoever presents, or causes to be presented, coupons for payment or redemption of the value of $100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this Act or the regulations issued pursuant to this Act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than $10,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than $10,000, or, if such coupons are of a value of

less than $100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than $1,000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than $1,000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this Act.". *Ante*, p. 362.

STAFFING

SEC. 1325. Section 16(b)(1) of the Food Stamp Act of 1977 is amended by striking out ", including, but not limited to, staffing standards such as caseload per certification worker limitations,". 7 USC 2025.

INCENTIVES FOR ERROR REDUCTION EFFORTS AND CORRECTIVE ACTION PLANS

SEC. 1326. Section 16 of the Food Stamp Act of 1977 is amended by—

(1) inserting before the period at the end of the first sentence of subsection (c) the following: ", and, effective October 1, 1981, which also meets the standard contained in paragraph (1)(B) of this subsection"; and

(2) striking out "October 1, 1978" in subsection (d) and inserting in lieu thereof "October 1, 1981", and by inserting "(2)" after "subsection (c)".

SOCIAL SECURITY ACCOUNT NUMBERS

SEC. 1327. The first sentence of section 16(f) of the Food Stamp Act of 1977 is amended by striking out "may" and inserting in lieu thereof "shall".

EXTENDING AND AMENDING CASH-OUT PILOT PROJECTS

SEC. 1328. Section 17(b)(1) of the Food Stamp Act of 1977 is amended to read as follows: 7 USC 2026.

"(b)(1) The Secretary may conduct on a trial basis, in one or more areas of the United States, pilot or experimental projects designed to test program changes that might increase the efficiency of the food stamp program and improve the delivery of food stamp benefits to eligible households, including projects involving the payment of the value of allotments or the average value of allotments by household size in the form of cash to eligible households all of whose members are age sixty-five or over or any of whose members are entitled to supplemental security income benefits under title XVI of the Social Security Act or to aid to families with dependent children under part A of title IV of the Social Security Act, the use of countersigned food coupons or similar identification mechanisms that do not invade a household's privacy, and the use of food checks or other voucher-type forms in place of food coupons. The Secretary may waive the requirements of this Act to the degree necessary for such projects to be conducted, except that no project, other than a project involving the payment of the average value of allotments by household size in the form of cash to eligible households, shall be implemented which would lower or further restrict the income or resource standards or benefit levels provided pursuant to sections 5 and 8 of this Act. Any 42 USC 1381. 42 USC 601. 7 USC 2014, 2017.

pilot or experimental project implemented under this paragraph and operating as of October 1, 1981, involving the payment of the value of allotments in the form of cash to eligible households all of whose members are either age sixty-five or over or entitled to supplemental security income benefits under title XVI of the Social Security Act shall be continued until October 1, 1985, if the State so requests.".

42 USC 1381.

NUTRITIONAL MONITORING

7 USC 2026.

SEC. 1329. Section 17(c) of the Food Stamp Act of 1977 is amended by adding at the end thereof the following: "Further, the Secretary shall, by way of making contracts with or grants to public or private organizations or agencies, implement pilot programs to test various means of measuring on a continuing basis the nutritional status of low income people, with special emphasis on people who are eligible for food stamps, in order to develop minimum common criteria and methods for systematic nutrition monitoring that could be applied on a nationwide basis. The locations of the pilot programs shall be selected to provide a representative geographic and demographic cross-section of political subdivisions that reflect natural usage patterns of health and nutritional services and that contain high proportions of low income people. The Secretary shall report on the progress of these pilot programs on an annual basis commencing on July 1, 1982, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, together with such recommendations as the Secretary deems appropriate.".

Report and recommendations to congressional committees.

PILOT PROJECTS TO SIMPLIFY THE PROCESSING OF APPLICATIONS FOR CERTAIN AFDC, SSI, AND MEDICAID RECIPIENTS

7 USC 2026.

SEC. 1330. Section 17 of the Food Stamp Act of 1977 is amended by adding at the end thereof a new subsection as follows:

"(f) The Secretary may conduct no more than two statewide pilot projects (upon the request of a State) and no more than fourteen pilot projects in political subdivisions of States (upon the request of any such political subdivision) in which households that include one or more recipients of aid to families with dependent children under part A of title IV of the Social Security Act, of supplemental security income under title XVI of the Social Security Act, or of medical assistance under title XIX of the Social Security Act, and whose income does not exceed the applicable income standard of eligibility described in section 5(c) of this Act shall be deemed to satisfy the application requirements prescribed under section 5(a) of this Act and the income and resource requirements prescribed under subsections (d) through (g) of section 5 of this Act. For any pilot project carried out under this subsection, allotments provided pursuant to section 8(a) of this Act shall be based upon household size and (1) benefits paid to such household under part A of title IV or title XVI of the Social Security Act, or (2) income as determined for eligibility under title XIX of the Social Security Act, or at the option of the political subdivision or the State, the standard of need for such size household under such programs, except that the Secretary shall adjust the value of such allotments as may be necessary to ensure that the average allotment by household size for households participating in such pilot project and receiving such aid to families with dependent children, such supplemental security income, or such medical assistance, as the case may be, is not less than the average allotment which would

42 USC 601.
42 USC 1381.
42 USC 1396.

7 USC 2014.

7 USC 2017.
42 USC 601.
42 USC 1381.
42 USC 1396.

have been provided under this Act but for the operation of this subsection, for each category of households, respectively, in such pilot project area, for any period during which such pilot project is in operation. The Secretary shall evaluate the impact of such pilot projects on recipient households, administrative costs, and error rates. The administrative costs of such projects shall be shared in accordance with the provisions of section 16 of this Act. In implementing this section, the Secretary shall consult with the Secretary of Health and Human Services to ensure that to the extent practicable, in the case of households participating in such pilot projects, the processing of applications for, and determinations of eligibility to receive, food stamp benefits are simplified and are unified with the processing of applications for, and determinations of eligibility to receive, benefits under such titles of the Social Security Act.". 7 USC 2025. 42 USC 1305.

FOOD STAMP FUNDING AND PROGRAM EXTENSION

SEC. 1331. Section 18(a) of the Food Stamp Act of 1977 is amended in the first sentence thereof by— 7 USC 2027.

(1) striking out "and" after "September 30, 1980;"; and

(2) inserting before the period at the end thereof the following: "; and not in excess of $11,300,000,000 for the fiscal year ending September 30, 1982".

INCENTIVES, SANCTIONS, AND CLAIMS

SEC. 1332. Section 18 of the Food Stamp Act of 1977 is amended by adding a new subsection as follows:

"(e) Funds collected from claims against households or State agencies, including claims collected pursuant to sections 7(f), 11(g) and (h), 13(b), and 16(g) of this Act, claims resulting from resolution of audit findings, and claims collected from households receiving overissuances, shall be credited to the food stamp program appropriation account for the fiscal year in which the collection occurs. Funds provided to State agencies under section 16(c) of this Act shall be paid from the appropriation account for the fiscal year in which the funds are provided.". *Ante*, p. 1285. 7 USC 2020. *Ante*, p. 363. 7 USC 2025.

WORKFARE

SEC. 1333. The Food Stamp Act of 1977 is amended by adding at the end thereof a new section as follows:

"WORKFARE

"SEC. 20. (a) The Secretary shall permit any political subdivision, in any State, that applies and submits a plan to the Secretary in compliance with guidelines promulgated by the Secretary to operate a workfare program pursuant to which every member of a household participating in the food stamp program who is not exempt by virtue of the provisions of subsection (b) of this section shall accept an offer from such subdivision to perform work on its behalf, or may seek an offer to perform work, in return for compensation consisting of the allotment to which the household is entitled under section 8(a) of this Act, with each hour of such work entitling that household to a portion of its allotment equal in value to 100 per centum of the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938. 7 USC 2029. 7 USC 2017. 29 USC 201.

"(b) The household members who shall be exempt from workfare requirements are those who are either (1) mentally or physically

unfit; (2) under eighteen years of age; (3) sixty years of age or over; (4) subject to and currently involved at least twenty hours a week in a work training program under a work registration requirement pursuant to title IV of the Social Security Act; (5) a parent or other member of a household with responsibility for the care of a child under age six or of an incapacitated person; (6) a parent or other caretaker of a child in a household where there is another member who is subject to the requirements of this subsection or is employed full time; (7) a regular participant in a drug addiction or alcoholic treatment and rehabilitation program; or (8) an individual described in section 6(d)(2) (D) or (F) of this Act.

42 USC 601.

7 USC 2015.

"(c) No operating agency shall require any participating member to work in any workfare position to the extent that such work exceeds in value the allotment to which the household is otherwise entitled or that such work either exceeds twenty hours a week or would, together with any other hours worked in any other compensated capacity by such member on a regular or predictable part-time basis, exceed thirty hours a week.

"(d) The operating agency shall—

"(1) not provide any work that has the effect of replacing or preventing the employment of an individual not participating in the workfare program;

"(2) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

"(3) reimburse participants for actual costs of transportation and other actual costs all of which are reasonably necessary and directly related to participation in the program but not to exceed $25 in the aggregate per month.

"(e) The operating agency may allow a job search period, prior to making workfare assignments, of up to thirty days following a determination of eligibility.

"(f) In the event that any person fails to comply with the requirements of this section, neither that person nor the household to which that person belongs shall be eligible to participate in the food stamp program for two months, unless that person or another person in the household satisfies all outstanding workfare obligations prior to the end of the two-month disqualification period.

"(g)(1) The Secretary shall pay to each operating agency 50 per centum of all administrative expenses incurred by such agency in operating a workfare program, including reimbursements to participants for work-related expenses as described in subsection (d)(3) of this section.

"(2) The Secretary may suspend or cancel some or all of these payments, or may withdraw approval from a political subdivision to operate a workfare program, upon a finding that the subdivision has failed to comply with the workfare requirements.".

EXTENSION OF AUTHORITIES, PENALTIES FOR FRAUD, AND MISCELLANEOUS PROVISIONS

SEC. 1334. Effective October 1, 1981, section 4 of the Agriculture and Consumer Protection Act of 1973 is amended by—

7 USC 612c note.

(1) striking out "1978, 1979, 1980, and 1981", in the first sentence of subsection (a) and inserting in lieu thereof: "1982, 1983, 1984, and 1985"; and

(2) adding a new subsection as follows:

"(c) Whoever embezzles, willfully misapplies, steals or obtains by fraud any agricultural commodity or its products (or any funds, assets, or property deriving from donation of such commodities) provided under this section, or under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), or section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a-1), whether received directly or indirectly from the United States Department of Agriculture, or whoever receives, conceals, or retains such commodities, products, funds, assets, or property for personal use or gain, knowing such commodities, products, funds, assets, or property have been embezzled, willfully misapplied, stolen, or obtained by fraud shall, if such commodities, products, funds, assets, or property are of a value of $100 or more, be fined not more than $10,000 or imprisoned not more than five years, or both, or if such commodities, products, funds, assets, or property are of value of less than $100, shall be fined not more than $1,000 or imprisoned for not more than one year, or both."

COMMODITY SUPPLEMENTAL FOOD PROGRAM—PILOT PROJECTS FOR THE ELDERLY AND ADMINISTRATIVE COSTS

SEC. 1335. Effective October 1, 1981, section 5(a) of the Agriculture and Consumer Protection Act of 1973 is amended to read as follows: 7 USC 612c note.

"(a) In carrying out the supplemental feeding program (hereinafter referred to as the 'commodity supplemental food program') under section 4 of this Act, the Secretary (1) may institute two pilot projects directed at low-income elderly persons, including, where feasible, distribution of commodities to such persons in their homes, which projects shall operate no longer than two years, and (2) shall provide to the State agencies administering the commodity supplemental food program, for each of the fiscal years 1982 through 1985, funds appropriated from the general fund of the Treasury in amounts equal to the administrative costs of State and local agencies in operating the program, except that the funds provided to State agencies each fiscal year may not exceed 15 per centum of the amount appropriated for the provision of commodities to State agencies.". 7 USC 612c note.

FOOD DISTRIBUTION PROGRAM FOR CERTAIN INDIAN HOUSEHOLDS

SEC. 1336. Notwithstanding any other provision of law, the Secretary of Agriculture may establish a food distribution program in the State of Oklahoma to provide food commodities to eligible Indian households and such other households as the Secretary determines appropriate in connection therewith. In determining eligibility for such program the Secretary may take into account such considerations as (1) the extent and nature of the governmental jurisdiction which a tribal organization exercises or has authority to exercise over the land on which the household resides; (2) whether the household resides in "Indian country" as defined in section 1151 of title 18, United States Code; (3) whether the household resides within an Indian service area designated by the Bureau of Indian Affairs, United States Department of the Interior; (4) the tribal membership or Indian status of persons in the household; and (5) whether the household resides in an urban area. The Secretary shall not allow any tribal organization to administer such distribution of commodities unless the Secretary determines that the tribal organization is capable of effectively and efficiently administering such distribution over defined geographic areas. The Secretary may pay such amounts

for administrative costs of such distribution as the Secretary finds necessary for effective and efficient administration of such distribution by a tribal organization. No household shall be eligible to participate simultaneously in the food stamp program under the Food Stamp Act of 1977 and in the food distribution program established under authority of this section.

7 USC 2011 note.

AUTHORITY OF OFFICE OF INSPECTOR GENERAL

7 USC 2270.

SEC. 1337. Any person who is employed in the Office of the Inspector General, Department of Agriculture, who conducts investigations of alleged or suspected felony criminal violations of statutes, including but not limited to the Food Stamp Act of 1977, administered by the Secretary of Agriculture or any agency of the Department of Agriculture and who is designated by the Inspector General of the Department of Agriculture may—

(1) make an arrest without a warrant for any such criminal felony violation if such violation is committed, or if such employee has probable cause to believe that such violation is being committed, in the presence of such employee;

(2) execute a warrant for an arrest, for the search of premises, or the seizure of evidence if such warrant is issued under authority of the United States upon probable cause to believe that such violation has been committed; and

(3) carry a firearm;

in accordance with rules issued by the Secretary of Agriculture, while such employee is engaged in the performance of official duties under the authority provided in section 6, or described in section 9, of the Inspector General Act of 1978 (5 U.S.C. App. 6, 9). The Attorney General of the United States may disapprove any designation made by the Inspector General under this section.

5 USC app.

EFFECTIVE DATE

7 USC 2012 note.

SEC. 1338. Except as otherwise specifically provided, the amendments made by this title shall be effective upon such dates as the Secretary of Agriculture may prescribe, taking into account the need for orderly implementation.

TITLE XIV—NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1981

SHORT TITLE

7 USC 3101 note.

SEC. 1401. This title may be cited as the "National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981".

FINDINGS

SEC. 1402. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by—

(1) striking out "and" at the end of paragraph (8) and changing the period at the end of paragraph (9) to a semicolon; and

(2) adding new paragraphs (10) and (11) at the end thereof as follows:

"(10) it is and has been the policy of the United States to support food and agricultural research, extension, and teaching in the broadest sense of these terms. The partnership between

the Federal Government and the States, as consummated in legislation and cooperative agreements, and the cooperative nature of efforts to implement this policy in cooperation with the food and agricultural industry has been eminently successful. Cooperative research, extension, and teaching programs have provided the United States with the most productive and efficient food and agricultural system in the world. This system is the basis of our national affluence and it provides vast amounts of food and fiber to other people around the world. However, the food and agricultural system is dynamic and constantly changing. The research, extension, and teaching programs that support the food and agricultural system must be maintained and constantly adjusted to meet ever changing challenges. National support of cooperative research, extension, and teaching efforts must be reaffirmed and expanded at this time to meet major needs and challenges in the following areas:

"(A) FOOD AND AGRICULTURAL SYSTEM PRODUCTIVITY.—Increases in agricultural productivity have been outstanding, however, productivity growth in the past decade has slowed. It is imperative that improved technologies and management systems be developed to maintain and enhance agricultural productivity in order for agricultural production in the United States to meet the demand of a rising world population, rising costs of production, and limitations on energy consumption. Improved productivity in food and agricultural processing and marketing sectors is a critical need in the national effort to achieve a strong economy.

"(B) DEVELOPMENT OF NEW FOOD, FIBER, AND ENERGY SOURCES.—Programs to identify and develop new crop and animal sources of food, fiber, and energy must be undertaken to meet future needs.

"(C) AGRICULTURAL ENERGY USE AND PRODUCTION.—Much of the current agricultural technology is relatively energy intensive. It is critical that alternative technologies be developed to increase agricultural energy efficiency and to reduce dependence on petroleum based products. Furthermore, agriculture provides the United States with alternative potential sources of energy that must be assessed and developed.

"(D) NATURAL RESOURCES.—Improved management and conservation of soil, water, forest, and range resources are vital to maintain the resource base for food and fiber production. An expanded program in the area of soil and water conservation research is needed to develop more economical and effective conservation systems. Five key objectives of this research are:

"(i) sustaining soil productivity;

"(ii) developing more cost-effective and practical conservation technologies;

"(iii) managing water in stressed environments;

"(iv) protecting the quality of the Nation's surface water and groundwater resources; and

"(v) establishing integrated multidisciplinary organic farming research projects designed to foster the implementation of the major recommendations of the Department of Agriculture Report and Recommendations on Organic Farming, July 1980.

"(E) PROMOTION OF THE HEALTH AND WELFARE OF PEOPLE.—The basic objectives of food and agricultural research, extension, and teaching programs are to make the maximum contribution to the health and welfare of people and to the economy of the United States through the enhancement of owner-operated family farms, to improve community services and institutions, to increase the quality of life in rural America, and to improve the well-being of consumers. The rapid rate of social change, economic instability, and current energy problems increase the need for expanded programs of research and extension in family financial management, housing and home energy consumption, food preparation and consumption, human development (including youth programs), and development of community services and institutions.

"(F) HUMAN NUTRITION.—The challenge to meet the food needs of the world continues, but there is an increasing need to address nutrition research and educational issues associated with diet resulting from changing life styles and with respect to special groups such as the elderly, teenagers, infants, and pregnant women.

"(G) INTERNATIONAL FOOD AND AGRICULTURE.—The greatest challenge facing mankind through the next two decades will be to produce adequate food for an expanding world population. This challenge demands a dedicated effort by the Federal Government and the State cooperative institutions, and other colleges and universities to expand international food and agricultural research, extension, and teaching programs. Improved cooperation and communications by the Department of Agriculture and the cooperators with international agricultural research centers, counterpart agencies and universities in other countries, is necessary to improve food and agricultural progress throughout the world; and

"(11) long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title; accordingly, all of the elements in the food and agricultural science and education system are encouraged to expand their planning and coordination efforts.".

PURPOSES

SEC. 1403. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended by—

(1) amending paragraph (2) to read as follows:

"(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching programs, identify needs and establish priorities for these programs, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;";

(2) striking out in paragraph (4) the comma after "programs" the first time it appears and striking out "including the initiatives specified in section 1402(8) of this title,";

(3) striking out "scientific" in paragraph (5); and

(4) striking out "training and research" in paragraph (7) and inserting in lieu thereof "research, extension, and teaching".

DEFINITIONS

SEC. 1404. Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended by—

(1) amending paragraph (8) to read as follows:

"(8) the term 'food and agricultural sciences' means basic, applied, and developmental research, extension, and teaching activities in the food, agricultural, renewable natural resources, forestry, and physical and social sciences, in the broadest sense of these terms, including but not limited to, activities relating to:

"(A) agriculture, including soil and water conservation and use, the use of organic waste materials to improve soil tilth and fertility, plant and animal production and protection, and plant and animal health;

"(B) the processing, distributing, marketing, and utilization of food and agricultural products;

"(C) forestry, including range management, production of forest and range products, multiple use of forest and rangelands, and urban forestry;

"(D) aquaculture;

"(E) home economics, including consumer affairs, food and nutrition, clothing and textiles, housing, and family well-being and financial management;

"(F) rural community welfare and development;

"(G) youth development, including 4-H clubs;

"(H) domestic and export market expansion for United States agricultural products; and

"(I) production inputs, such as energy, to improve productivity;";

(2) amending paragraph (12) to read as follows:

"(12) the term 'State' means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia;";

(3) striking out "and" immediately after the semicolon in paragraph (13);

(4) amending paragraph (14) to read as follows:

"(14) the term 'teaching' means formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees;";

(5) adding at the end thereof new paragraphs (15) and (16) as follows:

"(15) the term 'cooperating forestry schools' means those institutions eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(16) the term 'State cooperative institutions' or 'State cooperative agents' means institutions or agents designated by—

"(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act, including the Tuskegee Institute;

"(C) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(D) the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act;

"(E) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

7 USC 3191.
Post, p. 1316, 1318.

"(F) subtitles E, L, and M of this title;".

RESPONSIBILITIES OF THE SECRETARY AND COORDINATING ROLE OF THE DEPARTMENT OF AGRICULTURE

SEC. 1405. Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended by—

(1) striking out "Secretary of Health, Education, and Welfare" in paragraph (1) and inserting in lieu thereof "Secretary of Health and Human Services";

(2) striking out "other" in paragraph (5);

(3) inserting "or proposed" in paragraph (6) after "actions taken";

(4) striking out "and" at the end of paragraph (8);

(5) striking out the period in paragraph (9) and inserting in lieu thereof a semicolon; and

(6) adding at the end thereof the following new paragraphs:

"(10) coordinate all agricultural research, extension, and teaching activities conducted or financed by the Department of Agriculture with the periodic renewable resource assessment and program provided for in sections 3 and 4 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977; and

16 USC 1601, 1602.

16 USC 2004, 2005.

"(11) take the initiative in overcoming barriers to long-range planning by developing, in conjunction with the States, State cooperative institutions, the Joint Council, the Advisory Board, and other appropriate institutions, a long-term needs assessment for food, fiber, and forest products, and by determining the research requirements necessary to meet the identified needs.".

SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH

SEC. 1406. (a) Section 1406 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by striking out the title and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

42 USC 6651.

(b) Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended by—

(1) striking out "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research";

(2) striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services"; and

(3) striking out "Energy Research and Development Administration" and inserting in lieu thereof "Department of Energy".

(c) Section 257(b) of the Energy Security Act (42 U.S.C. 8852(b)) is amended in paragraph (1) by striking "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1407. (a) Section 1407(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

(b) Section 1407(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(b)) is amended to read as follows:

"(b) The Joint Council shall be composed of not fewer than twenty-five representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including State cooperative institutions; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; other Federal agencies determined by the Secretary to be appropriate, and other public and private institutions, producers, and representatives of the public who are interested in and have a potential to contribute, as determined by the Secretary, to the formulation of national policy in the food and agricultural sciences. Members shall be appointed for a term of up to three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. To ensure that regional differences are properly considered, at least one-half of the members of the Joint Council shall be appointed by the Secretary from among distinguished persons engaged in agricultural research, extension, or teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching. The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture responsible for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.".

(c) Section 1407(d)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(1)) is amended to read as follows:

"(1) The primary responsibility of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.".

(d) Section 1407(d)(2)(E) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(2)(E)) is

amended by striking out "efforts" and all that follows through "planning," and inserting in lieu thereof "in the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination,".

(e) Section 1407(d)(2)(G) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(d)(2)(G)) is amended to read as follows:

Report.

"(G) submit a report—

"(i) not later than June 30 of each year, specifying the Joint Council's recommendations on priorities for food and agricultural research, extension, and teaching programs; delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs; and specifying the levels of financial and other support needed to carry out such programs;

"(ii) not later than November 30 of each year, specifying ongoing research, extension, and teaching programs; accomplishments of such programs; and future expectations of these programs; and

"(iii) not later than June 30, 1983, outlining a five-year plan for food and agricultural sciences that reflects the coordinated views of the research, extension, and teaching community; and updating this plan every two years thereafter.

Each such report shall be submitted to the Secretary of Agriculture. Minority views, if timely submitted, shall be included in such report.".

(f) Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is amended by adding at the end thereof the following new subsections:

Open meetings.

"(e) The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

7 USC 2281.

"(f) The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 shall not apply to the Joint Council.".

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

SEC. 1408. (a) Section 1408(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

(b) Section 1408(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(b)) is amended by—

(1) striking out "twenty-one" and inserting in lieu thereof "twenty-five" and inserting "to serve staggered terms" after "Secretary"; and

(2) amending paragraph (1) to read as follows:.

"(1) eight members representing producers of agricultural, forestry, and aquacultural products, from the various geographical regions,"

(c) Section 1408(f)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(f)(2)) is amended by—

(1) striking out "October 31" in subparagraph (E) and inserting in lieu thereof "July 1"; and

(2) striking out "March 1 of" in subparagraph (F) and inserting in lieu thereof "February 20 of".

EXISTING RESEARCH PROGRAMS

SEC. 1409. Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is amended by striking out "Health, Education, and Welfare" each time it appears and inserting in lieu thereof "Health and Human Services".

FEDERAL-STATE PARTNERSHIP

SEC. 1410(a). The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding a new section as follows:

"FEDERAL-STATE PARTNERSHIP AND COORDINATION

"SEC. 1409A. (a) A unique partnership arrangement exists in food and agricultural research, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have supported, through legislation and appropriations— 7 USC 3124a.

"(1) research programs under—

"(A) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

"(B) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962;

"(C) subtitle E of this title; and 7 USC 3191.

"(D) subtitle G of this title; 7 USC 3221.

"(2) extension programs under subtitle G of this title and the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act; and

"(3) teaching programs under—

"(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

"(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act; and

"(C) the Act of June 29, 1935 (7 U.S.C. 329), commonly known as the Bankhead-Jones Act.

This partnership in publicly supported agricultural research, extension, and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed, and in many cases, site-specific needs of American agriculture. This partnership must be preserved and enhanced.

"(b) In order to promote research and education in food and human nutrition, the Secretary may establish cooperative human nutrition centers to focus resources, facilities, and scientific expertise on particular high priority nutrition problems identified by the Department. Such centers shall be established at State cooperative institutions; and at other colleges and universities, having a demonstrable capacity to carry out human nutrition research and education.

"(c) In order to meet the increasing needs of consumers and to promote the health and welfare of people, the Secretary shall ensure that the cooperative research, extension, and teaching programs of the various States adequately address the challenges described in paragraph (10) of section 1402 of this title. The Secretary may implement new cooperative initiatives in home economics and related disciplines to address such challenges.".

Ante, p. 1294.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the item relating to section 1409 the following new item:

"Sec. 1409A. Federal-State partnership and coordination.".

SECRETARY'S REPORT

SEC. 1411. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by—

(1) striking out "February 1" and inserting in lieu thereof "January 1";

(2) striking out "and" at the end of paragraph (2);

(3) striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and the word "and"; and

(4) adding at the end thereof a new paragraph as follows:

"(4) in the report of January 1, 1984, the Secretary's needs assessment developed pursuant to the provisions of section 1405(11) of this title.".

Ante, p. 1298.

LIBRARIES AND INFORMATION NETWORK

SEC. 1412. Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3126) is amended by—

(1) striking out "and" at the end of subsection (a)(4);

(2) striking out the period at the end of subsection (a)(5) and inserting in lieu thereof a semicolon and "and";

(3) adding a new paragraph at the end of subsection (a) as follows:

"(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs."; and

(4) amending subsection (b)(3) to read as follows:

"(3) providing notification about these collections on a regular basis to the State cooperative extension services, State educational agencies, and other interested persons.".

STAFF SUPPORT FOR THE JOINT COUNCIL AND THE ADVISORY BOARD

SEC. 1413. Section 1412(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) is amended to read as follows:

"(a) To assist the Joint Council and the Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the cochairpersons of the Joint Council and the chairperson of the Advisory Board—

"(1) a full-time executive director who shall perform such duties as the cochairpersons of the Joint Council and the chairperson of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS-18

of the General Schedule established in section 5332 of title 5, United States Code; and

"(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Joint Council and one shall serve as the executive secretary to the Advisory Board.".

GENERAL PROVISIONS; ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

SEC. 1414. (a) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof the following new subsections:

"(c) There are authorized to be appropriated annually such sums as Congress may determine necessary to carry out the provisions of section 1412 of this title and subsection (b) of this section. 7 USC 3127.

"(d) The Subcommittee on Food, Agricultural, and Forestry Research, the Joint Council, and the Advisory Board shall improve communication and interaction among themselves and with others in the agricultural science and education system through such mechanisms as the exchange of reports, joint meetings, and the use of liaison representatives.

"(e) The President shall appoint, by and with the advice and consent of the Senate, an Assistant Secretary of Agriculture who shall perform such duties as are necessary to carry out this title and who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture.".

(b) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Agriculture by striking out "(5)" and inserting in lieu thereof "(6)".

PROGRAM FOR COMPETITIVE, SPECIAL, AND FACILITIES GRANTS FOR AGRICULTURAL RESEARCH

SEC. 1415. (a) Section 2(b) of the Act of August 4, 1965 (7 U.S.C. 450i(b)), is amended by—

(1) inserting in the second sentence after "on Food and Agricultural Sciences" the following: "and the National Agricultural Research and Extension Users Advisory Board";

(2) inserting after the second sentence the following:

"For purposes of the preceding sentence, high priority research shall include—

"(1) basic research aimed at the discovery of new scientific principles and techniques that may be applicable in agriculture and forestry;

"(2) research aimed at the development of new and innovative products, methods, and technologies relating to biological nitrogen fixation, photosynthesis, and other processes which will improve and increase the production of agricultural and forestry resources;

"(3) basic and applied research in the fields of animal productivity and health;

"(4) basic and applied research in the fields of soil and water;

"(5) basic and applied research in the field of human nutrition; and

"(6) research to develop new strains of crops and new promising crops, including guayule, jojoba, and others."; and

(3) striking out "for the fiscal year ending September 30, 1982," in the last sentence and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

(b) Section 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i(c)) is amended by—

(1) inserting "research foundations established by land-grant colleges and universities," in paragraph (1) after "land-grant colleges and universities,"; and

(2) amending paragraph (2) to read as follows:

"(2) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.) and accredited schools or colleges of veterinary medicine, to facilitate or expand ongoing State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities, such research foundations or State agricultural experiment stations, or (D) facilitate coordination and cooperation of research among States.".

(c) Section 2(d) of the Act of August 4, 1965 (7 U.S.C. 450i(d)) is amended by—

(1) striking out "the purchase of equipment" and all that follows through the dash and inserting in lieu thereof "the renovation and refurbishment (including energy retrofitting) of research spaces in buildings or spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be used for new construction only for auxiliary facilities and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and installations. Such grants shall be made to—";

(2) striking out "available; and" in paragraph (1) and inserting in lieu thereof "available;";

(3) striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(4) inserting after paragraph (2) the following new paragraphs:

"(3) each forestry school not described in paragraph (1) of this subsection, which is eligible to receive funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), in an amount which is equal to 10 per centum of the funds received by such school under that Act; and

"(4) each college eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount which is equal to 10 per centum of the funds received by such college under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.".

7 USC 3222.

AMENDMENTS TO THE RESEARCH FACILITIES ACT OF 1963

SEC. 1416. Section 4(a) of the Act of July 22, 1963 (7 U.S.C. 390c(a)) is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

APPORTIONMENT OF FUNDS APPROPRIATED FOR SCHOOLS OF VETERINARY MEDICINE

SEC. 1417. Section 1415(c)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151(c)(2)) is amended by striking out the colon and the proviso.

FEDERAL SUPPORT OF HIGHER EDUCATION IN THE FOOD AND AGRICULTURAL SCIENCES

SEC. 1418. (a) Section 1417(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(a)) is amended to read as follows:

"(a)(1) The Secretary shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

"(2) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for a period not to exceed five years—

"(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

"(B) to attract students and to educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

"(C) to design and implement innovative food and agricultural educational programs; and

"(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs.

Such grants shall be made without regard to matching funds, but each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

"(3) The Secretary may make competitive grants to colleges and universities for a period not to exceed five years—

"(A) to develop or administer programs to meet unique food and agricultural educational problems; and

"(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to meet regional and national objectives in the food and agricultural sciences.

Such grants shall be made without regard to matching funds provided by recipients.".

(b) Section 1417(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(c)) is amended by adding at the end thereof the following: "There are hereby transferred to the Secretary all the functions and duties of the Secretary of Education under the Act of June 29, 1935 (7 U.S.C. 329) applicable to the activities and programs for which funds are made available under section 22 of such Act.".

(c) Section 1417(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(d)) is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending Septem-

ber 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985,".

TRANSFER OF FUNCTIONS UNDER THE SECOND MORRILL ACT

SEC. 1419. There are hereby transferred to the Secretary of Agriculture all the functions and duties of the Secretary of Education under the Act of August 30, 1890 and the tenth and eleventh paragraphs under the heading "Emergency Appropriations." of the Act of March 4, 1907 (7 U.S.C. 321 et seq.).

NATIONAL AGRICULTURAL SCIENCE AWARD

SEC. 1420. (a) Section 1418 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153) is amended by—

(1) amending the section heading to read as follows: "NATIONAL AGRICULTURAL SCIENCE AWARD";

Establishment.

(2) amending subsection (a) to read as follows:

"(a) The Secretary shall establish the National Agricultural Science Award for research or advanced studies in the food and agricultural sciences, including the social sciences. Two such awards, one for each of the categories described in subsection (d) of this section, shall be made in each fiscal year.";

(3) redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) inserting immediately after subsection (b) a new subsection as follows:

"(c) The awards shall be open to persons in agricultural research, extension, teaching, or any combination thereof.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the following:

"Sec. 1418. National agricultural research award."

and inserting in lieu thereof the following:

"Sec. 1418. National agricultural science award."

REDESIGNATION OF INSTRUCTION FUNDING

SEC. 1421. (a) The first section of the Act of August 30, 1890 (7 U.S.C. 322) is amended by striking out "agriculture, the mechanic arts," and all that follows through "industries of life" and inserting in lieu thereof "food and agricultural sciences".

(b) The eleventh paragraph under the heading "Emergency Appropriations." of the Act of March 4, 1907 (7 U.S.C. 322) is amended by striking out "agriculture and the mechanic arts" the second place it appears and inserting in lieu thereof "food and agricultural sciences".

ALCOHOL AND INDUSTRIAL HYDROCARBONS

SEC. 1422. Section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended by—

(1) striking out in the first sentence "colleges and universities, and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories" and striking out in the third sentence "colleges,

universities and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories";

(2) striking out "four" in the sixth sentence; and

(3) striking out "and September 30, 1982" in the sixth sentence and all that follows through the period at the end thereof and inserting in lieu thereof the following: "September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985: *Provided,* That the total amount of such appropriations shall not exceed $40,000,000 during the eight-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period: *Provided further,* That not more than a total of $5,000,000 may be awarded to the colleges and universities of any one State.".

NUTRITION EDUCATION PROGRAM

SEC. 1423. Section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) is amended by—

(1) amending subsection (b) to read as follows:

"(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), shall provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population."; and

(2) adding a new subsection as follows:

"(c) Beginning with the fiscal year ending September 30, 1982—

"(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of such amount for the conduct of such program in States that did not participate in such program in the fiscal year ending September 30, 1981.

"(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

"(A) 4 per centum shall be available to the Secretary for administrative, technical, and other services necessary for the administration of the program.

"(B) The remainder shall be allocated among the States as follows:

"(i) 10 per centum shall be distributed equally among all States; and

"(ii) the remainder shall be allocated to each State in an amount which bears the same ratio to the total

amount to be allocated under this subparagraph as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such additional amount is first appropriated. The provisions of this subparagraph shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph.".

Ante, p. 511.

REPEAL OF SECTION 1426 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1424. (a) Section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3176) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out

"Sec. 1426. Nutrition education materials."

and inserting in lieu thereof

"Sec. 1426. Repealed.".

HUMAN NUTRITION RESEARCH AND INFORMATION MANAGEMENT SYSTEM

SEC. 1425. (a) Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is amended to read as follows:

"HUMAN NUTRITION RESEARCH AND INFORMATION MANAGEMENT SYSTEM

Plan, submittal to Congress.

"SEC. 1427. The Secretary and the Secretary of Health and Human Services shall formulate and submit to Congress, within one hundred and eighty days after the date of enactment of this section, a plan for a human nutrition research management system. This system shall be based on on-line data support capability allowing for fiscal accounting, management, and control of cross-agency human nutrition research activities. The plan shall provide for management activities of all agencies managing funds for human nutrition research activities under existing authorities and contain recommendations for any additional authorities necessary to achieve a human nutrition research management system.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out

"Sec. 1427. Report to Congress."

and inserting in lieu thereof

"Sec. 1427. Human nutrition research and information management system.".

CONFORMING AMENDMENT

SEC. 1426. Section 1429 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191) is amended by revising the last sentence thereof to read as follows: "It is recognized that the total animal health and disease research and extension efforts of the several State colleges and universities and of the Federal Government would be more effective if there were close coordination between such programs, and it is further recognized that colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health.".

ELIGIBLE INSTITUTIONS FOR ANIMAL HEALTH AND DISEASE RESEARCH FUNDS

SEC. 1427. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended by amending paragraphs (1) and (2) to read as follows:

"(1) the term 'eligible institution' means an accredited school or college of veterinary medicine or a State agricultural experiment station that conducts animal health and disease research; "Eligible institution."

"(2) the term 'dean' means the dean of an accredited school or college of veterinary medicine;". "Dean."

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1428. Section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking out "of five years" and inserting in lieu thereof "that expires September 30, 1985".

APPROPRIATIONS FOR ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS AT ELIGIBLE INSTITUTIONS

SEC. 1429. Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking out the first sentence and inserting in lieu thereof: "There are authorized to be appropriated such funds as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions, but not to exceed $25,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.".

APPROPRIATIONS FOR RESEARCH ON SPECIFIC NATIONAL OR REGIONAL ANIMAL HEALTH OR DISEASE PROBLEMS

SEC. 1430. (a) Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended to read as follows:

"(a) There are authorized to be appropriated such funds as Congress may determine necessary to support research on specific national or regional animal health or disease problems, but not to exceed $35,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and not in excess of such sums as may

after the date of enactment of this title be authorized by law for any subsequent fiscal year.".

(b) Section 1434(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended to read as follows:

7 USC 3197.

"(b) Notwithstanding the provisions of section 1435 of this title, funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions.".

(c) Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended by adding at the end thereof the following new subsections:

Priority lists.

"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors:

"(1) any health or disease problem which causes or may cause significant economic losses to any part of the livestock production industry;

"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and

"(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

"(d) Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish.

"(e) In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved.".

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1431. Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221) is amended by—

(1) inserting "and ending with the fiscal year ending September 30, 1981," in the second sentence of subsection (a) immediately after "Beginning with the fiscal year ending September 30, 1979,";

(2) inserting immediately after the second sentence of subsection (a) a new sentence as follows: "Beginning with the fiscal year ending September 30, 1982, there shall be appropriated under this section an amount not less than 5½ per centum, and for each fiscal year thereafter, through the fiscal year ending September 30, 1985, an amount not less than 6 per centum of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341 et seq.).";

(3) inserting "current at the time each such additional sum is first appropriated" in subsection (b)(2)(B) after "the last preceding decennial census" both times it appears;

(4) striking out "administrative head for extension" in subsection (c) and inserting in lieu thereof "extension administrator", and inserting "and each five years thereafter" before the period; and

(5) striking out "submitted by the proper officials of each institution," in subsection (d) and inserting in lieu thereof "submitted, as part of the State plan of work,".

AGRICULTURE RESEARCH IN 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1432. (a) Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended by—

(1) adding at the end of subsection (b)(1) a new sentence as follows: "These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.";

(2) inserting "current at the time each such additional sum is first appropriated" in subsection (b)(2)(B) after "the last preceding decennial census" both times it appears; and

(3) striking out "chief administrative officer" each time it appears in subsections (c) and (d) and inserting in lieu thereof "research director".

(b)(1) The Secretary of Agriculture shall make a grant of funds appropriated under paragraph (5) of this subsection to the one college of all the colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, which on the date of the enactment of this title— 7 USC 3222 note.

(A) has initiated a dairy goat research program; and

(B) has the best demonstrable capacity to carry out dairy goat research.

(2) Any grant received under paragraph (1) by such college may be expended to—

(A) pay expenses incurred in conducting dairy goat research;

(B) print and disseminate the results of such research;

(C) contribute to the retirement of employees engaged in such research;

(D) plan, administer, and direct such research; and

(E) construct, acquire, alter, and repair buildings necessary to conduct such research.

(3)(A) Under the terms of such grant, funds appropriated under paragraph (5) of this subsection for a fiscal year shall be paid to such college in equal quarterly installments beginning on or about the first day of October of such year upon vouchers approved by the Secretary of Agriculture.

(B) Not later than sixty days after the end of each fiscal year for which funds are paid under this subsection to such college, the research director of such college shall submit to the Secretary a detailed statement of the disbursements in such fiscal year of funds received by such college under this subsection.

(C) If any of the funds so received by such college are by any action or contingency misapplied, lost, or diminished, then—

(i) such college shall replace such funds; and

(ii) the Secretary shall not distribute to such college any other funds under this subsection until such replacement is made.

(4) For purposes of section 1445(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(e)), research and experiments funded under this subsection shall be deemed to be research and experiments funded under section 1445 of such Act.

Appropriation authorization.

(5) There is authorized to be appropriated to the Secretary to carry out this subsection, for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, an amount equal to one per centum of the aggregate amount of funds appropriated under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) in the fiscal year preceding the fiscal year for which funds are authorized to be appropriated under this paragraph.

AUTHORITY TO AWARD GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE RESEARCH FACILITIES

7 USC 3223.

SEC. 1433. (a) It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute (hereinafter referred to in this section as "eligible institutions"), in the acquisition and improvement of research facilities and equipment so that eligible institutions may participate fully with the State agricultural experiment stations in a balanced attack on the research needs of the people of their States.

Appropriation authorization.

(b) There are authorized to be appropriated to the Secretary of Agriculture for the purpose of carrying out the provisions of this section $10,000,000 for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, such sums to remain available until expended.

(c) Four per centum of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to the eligible institutions for the purpose of assisting them in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity to conduct research in the food and agricultural sciences.

(d) Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

(e) Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

(f) The Secretary may promulgate such rules and regulations as the Secretary may deem necessary to carry out the provisions of this section.

AUTHORIZATION FOR APPROPRIATIONS FOR SOLAR ENERGY MODEL FARMS AND DEMONSTRATION PROJECTS

SEC. 1434. Section 1454 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3263) is amended by striking "September 30, 1981" and inserting in lieu thereof "September 30, 1985".

SOLAR ENERGY DEFINITION

SEC. 1435. Section 1457 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3282) is amended to read as follows:

"SEC. 1457. For purposes of this subtitle, the term 'solar energy' means energy derived from sources (other than fossil fuels) and technologies included in the Federal Non-Nuclear Energy Research and Development Act of 1974, as amended.". 42 USC 5901 note.

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1436. Section 1458 of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is amended to read as follows:

"SEC. 1458. (a) The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, is authorized to—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by exchanging research materials and results with such institutions or persons and by conducting with such institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) assist the Agency for International Development with food, agricultural, research and extension programs in developing countries;

"(3) work with developed and transitional countries on food, agricultural and related research and extension, including the training of persons from such countries engaged in such activities and the stationing of scientists at national and international institutions in such countries;

"(4) assist United States colleges and universities in strengthening their capabilities for food, agricultural, and related research and extension relevant to agricultural development activities in other countries; and

"(5) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in international programs, to be available for the activities described in this section.

"(b) The Secretary shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less-developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

"(c) The Secretary may provide specialized or technical services, on an advance of funds or a reimbursable basis, to United States colleges and universities carrying out international food, agricultural, and related research, extension, and teaching development projects and activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the

appropriation from which the cost of providing such services has been paid or is to be charged.".

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1437. Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by—

(1) striking out "and $780,000,000 for the fiscal year ending September 30, 1982," in subsection (a) and inserting in lieu thereof "$780,000,000 for the fiscal year ending September 30, 1982, $780,000,000 for the fiscal year ending September 30, 1983, $835,000,000 for the fiscal year ending September 30, 1984, and $890,000,000 for the fiscal year ending September 30, 1985,";

(2) striking out "and $220,000,000 for the fiscal year ending September 30, 1982," in subsection (b) and inserting in lieu thereof "$220,000,000 for the fiscal year ending September 30, 1982, $230,000,000 for the fiscal year ending September 30, 1983, $240,000,000 for the fiscal year ending September 30, 1984, and $250,000,000 for the fiscal year ending September 30, 1985,"; and

(3) adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any other provision of law effective beginning October 1, 1983, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887, commonly known as the Hatch Act (7 U.S.C. 361a et seq.); the cooperative forestry research program provided for under the Act of October 10, 1962, commonly known as the McIntire-Stennis Act (16 U.S.C. 582a et seq.); the special and competitive grants programs provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (7 U.S.C. 450i); the animal health research program provided for under sections 1433 and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178 et seq.); and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for research at State agricultural experiment stations pursuant to the provision of the Act of March 2, 1887.".

Ante, p. 1303.
Ante, p. 1309.
7 USC 3195, 3196.

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION PROGRAMS

SEC. 1438. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking out "and $350,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "$350,000,000 for the fiscal year ending September 30, 1982, $360,000,000 for the fiscal year ending September 30, 1983, $370,000,000 for the fiscal year ending September 30, 1984, and $380,000,000 for the fiscal year ending September 30, 1985,".

MISCELLANEOUS PROVISIONS

SEC. 1439. (a) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding in subtitle K the following new sections:

"PROGRAM EVALUATION STUDIES

"SEC. 1471. (a) The Secretary shall regularly conduct program evaluations to meet the purposes of this title and the responsibilities assigned to the Secretary and the Department of Agriculture in this title. Such evaluations shall be designed to provide information that may be used to improve the administration and effectiveness of agricultural research, extension, and teaching programs in achieving their stated objectives. 7 USC 3317.

"(b) The Secretary is authorized to encourage and foster the regular evaluation of agricultural research, extension, and teaching programs within the State agricultural experiment stations, cooperative extension services, and colleges and universities, through the development and support of cooperative evaluation programs and program evaluation centers and institutes.

"GENERAL AUTHORITY TO ENTER INTO CONTRACTS, GRANTS, AND COOPERATIVE AGREEMENTS

"SEC. 1472. (a) The purpose of this section is to confer upon the Secretary general authority to enter into contracts, grants, and cooperative agreements to further the research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture. This authority supplements all other laws relating to the Department of Agriculture and is not to be construed as limiting or repealing any existing authorities. 7 USC 3318.

"(b) The Secretary may enter into contracts, grants, or cooperative agreements, for periods not to exceed five years, with State agricultural experiment stations, State cooperative extension services, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals, and any other contractor or recipient, either foreign or domestic, to further research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture.

"(c) The Secretary may vest title to expendable and nonexpendable equipment and supplies and other tangible personal property in the contractor or recipient when the contractor or recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds and the Secretary deems such vesting of title a furtherance of the agricultural research, extension, or teaching objectives of the Department of Agriculture.

"(d) Unless otherwise provided in this title, the Secretary may enter into contracts, grants, or cooperative agreements, as authorized by this section, without regard to any requirements for competition, the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), and the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529).

"RESTRICTION ON TREATMENT OF INDIRECT COSTS AND TUITION REMISSION

"SEC. 1473. Funds made available by the Secretary under established Federal-State partnership arrangements to State cooperative institutions under the Acts referred to in section 1404(16) of this title and funds made available under subsection (c)(2) and subsection (d) of section 2 of the Act of August 4, 1965 (7 U.S.C. 450i) shall not be subject to reduction for indirect costs or for tuition remission. No indirect costs or tuition remission shall be charged against funds in 7 USC 3319.

Ante, p. 1297.

Ante, p. 1304.

connection with cooperative agreements between the Department of Agriculture and State cooperative institutions if the cooperative program or project involved is of mutual interest to all the parties and if all the parties contribute to the cooperative agreement involved.".

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the item relating to section 1470 the following new items:

"Sec. 1471. Program evaluation studies.
"Sec. 1472. General authority to enter into contracts, grants, and cooperative agreements.
"Sec. 1473. Restriction on treatment of indirect costs and tuition remission.".

AQUACULTURE AND RANGELAND RESEARCH

SEC. 1440(a). The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end thereof the following new subtitles L and M:

"Subtitle L—Aquaculture

"PURPOSE

7 USC 3321.

"SEC. 1474. It is the purpose of this subtitle to promote research and extension activities of the institutions hereinafter referred to in section 1475(b), and to coordinate their efforts as an integral part in the implementation of the National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.) by encouraging landowners, individuals, and commercial institutions to develop aquaculture production and facilities and sound aquacultural practices that will, through research and technology transfer programs, provide for the increased production and marketing of aquacultural food products.

Infra.

94 Stat. 1198.

"AQUACULTURE ASSISTANCE PROGRAMS

7 USC 3322.

"SEC. 1475. (a) The Secretary may develop and implement a cooperative research and extension program to encourage the development, management, and production of important aquatic food species within the several States and territories of the United States, in accordance with the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

"(b) The Secretary may make grants to—

"(1) land-grant colleges and universities;

"(2) State agricultural experiment stations; and

"(3) colleges, universities, and Federal laboratories having a demonstrable capacity to conduct aquacultural research, as determined by the Secretary;

for research and extension to facilitate or expand promising advances in the production and marketing of aquacultural food species and products. Except in the case of Federal laboratories, no grant may be made under this subsection unless the State in which the grant recipient is located makes a matching grant to such recipient equal to the amount of the grant to be made under this subsection, and unless the grant is in implementation of the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

"(c) The Secretary may assist States to formulate aquaculture development plans for the enhancement of the production and marketing of aquacultural species and products from such States and may make grants to States on a matching basis, as determined by the Secretary. The aggregate amount of the grants made to any one State under this subsection may not exceed $50,000. The plans shall be consistent with the national aquaculture development plan, and revisions thereto, developed under the National Aquaculture Act of 1980.

94 Stat. 1198.
16 USC 2801 note.

"(d) To provide for aquacultural research, development, and demonstration projects having a national or regional application, the Secretary may establish in existing Federal facilities or in cooperation with State agencies (including State departments of agriculture), and land-grant colleges and universities, up to four aquacultural research, development, and demonstration centers in the United States for the performance of aquacultural research, extension work, and demonstration projects. Funds made available for the operation of such regional centers may be used for the rehabilitation of existing buildings or facilities to house such centers, but may not be used for the construction or acquisition of new buildings or facilities.

Report to President and congressional committees.

"(e) Not later than one year after the effective date of this subtitle and not later than March 1 of each subsequent year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, containing a summary outlining the progress of the Department of Agriculture in meeting the purposes of the programs established under this subtitle.

"AQUACULTURE ADVISORY BOARD

Establishment.
7 USC 3323.

"SEC. 1476. (a) The Secretary shall establish within the Department of Agriculture a board to be known as the Aquaculture Advisory Board (hereinafter in this subtitle referred to as the 'Board') which shall have a term that expires September 30, 1985, and which shall be composed of the following twelve members appointed by the Secretary—

"(1) four representatives of agencies of the Department of Agriculture which have significant research, extension, or teaching responsibilities;

"(2) two representatives of cooperative extension services;

"(3) two representatives of State agricultural experiment stations; and

"(4) four representatives of national aquaculture organizations.

Members of the Board shall serve without compensation, if not otherwise officers or employees of the United States. While away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

"(b) The board shall meet at the call of the Secretary, but at least annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of research and extension programs authorized in this

subtitle, under such rules and procedures for conducting business as the Secretary may, in the Secretary's discretion, prescribe.

"AUTHORIZATION OF APPROPRIATIONS

7 USC 3324.

"SEC. 1477. (a) There is authorized to be appropriated $7,500,000 for each fiscal year beginning after the effective date of this subtitle, and ending with the fiscal year ending September 30, 1985, and not in excess of such sums as may after the date of enactment of this subtitle be authorized by law for any subsequent fiscal year.

"(b) Funds appropriated under subsection (a) shall be allocated by the Secretary for work to be done as mutually agreed upon between the Secretary and the institutions described in section 1475(b). The Secretary shall, whenever possible, consult with the Board in developing plans for the use of these funds.

"Subtitle M—Rangeland Research

"PURPOSE

7 USC 3331.

"SEC. 1478. It is the purpose of this subtitle to promote the general welfare through improved productivity of the Nation's rangelands, which comprise 60 per centum of the land area of the United States. Most of these rangelands are unsuited for cultivation, but produce a great volume of forage that is inedible by humans but readily converted, through an energy efficient process, to high quality food protein by grazing animals. These native grazing lands are located throughout the United States and are important resources for major segments of the Nation's livestock industry. In addition to the many livestock producers directly dependent on rangelands, other segments of agriculture are indirectly dependent on range-fed livestock and on range-produced forage that can be substituted for grain in times of grain scarcity. Recent resource assessments indicate that forage production of rangeland can be increased at least 100 per centum through development and application of improved range management practices while simultaneously enhancing wildlife, watershed, recreational, and aesthetic values and reducing hazards of erosion and flooding.

"RANGELAND RESEARCH PROGRAM

7 USC 3332.

16 USC 1600 note.

"SEC. 1479. The Secretary may develop and implement a cooperative rangeland research program in coordination with the program carried out under the Renewable Resources Extension Act of 1978 to improve the production and quality of desirable native forages or introduced forages which are managed in a similar manner to native forages for livestock and wildlife. The program shall include studies of: (1) management of rangelands and agricultural land as integrated systems for more efficient utilization of crops and waste products in the production of food and fiber; (2) methods of managing rangeland watersheds to maximize efficient use of water and improve water yield, water quality, and water conservation, to protect against onsite and offsite damage of rangeland resources from floods, erosion, and other detrimental influences, and to remedy unsatisfactory and unstable rangeland conditions; (3) revegetation and rehabilitation of rangelands including the control of undesirable species of plants; and (4) such other matters as the Secretary considers appropriate.

"RANGELAND RESEARCH GRANTS

"SEC. 1480. The Secretary may make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research. Except in the case of Federal laboratories, this grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum non-Federal funding. 7 USC 3333.

"REPORTS

"SEC. 1481. Not later than one year after enactment of this subtitle, and not later than March 1 of each successive year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations, outlining the progress of the Department of Agriculture in meeting the program requirements set forth in section 1479 of this subtitle. 7 USC 3334.

"RANGELAND RESEARCH ADVISORY BOARD

"SEC. 1482. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board which shall have a term that expires September 30, 1985, and which shall be composed of the following twelve members appointed by the Secretary: Establishment. 7 USC 3335.

"(1) four representatives of agencies of the Department of Agriculture which have significant research, extension, or teaching responsibilities;

"(2) four representatives of the State agricultural experiment stations; and

"(3) four representatives of national rangeland and range livestock organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

"(b) The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of programs authorized under this subtitle, under such rules and procedures for conducting business as the Secretary shall prescribe.

"APPROPRIATIONS

"SEC. 1483. (a) There are authorized to be appropriated, to implement the provisions of this subtitle, such sums not to exceed $10,000,000 annually for the period beginning October 1, 1981, and ending September 30, 1985, and thereafter such sums as may after the date of enactment of this subtitle be authorized by law for any subsequent fiscal year. 7 USC 3336.

"(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or

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institutions. The Secretary shall, whenever possible, consult with the Board in developing plans for the use of these funds.".

7 USC 1281 note.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by adding at the end of title XIV the following new items:

"SUBTITLE L—AQUACULTURE

"Sec. 1474. Purpose.
"Sec. 1475. Aquaculture assistance programs.
"Sec. 1476. Aquaculture Advisory Board.
"Sec. 1477. Authorization of appropriations.

"SUBTITLE M—RANGELAND RESEARCH

"Sec. 1478. Purpose.
"Sec. 1479. Rangeland research program.
"Sec. 1480. Rangeland research grants.
"Sec. 1481. Reports.
"Sec. 1482. Rangeland Research Advisory Board.
"Sec. 1483. Appropriations.".

COOPERATIVE STATE FORESTRY

SEC. 1441. (a) Section 1 of the Act of October 10, 1962 (16 U.S.C. 582a), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "It is also recognized that the provisions of this Act are essential to assist in providing the research background that undergirds the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977.".

16 USC 1600 note.
16 USC 2001 note.

(b) Section 2 of the Act of October 10, 1962 (16 U.S.C. 582a-1), is amended by adding at the end thereof the following: "If more than one institution within a State are certified as qualifying for assistance, then it shall be the responsibility of such institutions, in agreement with the Secretary, to develop complementary programs of forestry research for the State.".

(c) Sections 5 and 6 of the Act of October 10, 1962 (16 U.S.C. 582a-4 and 582a-5), are amended to read as follows:

Regulations.

"SEC. 5. (a) The Secretary shall prescribe such regulations as may be necessary to carry out this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department as will best promote the purposes of this Act.

Council, appointment.

"(b) The Secretary shall appoint a council of not fewer than sixteen members which shall be constituted to give representation to Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State agricultural experiment stations, and volunteer public groups concerned with forests and related natural resources. The council shall meet at least annually and shall submit a report to the Secretary on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries, and shall advise the Secretary on the apportionment of funds. The Secretary shall seek, at least once each year, the advice of the council to accomplish efficiently the purposes of this Act.

Report.

"SEC. 6. Apportionments among participating States shall be determined by the Secretary after consultation with the council appointed under section 5. In making such apportionments, consideration shall be given to pertinent factors including non-Federal expenditures for forestry research by State-certified eligible institutions, areas of non-

Supra.

Federal commercial forest land, and the volume of timber cut annually. Three per centum of such funds as may be appropriated shall be made available to the Secretary for administration of this Act. These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for purposes of assessing research opportunities or research planning.".

PROHIBITION AGAINST REDUCTION OF STATE FUNDS UPON INCREASE IN FEDERAL ALLOTMENT

SEC. 1442. (a) Section 3 of the Act of March 2, 1887 (7 U.S.C. 361c), commonly known as the Hatch Act, is amended by adding at the end thereof a new subsection (g) as follows:

"(g) If in any year the amount made available by a State from its own funds (including any revenue-sharing funds) to a State agricultural experiment station is reduced because of an increase in the allotment made available under this Act, the allotment to the State agricultural experiment station from the appropriation in the next succeeding fiscal year shall be reduced in an equivalent amount. The Secretary shall reapportion the amount of such reduction to other States for use by their agricultural experiment stations.".

(b) Section 4 of the Act of October 10, 1962 (16 U.S.C. 582a-3), commonly known as the McIntire-Stennis Act, is amended by adding at the end thereof the following: "If in any year the amount made available by a State from its own funds (including any revenue-sharing funds) to a State-certified institution eligible for assistance under this Act is reduced because of an increase in the allotment made available under this Act, the allotment of such State-certified institution from the next succeeding appropriation shall be reduced in an equivalent amount. The Secretary shall reapportion the amount of such reduction to other eligible colleges and universities of the same State if there be any that qualify therefor and, if there be none, the Secretary shall reapportion such amount to the qualifying colleges and universities of other States participating in the forestry research program.".

EXCESS FEDERAL PROPERTY

SEC. 1443. Section 202(d)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)(2)) is amended by—

(1) striking out the word "or" at the end of subpargraph (C);

(2) striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon and the word "or"; and

(3) adding the following new subparagraph immediately after subparagraph (D):

"(E) property furnished by the Secretary of Agriculture to any State or county extension service engaged in cooperative agricultural extension work pursuant to the Act of May 8, 1914 (7 U.S.C. 341 et seq.); any State experiment station engaged in cooperative agricultural research work pursuant to the Act of March 2, 1887 (7 U.S.C. 361a et seq.); and any institution engaged in cooperative agricultural research or extension work pursuant to sections 1433, 1434, 1444, or 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195, 3196, 3221, and 3222) or the Act of October 10, 1962 (16 U.S.C. 582a et seq.), where title is retained in the United States. For the purpose

"State."

of this provision, the term 'State' means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia.".

RURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EXTENSION

SEC. 1444. (a) Title V of the Rural Development Act of 1972 (7 U.S.C. 2661 et seq.) is amended by striking out sections 501 through 508 and inserting in lieu thereof the following:

7 USC 2661.

"SEC. 501. PURPOSES AND GOALS.—(a) The overall purpose of this title is to foster a balanced national development that provides opportunities for increased numbers of the people of the United States to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development. It is further the purpose of this title to—

"(1) provide multistate regional agencies, States, counties, cities, multicounty planning and development districts, businesses, industries, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups and others involved with public services and investments in rural areas or that provide or may provide employment in these areas the best available scientific, technical, economic, organizational, environmental, and management information and knowledge useful to them, and to assist and encourage them in the interpretation and application of this information to practical problems and needs in rural development;

"(2) provide research and investigations in all fields that have as their purpose the development of useful knowledge and information to assist those planning, carrying out, managing, or investing in facilities, services, businesses, or other enterprises, public and private, that may contribute to rural development;

"(3) increase the capabilities of, and encourage, colleges and universities to perform the vital public service roles of research, and the transfer and practical application of knowledge, in support of rural development;

"(4) expand small farm research and extend training and technical assistance to small farm families in assessing their needs and opportunities and in using the best available knowledge on sound economic approaches to small farm operations and on existing services offered by the Department of Agriculture and other public and private agencies and organizations to improve their income and to gain access to essential facilities and services; and

"(5) support activities to supplement and extend programs that address special research and education needs in States experiencing rapid social and economic adjustments or unique problems caused by rural isolation and that address national and regional rural development policies, strategies, issues, and programs.

"(b) the goals of this title are to—

"(1) encourage and support rural United States, in order to help make it a better place to live, work, and enjoy life;

"(2) increase income and improve employment for persons in rural areas, including the owners or operators of small farms, small businesses, and rural youth;

"(3) improve the quality and availability of essential community services and facilities in rural areas;

"(4) improve the quantity and quality of rural housing;

"(5) improve the rural management of natural resources so that the growth and development of rural communities needed to support the family farm may be accommodated with minimum effect on the natural environment and the agricultural land base;

"(6) improve the data base for rural development decisionmaking at local, State, and national levels; and

"(7) improve the problem solving and development capacities and effectiveness of rural governments, officials, institutions, communities, community leaders, and citizen groups in—

"(A) improving access to Federal programs;

"(B) improving targeting and delivery of technical assistance;

"(C) improving coordination among Federal agencies, other levels of government, and institutions and private organizations in rural areas; and

"(D) developing and disseminating better information about rural conditions.

"SEC. 502. PROGRAMS AUTHORIZED.—The Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title. 7 USC 2662.

"(a) RURAL DEVELOPMENT EXTENSION PROGRAMS.—Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to community and rural development, businesses, Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups, and industries that employ or may employ people in rural areas. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

"(b) RURAL DEVELOPMENT RESEARCH.—Rural development research shall consist of research, investigations, and basic feasibility studies in any field or discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals of this title.

"(c) SMALL FARM RESEARCH PROGRAMS.—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm

family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.

"(d) SMALL FARM EXTENSION PROGRAMS.—Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, farm machinery technology, marketing techniques and small farm finance; to increase use by small farm families of existing services offered by the Department of Agriculture and other public and private agencies and organizations; to assist small farm families in establishing and operating cooperatives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natural resources available to the small farm family.

"(e) SPECIAL GRANTS PROGRAMS.—Special grants programs shall consist of extension and research programs to strengthen research and education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and balanced growth; to develop alternative strategies for national and regional investment, and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

7 USC 2663.

"SEC. 503. APPROPRIATION AND ALLOCATION OF FUNDS.—(a) There are authorized to be appropriated such sums as are necessary to carry out the purposes of this title.

"(b) Such sums as are appropriated to carry out the provisions of sections 502(a) and 502(b) of this title shall be distributed by the Secretary of Agriculture as follows:

"(1) 4 per centum shall be retained by the Secretary for program administration and national coordination of State programs, and program assistance to the States;

"(2) 10 per centum shall be used to finance work serving two or more States in which colleges or universities in two or more States cooperate or that is conducted by one college or university to serve two or more States;

"(3) 20 per centum shall be allocated equally among the States; and

"(4) 66 per centum shall be allocated to each State as follows: One-half in an amount that bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States, as determined by the last preceding decennial census current at that time; and one-half in an amount that bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States, as determined by the last preceding decennial census current at that time:

Provided, That, beginning with the fiscal year ending September 30, 1982, no State may receive more than $75,000 until all States have been allotted a minimum of $75,000.

"(c) Such sums as are appropriated to carry out the provisions of section 502(e) of this title shall be distributed by the Secretary to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) of this title.

"(d) Funds appropriated under this title may be used to pay salaries and other expenses of personnel employed to carry out the functions authorized by this title; to obtain necessary supplies, equipment, and services; and to rent, repair, and maintain facilities needed, but not to purchase or construct buildings.

"(e) Payment of funds to any State for programs authorized under sections 502(a), 502(b), 502(c), and 502(d) of this title shall be contingent upon approval by the Secretary of a plan of work and budget for such programs and compliance with such regulations as the Secretary may issue under this title. Plans for work shall be jointly developed in each State by the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute. In States in which there is no land-grant institution eligible to receive funds under the Act of August 30, 1890, the land-grant institution eligible to receive funds under the Act of July 2, 1862, shall be responsible for developing plans of work and budgets. In the development of the plans of work and budgets, consideration shall be given to involvement of the resources and expertise of the colleges and universities serving the region in which the plans and budgets are to be applied.

"(f) Funds shall be available for use by each State in the fiscal year for which appropriated and the next fiscal year following the fiscal year for which appropriated. Funds shall be budgeted and accounted for on such forms and at such times as the Secretary shall prescribe.

"(g) Funds provided to each State under this title may be used to finance programs through or at private and publicly supported colleges and universities other than the institutions responsible for administering the programs, as provided under section 504 of this title.

"SEC. 504. COOPERATING COLLEGES AND UNIVERSITIES.—(a) To ensure national coordination with other federally supported agricultural research and extension programs, administration of each State program shall be the responsibility of the colleges and universities eligible to receive funds under the Act of July 2, 1862, and the Act of August 30, 1890, including Tuskegee Institute. In States that contain more than one such institution, such administration shall be the responsibility of the institution designated by mutual agreement of all such institutions, subject to approval by the Secretary of Agriculture. The Secretary shall pay funds available to each State to such institution or university. Such administration shall be coordinated with other federally supported agricultural research and extension programs conducted in the State. 7 USC 2664.

"(b) All private and publicly supported colleges and universities in a State shall be eligible to participate in programs authorized under this title. Officials at universities or colleges other than those responsible for administering the programs that wish to participate in these programs shall submit program proposals to the college or university officials responsible for administering the programs who shall consider such proposals in the process of developing the budgets and plans of work.

"(c) The institution of each State responsible for administering the programs authorized under this title shall designate an official who shall be responsible for the overall coordination of the programs.

"(d) The institution in each State responsible for administering the programs authorized under this title shall name an advisory council to review and approve budgets and plans of work conducted under this title and to advise the chief administrative officer of the institu-

tion administering the programs on matters pertaining to the programs. An existing State rural development committee or council may be named to perform this function, or a new council may be appointed by the chief administrative officer or officers. The committee or council named or appointed shall consist of at least twelve members and shall include persons representing farmers, business, labor, banking, local government, multicounty planning and development districts, public and private colleges and universities in the State, and Federal and State agencies involved in rural development.

7 USC 2665.

"SEC. 505. WITHHOLDING FUNDS.—If the Secretary of Agriculture determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for programs under sections 502(a) and 502(b) of this title because of a failure to comply with regulations issued by the Secretary under this title, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding the session of the legislature of the State from which funds have been withheld in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. If any portion of the moneys that are received by the designated officers of any State for the support and maintenance of programs authorized under this title shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by the State.

7 USC 2666.

"SEC. 506. DEFINITIONS.—For the purposes of this title—

"(a) 'rural development' means the planning, financing, and development of facilities and services in rural areas that contribute to making those areas desirable places in which to live and make private and business investments; the planning, development, and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conservation, and use of land, water, and other natural resources of rural areas to maintain or improve the quality of the environment for people and business in rural areas; and the building or improvement of institutional, organizational, and leadership capacities of rural citizens and leaders to define and resolve their own community problems;

"(b) 'State' means the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands; and

"(c) 'small farm' means any farm (1) producing family net income from all sources (farm and nonfarm) below the median nonmetropolitan income of the State; (2) operated by a family dependent on farming for a significant though not necessarily a majority of its income; and (3) on which family members provide most of the labor and management.

7 USC 2667.

"SEC. 507. REGULATIONS.—The Secretary of Agriculture may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.".

Repeal.

(b) Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is redesignated as section 508, and section 510 of the Rural Development Act of 1972 (7 U.S.C. 2670) is repealed.

INCREASED EMPHASIS ON MARKETING EDUCATION PROGRAMS FOR SMALL AND MEDIUM SIZE FAMILY FARMING OPERATIONS

SEC. 1445. In carrying out marketing research and education programs, the Secretary of Agriculture shall take such steps as may be necessary to increase the efforts of the Department of Agriculture in providing marketing education programs for persons engaged in small and medium size family farm operations. 7 USC 2271.

SOYBEAN RESEARCH ADVISORY INSTITUTE

SEC. 1446. (a)(1) There is established within the Department of Agriculture a temporary advisory body to be known as the Soybean Research Advisory Institute (hereinafter in this section referred to as the "Advisory Institute"). Establishment. 7 USC 2281 note.

(2) The Advisory Institute shall be composed of eleven members appointed by the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"). Members appointed to the Advisory Institute shall be individuals who are recognized soybean research experts and shall represent the interest of soybean producers, soybean processors, land grant colleges and universities, Federal research agencies, and private industry. The Secretary shall, to the maximum extent practicable, balance the membership of the Advisory Institute geographically on the basis of the soybean producing areas of the United States.

(3) The Secretary shall designate a representative of the soybean producers to serve as Chairman of the Advisory Institute.

(b) It shall be the function of the Advisory Institute to— Functions.

(1) assess the effectiveness of the ongoing soybean research programs in the United States;

(2) assess the impediments to increased United States soybean production, including the soybean cyst nematode, and consider the most effective means of removing such impediments;

(3) evaluate the available means and the potential for increasing soybean production in the United States;

(4) estimate the amount of funds required to carry out a coordinated program of national soybean research to develop means of effectively increasing the overall United States soybean production and profitability; and

(5) develop plans for and sponsor an international conference on soybean research for the purpose of comparing and sharing current information on the production and utilization of soybeans.

(c) The Advisory Institute shall submit to the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture, not later than March 1, 1983, a comprehensive report on the findings of the Advisory Institute regarding research on soybean production and utilization. The Advisory Institute shall also include in such report its recommendations for actions that should be taken to ensure that an effective soybean research program is carried out in the United States. Report to congressional committees. Recommendations.

(d) Members shall receive no compensation for service on the Advisory Institute but may be paid, while in the performance of their duties away from their homes or regular places of business, travel expenses, including per diem in lieu of subsistence, as authorized by sections 5701 through 5707 of title 5, United States Code, for persons employed intermittently in Government service. Compensation.

(e) The Advisory Institute shall cease to exist on the day on which it submits its report to the committees referred to in subsection (c).

ADMINISTRATIVE JURISDICTION OVER LANDS

SEC. 1447. It is the intent of Congress that dual administration and jurisdiction by the Departments of Agriculture and the Interior over certain lands currently administered by the Secretary of Agriculture should be avoided. Therefore, the Secretary of Agriculture shall have sole administrative jurisdiction of the following described lands: The United States Sheep Experiment Station in Idaho and Summer Range in Montana. These lands, containing a total of 45,013 acres of land, more or less, were withdrawn by Executive Orders 3767, dated December 19, 1922; 2268, dated October 30, 1915; 2491, dated November 21, 1916; 3141, dated August 6, 1919; and 3165, dated September 3, 1919, for agricultural experiment purposes.

TITLE XV—RESOURCE CONSERVATION

Subtitle A—Soil and Water Conservation

POLICY

16 USC 3401.

SEC. 1501. Congress hereby reaffirms its policy to promote soil and water conservation, improve the quality of the Nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs.

Subtitle B—Special Areas Conservation Program

FINDINGS

16 USC 3411.

SEC. 1502. Congress finds that—

(1) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from cropland;

(2) nearly one-half of the four hundred and thirteen million acres of cropland have soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(3) the severity of erosion-related problems varies widely from one geographic area to the next;

(4) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems;

(5) solutions to such chronic erosion-related problems should be designed to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local community;

(6) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion, improving ecological conditions, enhancing wildlife and riparian habitats, improving water quality and yield, and meeting the need to

produce food and fiber in a manner that is more energy efficient; and

(7) there is a need for—

(A) reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(B) improving water conservation and utilization; and

(C) installing measures to capture on-farm irrigation return flows.

FORMULATION AND IMPLEMENTATION OF SPECIAL AREAS CONSERVATION PROGRAM

SEC. 1503. (a) The Secretary of Agriculture (hereafter in this subtitle referred to as the "Secretary") shall establish a program for the conservation of soil, water, and related resources in special areas designated pursuant to section 1504 (hereafter in this subtitle referred to as "designated special areas") by providing technical and financial assistance to owners and operators or groups of owners and operators of farm, ranch, and certain other lands at their request. Such assistance with respect to State, county, and other public land shall be limited to those lands that are an integral part of a private farm operating unit and under the control of the private landowner or operator. 16 USC 3412.

(b) To carry out the program established under this subtitle, the Secretary may enter into contracts with owners and operators of farm, ranch, or other land in a designated special area having such control over the land as the Secretary deems necessary. Contracts may be entered into with respect to land in a designated special area which is not farm or ranch land only if the erosion-related problems of such land are so severe as to make such contracts with respect to such land necessary for the effective protection of farm or ranch land in that designated special area. Contracts under this subtitle shall be designed to provide assistance to the owners or operators of such farm, ranch, or other land to make voluntary changes in their cropping systems which are needed to conserve or protect the soil, water, and related resources of such lands, and to carry out the soil and water conservation practices and measures needed under such changed systems and uses. Contracts.

(c) The basis for such contracts shall be a conservation plan approved by the Secretary and the soil and water conservation district in which the land on which the plan is to be carried out is situated. The Secretary shall provide to the landowner or operator, upon request, such technical assistance as may be needed to prepare and submit to the Secretary a conservation plan that— Conservation plan.

(1) incorporates such soil and other conservation practices and measures as may be determined to be practicable to protect such land from erosion or water-related problems;

(2) outlines a schedule for the implementation of changes in cropping systems or use of land or of water and of conservation practices and measures proposed to be carried out on the farm, ranch, or other land during the contract period;

(3) is designed to take into account the local social, economic, and environmental conditions, which will help solve the particular erosion or water-related problems of the designated area;

(4) may allow for such varying levels of conservation application as are appropriate to address the problems and may be developed to cover all or part of a farm, ranch, or other land as determined to be necessary to solve the conservation problems;

(5) may include practices and measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural-related pollution; and

(6) identifies those conservation practices and measures, including planned grazing systems, needed to improve vegetative conditions, reduce erosion, and conserve water on range and pasturelands.

(d) The landowner or operator, in any contract entered into under this subtitle, shall agree—

(1) to carry out the plan for the owner's or operator's farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to subsection (f);

(2) to forfeit further payments under the contract and refund to the United States all payments received thereunder, including interest, upon violation by the owner or operator of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board for the district in which the lands are located, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(3) not to adopt any practice or measure specified by the Secretary in the contract which would tend to defeat the purposes of the contract; and

(4) upon transfer, during the contract period, of the rights or interests of the owner or operator in the farm, ranch, or other land on which the plan is to be carried out, to forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract.

(e) In return for such agreement by the landowner or operator, the Secretary shall agree to share the cost of carrying out those conservation practices and measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the implementation, and, if applicable, the maintenance of the conservation practices and measures under the contract, including the cost of labor. In determining the share of costs to be borne by the Federal Government, the Secretary shall take into consideration the particular social, economic, and environmental conditions of the geographic area involved and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. If adjustments from cultivated crops to permanent vegetative cover or changes in crop varieties are undertaken as a conservation practice or measure under the contract, cost-share assistance may be provided under such contract with regard to the income lost as a result of such adjustments.

Termination or modification of contracts.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest. The Secretary may agree to such modification of contracts

previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to similar conservation or other programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation practice or measure established under this subtitle or other conservation practice or measure which has been adequately established, and to provide necessary assistance to retain the practice or measure on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f) of this section.

PROGRAM TO BE DIRECTED AT SPECIFIC PROBLEMS

SEC. 1504. (a) The program established under this subtitle shall be directed toward identifying and correcting such erosion-related or water management-related problems as may exist within each designated special area. Assistance under this subtitle may be provided to any geographic area of the United States only if such area is first designated by the Secretary as having severe and chronic erosion-related or water management-related problems. 16 USC 3413.

(b) In designating a geographic area as a special area under this subtitle, the Secretary shall review national resources inventory data, river basin plans, special studies, and other resource information; consider tons of soil loss prevented, acres protected, and volume of water conserved; and evaluate the degree and type of interagency cooperation, the degree of local acceptance of the planned target activity, and the significant favorable and adverse impacts of the targeted activity. The Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in such area, and a schedule for the implementation of the program under this subtitle. The report shall also indicate how the program with respect to such area takes into consideration ongoing programs of Federal, State, and local agencies, including soil conservation districts, relating to soil and water conservation, pollution abatement, or the improvement or protection of forest land. The Secretary shall, to the extent practicable, assure that all Department of Agriculture conservation programs operating in a designated special area complement the conservation objectives outlined for such area. Report.

CONTRACT LIMITATIONS

SEC. 1505. Special areas may be designated pursuant to section 1504 of this subtitle at any time within the period beginning on the date of enactment of this subtitle and ending on September 30, 1991. Contracts authorized by subsections (b) and (g) of section 1503 of this subtitle may be entered into at any time within ten years after the designation of the special area to which they relate and may not exceed ten years in duration. The total dollar amount of such contracts that may be entered into in any one fiscal year shall not exceed such amounts as may be provided for in advance in appropriations Acts. 16 USC 3414.

NOTIFICATION OF CONGRESS AND APPROVAL OF DESIGNATIONS

16 USC 3415.

SEC. 1506. The Secretary shall submit a copy of each special area report developed and published pursuant to section 1504(b) of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives at least forty-five days prior to entering into any contract under section 1503 of this subtitle with respect to land in the designated special area.

UTILIZATION OF SERVICES AND FACILITIES

16 USC 3416.

SEC. 1507. In carrying out the provisions of this subtitle, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or local agencies. The Secretary may utilize the services and facilities of the Commodity Credit Corporation in carrying out this subtitle.

16 USC 590h.

IMPROVEMENT OF TECHNOLOGY

16 USC 3417.

SEC. 1508. The Secretary may expend funds directly or through grants for such research as is needed to assist in developing new or improving existing technologies for controlling erosion or water-related problems in designated special areas.

AUTHORIZATION FOR APPROPRIATIONS

16 USC 3418.

SEC. 1509. There are authorized to be appropriated annually, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle.

REPORT TO CONGRESS

16 USC 3419.

SEC. 1510. The Secretary shall submit a report to Congress by January 1, 1986, and at the end of each five-year interval thereafter concerning the operation of the program provided for in this subtitle. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this subtitle and to utilize new technology and research related to such problems.

PROTECTION OF PARTICIPANTS

16 USC 3420.

SEC. 1511. No person shall be disqualified from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this subtitle.

Subtitle C—Amendments to the Small Watershed Program and to the Bankhead-Jones Farm Tenant Act

AMENDMENTS TO SMALL WATERSHED PROGRAM

SEC. 1512. (a) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is amended by changing the period at the end thereof to a semicolon and inserting immediately thereafter

the following: "or any Indian tribe or tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), having authority under Federal, State, or Indian tribal law to carry out, maintain, and operate the works of improvement.".

(b) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is further amended by striking out "$1,000,000" and inserting in lieu thereof "$5,000,000".

(c) Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting "energy," after "wildlife,".

(d) Section 4(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004(1)) is amended by changing the semicolon at the end thereof to a colon and inserting immediately thereafter the following: "*Provided further,* That the Secretary shall be authorized to bear an amount not to exceed one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local organization for mitigation of fish and wildlife habitat losses, and that such acquisition is not limited to the confines of the watershed project boundaries;".

(e) Section 5(3) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(3)) is amended by striking out "$1,000,000" and inserting in lieu thereof "$5,000,000".

(f) Section 5(4) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(4)) is amended by striking out "$1,000,000" and inserting in lieu thereof "$5,000,000".

AMENDMENT TO THE BANKHEAD-JONES FARM TENANT ACT

SEC. 1513. Section 31 of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by inserting "developing energy resources," after "dams and reservoirs,".

Subtitle D—Matching Grants for Conservation Activities

GRANTS PROGRAM

SEC. 1514. (a) The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may formulate and implement a program for furthering the conservation of soil, water, and related resources through annual grants to local units of government through State soil conservation agencies. Such grants shall be for noncapital expenditures in furtherance of local and State conservation objectives specified in section 1516 of this subtitle. 16 USC 3431.

(b) Such grants shall be made to augment rather than to replace other technical and financial assistance programs of the Department of Agriculture.

(c) A local unit of government may be eligible for a grant under subsection (a) if it—

(1) has in effect a current long-range program which the State soil conservation agency determines is adequate to meet local and State laws and objectives;

(2) has in effect a current annual work plan which is consistent with the long-range program in paragraph (1) of this subsection; and

(3) certifies to the Secretary or the Secretary's designee at the State level that it has arranged for equal matching funds or in-

kind services to the local unit from regional, State, local, or private sources.

(d) Whenever the Secretary determines that a component of the long-range program or annual work plan involves primarily a national rather than a local or State objective, the State or local matching funds required for the national component of the long-range program or annual plan need not exceed 25 per centum of the total funds required to accomplish the national objective. The Secretary, by regulation, shall define those objectives which are national in scope.

PROGRAM IMPLEMENTATION AND REVIEW

16 USC 3432.

SEC. 1515.(a) The State soil conservation agency, the State agricultural stabilization and conservation committee, and the Secretary or the Secretary's designee at the State level shall review programs and work plans under section 1514(c) of this subtitle, and may recommend additions or changes in order to meet urgent State, multistate, and national conservation needs or priorities as developed under the Soil and Water Resources Conservation Act of 1977 or similar authority.

16 USC 2001 note.

(b) For purposes of implementing the program and plan, the local unit of government is encouraged to seek information from and the cooperation of—

(1) local agencies, organizations, and citizens; and

(2) agencies of the Department of Agriculture or other Federal agencies, cooperative extension services, and others that may be designated by the Secretary or the Governor to serve as advisers.

PLANS

16 USC 3433.

SEC. 1516. (a) Long-range programs and annual work plans may include any of the following soil, water, and related resource conservation objectives: (1) soil erosion prevention and control; (2) cropland, forest, woodland, pasture, or rangeland improvement; (3) water conservation, development, and management, and water quality improvement; (4) agricultural land retention or preservation; (5) demonstration projects to test and publicize the effectiveness of natural resource management systems adapted to local conditions; (6) fish and wildlife habitat improvement; (7) animal waste management; (8) watershed protection and flood prevention; (9) sediment control and stormwater management in urbanizing areas; (10) environmentally sound energy conservation and production; (11) leadership in natural resources aspects of rural community planning and development; or (12) any other purpose authorized or required by local or State conservation laws.

(b) If an objective has been identified which will require more than one year to complete or reach, the Secretary or the Secretary's designee may enter into a long-term agreement of not more than ten years with the local unit of government or State agency to provide funding assistance for the term of the agreement. Such assistance shall be contingent upon the amount of funds appropriated under section 1519 of this subtitle.

MATCHING FUNDS

16 USC 3434.

SEC. 1517. (a) Federal matching grant funds, as mutually agreed upon by the State soil conservation agency and the Secretary, may be used to provide technical assistance to landowners and operators for

planning and application of soil and water conservation practices and measures and natural resource management systems.

(b) Such technical assistance shall be administered by the State soil conservation agency through local soil and water conservation districts.

(c) Such technical assistance shall be fully coordinated with technical assistance provided through ongoing Federal, State, and local resource conservation programs, and shall be in accord with established technical standards or guidelines.

(d) The basis for the transfer of grant funds shall be a grant agreement entered into by the Secretary or the Secretary's designee with the local unit of government or State agency.

RECORDS

SEC. 1518. (a) Each local unit of government or State agency receiving assistance under this subtitle shall keep such records as the Secretary requires, including records which fully disclose the amount and disposition by such unit or agency of the proceeds of such grants, the total cost of the projects or undertakings in connection with which such funds are given or used, and the amount of that portion of the costs of the projects or undertakings supplied by other sources, and such other records as will facilitate an effective audit. 16 USC 3435.

(b) The Secretary and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of each local unit of government or State agency that are pertinent to the grants under this subtitle.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1519. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle, such sums to remain available until expended. 16 USC 3436.

(b) No funds shall be appropriated to carry out this subtitle for the fiscal year beginning October 1, 1992, and subsequent fiscal years, except as authorized by law enacted after the effective date of this subtitle.

(c) The Secretary shall report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry on the progress of the program authorized by this subtitle. The first such report shall be submitted by January 1, 1986, and a succeeding report by January 1, 1991. Each such report shall include an evaluation of the program and the Secretary's recommendations for strengthening it. Report to congressional committees.

Subtitle E—Conservation Loan Program

CONSERVATION LOANS

SEC. 1520. (a) Section 4(h) of the Commodity Credit Corporation Charter Act is amended by inserting immediately after the second sentence the following: "To encourage the alleviation of natural resource conservation problems that reduce the productive capacity of the Nation's land and water resources or that cause degradation of environmental quality, the Corporation may, beginning with enactment of the Agriculture and Food Act of 1981, make loans to any agricultural producer for those natural resource conservation and 15 USC 714b.

environmental enhancement measures that are recommended by the applicable county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and are included in the producer's conservation plan approved by the local soil and water conservation district; such loans shall be for a period not to exceed ten years at a rate of interest based upon the rate of interest charged the Corporation by the United States Treasury; the Corporation may make loans to any one producer in any fiscal year in an amount not to exceed $25,000; loans up to $10,000 in amount may be unsecured and loans in excess of $10,000 shall be secured; and the total of such unsecured and secured loans made in each fiscal year shall not exceed $200,000,000: *Provided,* That the authority provided by this sentence to make loans shall be effective only to the extent and in such amounts as may be provided for in prior appropriation Acts.".

16 USC 590h.

Subtitle F—Reservoir Sedimentation Reduction Program

FORMULATION OF PROGRAM

16 USC 3441.

SEC. 1521. The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may formulate and implement a program for testing the feasibility of reducing excessive sedimentation in existing reservoirs. Such an assistance program shall be implemented on the watershed drainage areas of no more than five publicly owned reservoirs. The Secretary shall select for the program those reservoirs in which excessive amounts of sediment are being deposited because of critical soil erosion problems in the watershed drainage area.

PLANS

16 USC 3442.

SEC. 1522. For each reservoir and drainage area selected under section 1521 of this subtitle, a plan shall be prepared that includes an assessment of the problems, a listing of objectives and priorities, and an implementation plan for achieving the objectives. The Secretary shall enter into an agreement with the soil and water conservation districts containing land within the reservoir or drainage area, an agency of State government designated by the Governor, and units of local government that have recognized interests in the reservoir, for the purpose of preparing the plan. The plan shall be signed by the Secretary, or the Secretary's designee, and the other parties to the agreement.

Agreement.

APPROVAL OF PLANS

16 USC 3443.

SEC. 1523. The Secretary shall submit each plan developed under section 1522 of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The Secretary may implement any such plan only after each such committee adopts a resolution approving the plan.

AUTHORIZATION FOR APPROPRIATIONS

16 USC 3444.

SEC. 1524. There are authorized to be appropriated, for each of the fiscal years 1983 through 1987, such sums as may be necessary for

carrying out the provisions of this subtitle, such sums to remain available until expended.

REPORT

SEC. 1525. The Secretary shall submit a report evaluating the program authorized under this subtitle to Congress by January 1, 1987. The report shall include a recommendation as to whether the program should be extended and, if so, how it could be strengthened. 16 USC 3445.

Subtitle G—Volunteers for Department of Agriculture Programs

ESTABLISHMENT OF PROGRAM

SEC. 1526. (a) The Secretary of Agriculture (hereafter referred to in this subtitle as the "Secretary") may establish a program to use volunteers in carrying out the programs of the Department of Agriculture. 7 USC 2272.

(b) The Secretary may accept, subject to regulations issued by the Office of Personnel Management, voluntary service for the Department of Agriculture for such purpose if the service:

(1) is to be without compensation; and

(2) will not be used to displace any employee of the Department of Agriculture including the local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act. 16 USC 590h.

(c) Any individual who provides voluntary service under this subtitle shall not be considered a Federal employee, except for purposes of chapter 81 of title 5, United States Code (relating to compensation for injury), and sections 2671 through 2680 of title 28, United States Code (relating to tort claims). 5 USC 8101 *et seq.*

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1527. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle, such sums to remain available until expended. 7 USC 2272 note.

Subtitle H—Resource Conservation and Development Program

PURPOSE

SEC. 1528. It is the purpose of this subtitle to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out programs for resource conservation and development. 16 USC 3451.

DEFINITIONS

SEC. 1529. As used in this subtitle— 16 USC 3452.

(1) The term "area plan" means a resource conservation and utilization plan which is developed for a designated area of a State or States through a planning process and which includes one or more of the following elements:

(A) a land conservation element, the purpose of which shall be to control erosion and sedimentation;

(B) a water management element, the purpose of which shall be to provide for the conservation, utilization, and quality of water, including irrigation and rural water supplies, the mitigation of floods and high water tables, con-

struction, repair, and improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality through control of nonpoint sources of pollution;

(C) a community development element, the purpose of which shall be the development of natural resources based industries, protection of rural industries from natural resource hazards, development of aquaculture, development of adequate rural water and waste disposal systems, improvement of recreation facilities, improvement in the quality of rural housing, provision of adequate health and education facilities, and satisfaction of essential transportation and communication needs; or

(D) other elements, the purpose of which may include energy conservation or protection of agricultural land, as appropriate, from conversion to other uses, or protection of fish and wildlife habitats.

(2) The term "designated area" means a geographic area designated by the Secretary to receive assistance under this subtitle.

(3) The term "planning process" means the continuous effort by any State, local unit of government, or local nonprofit organization to develop and carry out effective resource conservation and utilization plans for a designated area, including development of an area plan, goals, objectives, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in such efforts.

(4) The term "financial assistance" means the cost-sharing arrangements that are available under this subtitle through Federal contracts, grants, or loans.

(5) The term "local unit of government" means any county, city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district, or any Indian tribe or tribal organization established under Federal, State, or Indian tribal law.

(6) The term "nonprofit organization" means any community association, wildlife group, or resource conservation organization that is incorporated and approved by the Secretary for the purpose of providing to any rural area those public facilities or services included in the area plan for such rural area.

(7) The term "Secretary" means the Secretary of Agriculture.

(8) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and American Samoa.

(9) The term "technical assistance" means any service provided by personnel of the Department of Agriculture or non-Federal personnel working through the Department of Agriculture, including, but not limited to, inventorying, evaluating, planning, designing, supervising, laying out and inspecting works of improvement, and the providing of maps, reports, and other documents associated with the services provided.

(10) The term "works of improvement" means the facilities installed or being installed in accord with an area plan.

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

SEC. 1530. The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations to operate and maintain a planning and implementation process needed to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in rural areas of the United States. Establishment. 16 USC 3453.

SELECTION OF NEW DESIGNATED AREAS

SEC. 1531. The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements specified in section 1529(1). 16 USC 3454.

AUTHORITY OF THE SECRETARY

SEC. 1532. In carrying out the provisions of this subtitle, the Secretary may— 16 USC 3455.

(1) provide technical assistance to any State, local unit of government, or local nonprofit organization within a designated area to assist in developing and implementing an area plan for that area;

(2) cooperate with other departments and agencies of the Federal Government, State, and local units of government, and with local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical and financial assistance to any State, local unit of government, or local nonprofit organization designated to receive such assistance by the Governor or legislature of the State concerned; and

(4) enter into agreements with States, local units of government, and local nonprofit organizations, as provided in section 1533.

AGREEMENTS; TERMS AND CONDITIONS

SEC. 1533. (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an area plan approved by the Secretary only if— 16 USC 3456.

(1) such State, local unit of government, or local nonprofit organization agrees in writing to carry out such works of improvement and to finance or arrange for financing of any portion of the cost of carrying out such works of improvement for which financial assistance is not provided by the Secretary under this subtitle;

(2) the works of improvement for which assistance is to be provided under this subtitle are included in an area plan and have been approved by the State, local unit of government, or local nonprofit organization to be assisted;

(3) the Secretary determines that assistance to finance the type of works of improvement concerned is not reasonably available to such State, local unit of government, or local nonprofit organization under any other Federal program;

(4) the works of improvement provided for in the area plan are consistent with any current comprehensive plan for such area;

(5) the cost of the land or an interest in the land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is borne by such State, local unit of government, or local nonprofit organization; and

(6) the State, local unit of government, or local nonprofit organization participating in an area plan agrees to maintain and operate all works of improvement installed under such plan.

(b) Loans made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the work of improvement for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved by the Secretary.

Withdrawal of assistance.

(d) The Secretary may withdraw technical and financial assistance with respect to any area plan if the Secretary determines that such assistance is no longer needed or that sufficient progress has not been made toward developing or implementing the elements of such plan.

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

Establishment. 16 USC 3457.

SEC. 1534. (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board.

(b) Such board shall be composed of seven employees of the Department of Agriculture selected by the Secretary. One member shall be designated by the Secretary to serve as chairman.

(c) It shall be the function of such board to advise the Secretary regarding the administration of the provisions of this subtitle, including the formulation of policies for carrying out the program provided for by this subtitle.

EVALUATION OF PROGRAM

16 USC 3458.

SEC. 1535. The Secretary shall evaluate the program provided for in this subtitle to determine whether such program is effectively meeting the needs of, and the objectives identified by, the States, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit a report to Congress containing the results of the evaluation not later than December 31, 1986, together with the Secretary's recommendations for continuing, terminating, redirecting, or modifying such program.

Report to Congress.

LIMITATION ON PROVISION OF ASSISTANCE

16 USC 3459.

SEC. 1536. The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than two hundred and twenty-five active designated areas.

SUPPLEMENTAL AUTHORITY OF THE SECRETARY

16 USC 3460.

SEC. 1537. The authority of the Secretary under this subtitle to assist States, local units of government, and local nonprofit organiza-

tions in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1538. There are authorized to be appropriated for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987, such sums as may be necessary to carry out the provisions of this subtitle, except that not more than $15,000,000 may be appropriated for loans for any fiscal year. Funds appropriated pursuant to this subtitle shall remain available until expended. 16 USC 3461.

Subtitle I—Farmland Protection Policy Act

Farmland Protection Policy Act.

SHORT TITLE

SEC. 1539. This subtitle may be cited as the "Farmland Protection Policy Act". 7 USC 4201 note.

FINDINGS, PURPOSE, AND DEFINITIONS

SEC. 1540. (a) Congress finds that— 7 USC 4201.

(1) the Nation's farmland is a unique natural resource and provides food and fiber necessary for the continued welfare of the people of the United States;

(2) each year, a large amount of the Nation's farmland is irrevocably converted from actual or potential agricultural use to nonagricultural use;

(3) continued decrease in the Nation's farmland base may threaten the ability of the United States to produce food and fiber in sufficient quantities to meet domestic needs and the demands of our export markets;

(4) the extensive use of farmland for nonagricultural purposes undermines the economic base of many rural areas;

(5) Federal actions, in many cases, result in the conversion of farmland to nonagricultural uses where alternative actions would be preferred;

(6) the Department of Agriculture is the agency primarily responsible for the implementation of Federal policy with respect to United States farmland, assuring the maintenance of the agricultural production capacity of the United States, and has the personnel and other resources needed to implement national farmland protection policy; and

(7) the Department of Agriculture and other Federal agencies should take steps to assure that the actions of the Federal Government do not cause United States farmland to be irreversibly converted to nonagricultural uses in cases in which other national interests do not override the importance of the protection of farmland nor otherwise outweigh the benefits of maintaining farmland resources.

(b) The purpose of this subtitle is to minimize the extent to which Federal programs contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses, and to assure that Federal programs are administered in a manner that, to the extent practicable, will be compatible with State, unit of local government, and private programs and policies to protect farmland.

(c) As used in this subtitle—

(1) the term "farmland" includes all land defined as follows:

(A) prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural crops with minimum inputs of fuel, fertilizer, pesticides, and labor, and without intolerable soil erosion, as determined by the Secretary. Prime farmland includes land that possesses the above characteristics but is being used currently to produce livestock and timber. It does not include land already in or committed to urban development or water storage;

(B) unique farmland is land other than prime farmland that is used for production of specific high-value food and fiber crops, as determined by the Secretary. It has the special combination of soil quality, location, growing season, and moisture supply needed to economically produce sustained high quality or high yields of specific crops when treated and managed according to acceptable farming methods. Examples of such crops include citrus, tree nuts, olives, cranberries, fruits, and vegetables; and

(C) farmland, other than prime or unique farmland, that is of statewide or local importance for the production of food, feed, fiber, forage, or oilseed crops, as determined by the appropriate State or unit of local government agency or agencies, and that the Secretary determines should be considered as farmland for the purposes of this subtitle;

(2) the term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any territory or possession of the United States;

(3) the term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level, or a combination of units of local government acting through an areawide agency under State law or an agreement for the formulation of regional development policies and plans;

(4) the term "Federal program" means those activities or responsibilities of a department, agency, independent commission, or other unit of the Federal Government that involve (A) undertaking, financing, or assisting construction or improvement projects; or (B) acquiring, managing, or disposing of Federal lands and facilities. The term "Federal program" does not include construction or improvement projects that on the effective date of this subtitle are beyond the planning stage and are in either the active design or construction state; and

(5) the term "Secretary" means the Secretary of Agriculture.

FARMLAND PROTECTION POLICY

7 USC 4202.

SEC. 1541. (a) The Department of Agriculture, in cooperation with other departments, agencies, independent commissions, and other units of the Federal Government, shall develop criteria for identifying the effects of Federal programs on the conversion of farmland to nonagricultural uses.

(b) Departments, agencies, independent commissions, and other units of the Federal Government shall use the criteria established under subsection (a) of this section, to identify and take into account the adverse effects of Federal programs on the preservation of farmland; consider alternative actions, as appropriate, that could

lessen such adverse effects; and assure that such Federal programs, to the extent practicable, are compatible with State, unit of local government, and private programs and policies to protect farmland.

(c) The Department of Agriculture may make available to States, units of local government, individuals, organizations, and other units of the Federal Government information useful in restoring, maintaining, and improving the quantity and quality of farmland.

EXISTING POLICIES AND PROCEDURES

SEC. 1542. (a) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall review current provisions of law, administrative rules and regulations, and policies and procedures applicable to it to determine whether any provision thereof will prevent such unit of the Federal Government from taking appropriate action to comply fully with the provisions of this subtitle. 7 USC 4203.

(b) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall, as appropriate, develop proposals for action to bring its programs, authorities, and administrative activities into conformity with the purpose and policy of this subtitle.

TECHNICAL ASSISTANCE

SEC. 1543. The Secretary is encouraged to provide technical assistance to any State or unit of local government, or any nonprofit organization, as determined by the Secretary, that desires to develop programs or policies to limit the conversion of productive farmland to nonagricultural uses. 7 USC 4204.

FARMLAND RESOURCE INFORMATION

SEC. 1544. (a) The Secretary, through existing agencies or interagency groups, and in cooperation with the cooperative extension services of the States, shall design and implement educational programs and materials emphasizing the importance of productive farmland to the Nation's well-being and distribute educational materials through communications media, schools, groups, and other Federal agencies. 7 USC 4205.

(b) The Secretary shall designate one or more farmland information centers to serve as central depositories and distribution points for information on farmland issues, policies, programs, technical principles, and innovative actions or proposals by local and State governments.

GRANTS; CONTRACTS

SEC. 1545. The Secretary may carry out the purposes of this subtitle, with existing facilities and funds otherwise available, through the use of grants, contracts, or such other means as the Secretary deems appropriate. 7 USC 4206.

REPORT

SEC. 1546. Within one year after the enactment of this subtitle, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on the progress made in 7 USC 4207.

implementing the provisions of this subtitle. Such report shall include information on—

(1) the effects, if any, of Federal programs, authorities, and administrative activities with respect to the protection of United States farmland; and

(2) the results of the reviews of existing policies and procedures required under section 1542(a) of this subtitle.

STATEMENT OF LIMITATION

7 USC 4208.

SEC. 1547. (a) This subtitle does not authorize the Federal Government in any way to regulate the use of private or non-Federal land, or in any way affect the property rights of owners of such land.

(b) None of the provisions or other requirements of this subtitle shall apply to the acquisition or use of farmland for national defense purposes.

PROHIBITION

7 USC 4209.

SEC. 1548. This subtitle shall not be deemed to provide a basis for any action, either legal or equitable, by any State, local unit of government, or any person or class of persons challenging a Federal project, program, or other activity that may affect farmland.

EFFECTIVE DATE

7 USC 4201 note.

SEC. 1549. The provisions of this subtitle shall become effective six months after the date of enactment of this Act.

Subtitle J—Miscellaneous Provisions

LOCAL SEARCH AND RESCUE OPERATIONS

7 USC 2273.

SEC. 1550. The Secretary of Agriculture may assist, through the use of Soil Conservation Service personnel, vehicles, communication equipment, and other equipment or materials available to the Secretary, in local search and rescue operations when requested by responsible local public authorities. Such assistance may be provided in emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters.

RECLAMATION

SEC. 1551. Section 406(d) of the Surfacing Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236(d)) is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this section with regard to acreage limitations, the Secretary of Agriculture may carry out experimental reclamation treatment projects to control erosion and improve water quality on all lands within a hydrologic unit, consisting of not more than 25,000 acres, if the Secretary determines that treatment of such lands as a hydrologic unit will achieve greater reduction in the adverse effects of past surface mining practices than would be achieved if reclamation was done on individual parcels of land.".

PAYMENTS FOR LAND REMOVED FROM PRODUCTION FOR CONSERVATION PURPOSES

Contracts.
16 USC 3471.

SEC. 1552. (a) The Secretary of Agriculture may enter into contracts to provide financial assistance in the form of payments to

owners and operators of cropland located in counties where the soil normally freezes to a depth of at least four inches annually who remove such land from agricultural production for a period not to exceed one year for the purpose of installing enduring conservation measures which involve excavation of the soil. The payments under such contracts shall be in such amounts as determined by the Secretary to be necessary to effectuate the purposes of this subtitle but shall not exceed an amount equal to the number of acres of cropland removed from agricultural production for such purpose multiplied by 50 per centum of the typical annual rent, as determined by the Secretary, paid for similar land in the county. Financial assistance may not be provided under this section with respect to any conservation measure without the approval of the soil and water conservation district board for the district in which the land is located, and may not, in the aggregate, be provided in any year with respect to more than one-half of 1 per centum of the cropland in any county.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, such sums to remain available until expended. Appropriation authorization.

CONSERVATION TILLAGE

SEC. 1553. (a) Congress finds that— 16 USC 3472.

(1) domestic and international demand for agricultural products from the United States is great and is expected to significantly increase over the next twenty years;

(2) the ability of the United States to provide agricultural products to meet that demand is seriously impaired by the annual loss of five billion tons of soil due to wind and water erosion;

(3) the battle against soil erosion is being lost despite the annual expenditure of millions of dollars by the Federal Government on research, technical assistance, and conservation incentives to control soil erosion;

(4) conservation tillage practices are estimated to reduce soil erosion by 50 to 90 per centum over conventional farming practices; and

(5) conservation tillage may result in better yields, greater land use flexibility, decreased fuel use, decreased labor and equipment costs, increased retention of soil moisture, and more productive land than conventional farming practices and may be adaptable to a broad range of soil types and slopes throughout the country.

(b) It is the sense of Congress that the Secretary of Agriculture should, and is hereby urged and requested to—

(1) direct the attention of our Nation's farmers to the costs and benefits of conservation tillage as a means of controlling soil erosion and improving profitability; and

(2) conduct a program of research designed to resolve any unanswered questions regarding the advantages and disadvantages of conservation tillage over other soil conservation practices.

REGULATIONS

SEC. 1554. The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out the provisions of this title. 16 USC 3473.

TITLE XVI—CREDIT, RURAL DEVELOPMENT, AND FAMILY FARMS

FARMERS HOME ADMINISTRATION REAL ESTATE AND OPERATING LOANS TO COOPERATIVES

SEC. 1601. (a) The last sentence of section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by striking out "cooperatives, corporations, and partnerships", and inserting in lieu thereof "corporations and partnerships", and by inserting immediately before the period at the end thereof the following: "in the case of cooperatives, corporations, and partnerships".

(b) The last sentence of section 311(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(a)) is amended by striking out "cooperatives, corporations, and partnerships", and inserting in lieu thereof "corporations and partnerships", and by inserting immediately before the period at the end thereof the following: "in the case of cooperatives, corporations, and partnerships".

EQUALIZING ACCESS TO CREDIT FOR WIDOWS AND OTHER SINGLE PARENTS

SEC. 1602. The second sentence of section 303(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)) is amended by striking out "are married or".

LEASE OF FACILITIES

SEC. 1603. Section 331(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(i)) is amended by inserting immediately after "consent to" the following: "(1) long-term leases of facilities financed under this title notwithstanding the failure of the lessee to meet any of the requirements of this title if such long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor, and (2)".

BORROWER'S NET WORTH

SEC. 1604. Section 333(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(a)) is amended by inserting "(1)" immediately after "the applicant" and inserting before the semicolon at the end thereof the following: ", and (2) to furnish a written statement showing the applicant's net worth".

EXTENSION OF THE EMERGENCY AGRICULTURAL CREDIT ADJUSTMENT ACT OF 1978

SEC. 1605. Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982: *Provided*, That the Secretary may not make new contracts of insurance or guarantee under this title that will cause the total amount of money borrowed under such contracts during any fiscal year to exceed $600,000,000".

FARM STORAGE FACILITY LOAN PROGRAM

SEC. 1606. Section 4(h) of the Commodity Credit Corporation Charter Act, as amended by section 151 of the Omnibus Budget Reconciliation Act of 1981, is amended by inserting after "growers" at the end of the fourth proviso of the second sentence the following: ", except that the Secretary shall make such loans in areas in which the Secretary determines that there is a deficiency of such storage". *Ante*, p. 370.

RURAL TELEPHONE BANK AMENDMENT

SEC. 1607. Section 406 of the Rural Electrification Act of 1936 (7 U.S.C. 946) is amended by—

(1) inserting in the second sentence of subsection (a) "but not later than fiscal year 1991" after "thereafter", and striking out "$300,000,000" and inserting in lieu thereof "$600,000,000"; and

(2) striking out in the first sentence of subsection (c) "September 30, 1985" and inserting in lieu thereof "September 30, 1995", and striking out "and after the amount of class A and class B stock issued totals $400,000,000,".

UNITED STATES POLICY ON FAMILY FARMS

SEC. 1608. Section 102 of the Food and Agriculture Act of 1977 is amended to read as follows: 7 USC 2266.

"FAMILY FARMS

"SEC. 102. (a) Congress reaffirms the historical policy of the United States to foster and encourage the family farm system of agriculture in this country. Congress believes that the maintenance of the family farm system of agriculture is essential to the social well being of the Nation and the competitive production of adequate supplies of food and fiber. Congress further believes that any significant expansion of nonfamily owned large-scale corporate farming enterprises will be detrimental to the national welfare. It is neither the policy nor the intent of Congress that agricultural and agriculture-related programs be administered exclusively for family farm operations, but it is the policy and the express intent of Congress that no such program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

"(b) In order that Congress may be better informed regarding the status of the family farm system of agriculture in the United States, the Secretary of Agriculture shall submit to Congress, by July 1 of each year, a written report containing current information on trends in family farm operations and comprehensive national and State-by-State data on nonfamily farm operations in the United States. The Secretary shall also include in each such report (1) information on how existing agricultural and agriculture-related programs are being administered to enhance and strengthen the family farm system of agriculture in the United States, (2) an assessment of how tax, credit, and other Federal laws may encourage the growth of nonfamily farm operations and investment in agriculture by nonfamily farm interests, both foreign and domestic, and (3) such other information as the Secretary deems appropriate or determines would aid Congress in protecting, preserving, and strengthening the family farm system of agriculture in the United States.". Report to Congress.

Floral Research and Consumer Information Act.

TITLE XVII—FLORAL RESEARCH AND CONSUMER INFORMATION

SHORT TITLE

7 USC 4301 note.

SEC. 1701. This title may be cited as the "Floral Research and Consumer Information Act".

CONGRESSIONAL FINDINGS AND DECLARATION OF POLICY

7 USC 4301.

SEC. 1702. Flowers and plants are an integral part of American life, contributing a natural and beautiful element, especially in urban areas, to what is increasingly a manmade, artificial environment for this country's citizens. Providing comfort and pleasure for many special occasions as well as for everyday living, flowers and plants work against visual pollution and, in the case of green plants, generate oxygen within their environment. The flowers and plants to which this title refers are cut flowers, potted flowering plants, and foliage plants. These flowers and plants are produced by many individual producers throughout the United States and in foreign countries. These products move in interstate and foreign commerce, and those that do not move in such channels of commerce directly burden or affect interstate commerce of these products. The maintenance and expansion of existing markets and the development of new or improved markets and uses are vital to the welfare of flower and plant producers, brokers, wholesalers, and retailers throughout the Nation. The floral industry within the United States is comprised mainly of small- and medium-sized businesses. The producers are primarily agriculturally-oriented companies rather than promotion-oriented companies. The development and implementation of coordinated programs of research and promotion necessary for the maintenance of markets and the development of new markets have been inadequate. Without cooperative action in providing for and financing such programs, individual flower and plant producers, wholesalers, and retailers are unable to implement programs of research, consumer and producer information, and promotion necessary to maintain and improve markets for these products. It is widely recognized that it is in the public interest to provide an adequate, steady supply of fresh flowers and plants to the consumers of the Nation. The American consumer requires a continuing supply of quality and affordable flowers and plants as an important element in the quality of life. It is, therefore, declared to be the policy of Congress and the purpose of this title that it is essential and in the public interest to authorize the establishment of an orderly procedure for the development and financing, through an adequate assessment, of an effective and coordinated program of research, consumer and producer education, and promotion designed to strengthen the floral industry's position in the marketplace and maintain, develop, and expand markets for flowers, plants, and flowering plants. Nothing in this title may be construed to dictate quality standards or provide for control of production or otherwise limit the right of individual flower and plant producers to produce commercial flowers and plants. Nothing in this title may be construed as a trade barrier to flowers and plants produced in foreign countries, and this title treats foreign producers equitably.

DEFINITIONS

SEC. 1703. As used in this title— 7 USC 4302.

(1) The term "Secretary" means the Secretary of Agriculture of the United States Department of Agriculture.

(2) The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(3) The term "cut flowers" means all flowers and decorative foliage used as fresh-cut flowers, fresh-cut decorative foliage, dried, preserved, and processed flowers, or dried and preserved decorative foliage, produced either under cover or in field operations.

(4) The term "potted flowering plants" means those plants that normally produce flowers, primarily produced in pots or similar containers, that are primarily used for interior decoration, whether grown under cover or in field operations.

(5) The term "foliage plants" means those plants, normally without flowers, primarily produced in pots or similar containers, that are primarily used for interior decorations, whether grown under cover or in field operations.

(6) The term "propagational material" means any plant material used in the propagation of cut flowers, potted flowering plants, and foliage plants, including cuttings, bulbs and corms, seedlings, canes, liners, plants, cells or tissue cultures, air layers and bublets, rhizomes, and root stocks. This term does not include seeds.

(7) The term "flowers and plants" means cut flowers, potted flowering plants, foliage plants, and propagational material.

(8) The term "United States" means the fifty States of the United States of America, the territories and possessions of the United States of America, and the District of Columbia.

(9) The term "promotion" means any action, including paid advertising, to advance the image or desirability of cut flowers, potted flowering plants, and foliage plants.

(10) The term "research" means any type of research to advance the image, desirability, or marketability of cut flowers, potted flowering plants, and foliage plants.

(11) The term "consumer education" means any action to provide information on the care and handling of cut flowers, potted flowering plants, and foliage plants.

(12) The term "marketing" means the sale or other disposition in commerce of cut flowers, potted flowering plants, and foliage plants.

(13) Unless otherwise noted, the term "producer" means any person who produces domestically, for sale in commerce, cut flowers, potted flowering plants, or foliage plants.

(14) The term "Floraboard" means the board provided for under section 1707 of this title.

(15) The term "importer" means any person who imports cut flowers, potted flowering plants, or foliage plants from outside of the United States or who acts as an agent, broker, or consignee of any person or nation that produces flowers and plants outside of the United States for sale in the United States.

(16) The term "commodity group" means that portion of the flower and plant industry devoted to the production and importation of any one of the following: (A) cut flowers; (B) potted flowering plants; or (C) foliage plants.

(17) The term "cost of plant material" means the actual price paid by a producer for any propagational material or any other flowers

and plants used in the production of flowers and plants. This term does not include the cost of seeds.

FLORAL RESEARCH AND PROMOTION ORDERS

7 USC 4303.

SEC. 1704. To effectuate the declared policy of this title, the Secretary shall, subject to the provisions of this title, issue and, from time to time, may amend orders applicable to persons engaged in production, sale, importation, or handling of flowers and plants. Such orders shall be applicable to all production or marketing areas, or both, in the United States.

NOTICE AND HEARING

7 USC 4304.

SEC. 1705. Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this title, the Secretary shall give due notice and opportunity for hearing upon a proposed order. Such hearing may be requested and a proposal for an order submitted by an organization certified pursuant to section 1716 of this title, or by any interested person affected by the provisions of this title, including the Secretary.

FINDING AND ISSUANCE OF AN ORDER

7 USC 4305.

SEC. 1706. After notice and opportunity for hearing as provided in section 1705 of this title, the Secretary shall issue an order if the Secretary finds, and sets forth in such order, upon the evidence introduced at such hearing, that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this title.

REQUIRED TERMS IN ORDERS

7 USC 4306.

SEC. 1707. Orders issued pursuant to this title shall contain the following terms and conditions and, except as provided in section 1708 of this title, no others:

Floraboard, establishment.

(1) Providing for the establishment and appointment by the Secretary of a board to be named "Floraboard", which shall consist of not more than seventy-five voting members, and defining its powers and duties, which shall include only the powers to (A) administer such order in accordance with its terms and provisions, (B) make rules and regulations to effectuate the terms and provisions of such order, (C) receive, investigate, and report to the Secretary complaints of violations of such order, and (D) recommend to the Secretary amendments of such order. The term of an appointment to the Floraboard shall be for three years with no member serving more than two consecutive three-year terms: *Provided*, That of the initial appointments, one-third shall be for a term of one year and one-third shall be for a term of two years. The Floraboard shall appoint from its members an executive committee, consisting of not more than fifteen members, whose membership shall, to the maximum extent practicable, reflect the membership composition of the Floraboard, and whose commodity group representation shall be proportional to that of the Floraboard. Such executive committee shall have the authority to employ a staff and conduct routine business within the policies determined by the Floraboard.

(2) Providing that the Floraboard shall be composed of producers and importers appointed by the Secretary from nominations submitted by organizations certified pursuant to section 1716 of this title or

if the Secretary determines that a substantial number of producers or importers are not members of or their interests are not represented by any such certified organization then from nominations made by such producers or importers in a manner authorized by the Secretary. Certified organizations shall submit one nomination for each position on the Floraboard. Initially, the Floraboard shall be composed of one-third producers and importers of cut flowers, one-third producers and importers of potted flowering plants, and one-third producers and importers of foliage plants. Two years after assessment of funds commences pursuant to an order, and periodically thereafter, the Floraboard shall adjust the commodity group representation of these commodity groups on the basis of the amount of assessments, less refunds, collected from each commodity group. There shall at all times be more producers representing a particular commodity group on the Floraboard than importers representing that commodity group. In addition to commodity group representation, the periodic adjustment of the membership of the Floraboard shall reflect, to the maximum extent practicable, the proportionate share of assessments, less refunds, collected from producers in each of several geographic areas of the United States to be defined by the Secretary, and the proportionate share of assessments, less refunds, collected from importers of flowers and plants imported into the United States from each country.

(3) Providing that the Floraboard shall, subject to the provisions of paragraph 8 of this section, develop and submit to the Secretary for approval advertising, sales promotion, consumer education, research, and development plans or projects and that any such plan or project must be approved by the Secretary before becoming effective.

(4) Providing that the Floraboard shall, subject to the provisions of paragraph 8 of this section, submit to the Secretary for approval budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including probable costs of advertising, promotion, consumer education, research, and development projects.

(5) Providing that—

(A) For each sale of flowers and plants by a producer within the United States, such producer shall pay an assessment to the Floraboard based on the dollar value of such sales transaction minus the cost of plant material. If the producer is a retailer, the assessment will be based on the then current wholesale value of the flowers and plants less the cost of plant material. In the case of consignment sales, the assessment shall be paid by the producer based on the dollar value of the sale of flowers and plants less the sales commission, freight cost, and cost of plant material.

(B) For each sale of imported flowers and plants within the United States by the importer of such flowers and plants, such importer shall pay an assessment to the Floraboard based on the dollar value of such sales transaction, without deducting the cost of plant material. If the importer is a retailer, the assessment will be made on the purchase price. In the case of consignment sales, the assessment shall be paid by the importer and shall be based on the dollar value of the sale of flowers and plants less the sales commission and cost of transportation within the United States.

(C) The assessments provided for in this section shall be remitted to the Floraboard, at the time and in the manner prescribed in the order and regulations thereunder, and shall be

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used for such expenses and expenditures (including provision for a reasonable reserve and those administrative costs incurred by the Department of Agriculture after an order has been promulgated under this title) as the Secretary finds are reasonable and likely to be incurred by the Floraboard under the order during any period specified by the Secretary.

(6) Providing that the initial rate of assessment, which rate shall remain in effect for the first two years after an order is approved in a referendum, shall not exceed one-half of 1 per centum of the value of flowers and plants sold, as determined under the provisions of paragraph (5) of this section: *Provided*, That the Floraboard may thereafter increase or decrease the rate of assessment prescribed by the order by no more than one-quarter of 1 per centum of the value of flowers and plants sold per year: *Provided further*, That in no event shall the rate of assessment exceed 1½ per centum of the value of flowers and plants sold.

Recordkeeping.

(7) Providing that the Floraboard shall maintain such books and records and shall prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and providing for appropriate accounting by the Floraboard with respect to the receipt and disbursement of all funds entrusted to it.

Contracts or agreements.

(8) Providing that the Floraboard, with the approval of the Secretary, may enter into contracts or agreements for development and carrying out of the activities authorized under the order pursuant to sections 1708(1) and (2) of this title and for the payment of the cost thereof with funds collected pursuant to the order. The Floraboard may contract with industry groups, profit or nonprofit companies, private and State colleges and universities, and governmental groups. Any such contract or agreement shall provide (A) that the contracting party shall develop and submit to the Floraboard a plan or project together with a budget or budgets which shall show estimated costs to be incurred for such plan or project, (B) that any such plan or project shall become effective upon the approval of the Secretary, and (C) that the contracting party shall keep accurate records of all its transactions and make periodic reports to the Floraboard of activities carried out and an accounting for funds received and expended, and such other reports as the Secretary may require.

(9) Providing that the Floraboard may convene, from time to time, advisory panels drawn from the production, importation, wholesale, and retail segments of the flower and plant industry to assist in the development of marketing and research programs.

(10) Providing that no funds collected or received by the Floraboard shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by paragraph (1)(D) of this section.

Reimbursement.

(11) Providing that Floraboard members and members of any advisory panels convened shall serve without compensation but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Floraboard or advisory panel.

PERMISSIVE TERMS IN ORDERS

7 USC 4307.

SEC. 1708. Orders issued pursuant to this title may contain one or more of the following terms and conditions:

(1) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising, sales promotion, urban beautification, and consumer education with

respect to the use of flowers and plants, and for the disbursement of necessary funds for such purposes: *Provided,* That any such plan or project shall be directed toward increasing the general demand for flowers and plants and shall make no reference to a private brand or trade name: *Provided further,* That no such advertising, consumer education, urban beautification, or sales promotion program shall make use of unfair or deceptive acts or practices with respect to the quality, value, or use of any competing product.

(2) Providing for establishing and carrying on research, marketing, and development projects, and studies with respect to the sale, distribution, marketing, or utilization of flowers and plants, to the end that the marketing and utilization of flowers and plants may be encouraged, expanded, improved, or made more acceptable, for the dissemination of the data collected by such activities and for the disbursement of necessary funds for such purposes.

Information disclosure.

(3) Providing that producers, wholesalers, retailers, and importers of flowers and plants maintain and make available for inspection such books and records as are specified in the order and that such persons file reports at the time, in the manner, and having the content prescribed by the order, to the end that information and data shall be made available to the Floraboard and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of this title, or any order or regulation issued pursuant to this title: *Provided,* That all information so obtained shall be kept confidential by employees of the Department of Agriculture and the Floraboard, and only such information as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or in a suit or administrative hearing to which the Secretary or any officer of the United States is a party, and involving the order with reference to which the information to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit (A) the issuance of general statements based upon the reports of the number of persons subject to an order, or statistical data collected therefrom, which statements do not identify the information furnished by any person, (B) the publication by the Floraboard of general statements relating to refunds made by the Floraboard during any specific period, including regional information on refunds, (C) the publication by the Floraboard of information on the amount of assessments collected from each commodity group and the rate of refund in each commodity group, or (D) the publication by direction of the Secretary of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such persons. No information obtained pursuant to the authority of this title may be made available to any agency or officer of the Federal Government for any purpose other than the implementation of this title and any investigatory or enforcement actions necessary for the implementation of this title. Any person violating the provisions of this paragraph shall, upon conviction, be subject to a fine of not more than $1,000 or to imprisonment for not more than one year, or to both, and, if an officer or employee of the Floraboard or the Department of Agriculture, shall be removed from office.

(4) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this title and necessary to effectuate the other provisions of such order.

REQUIREMENT OF REFERENDUM

7 USC 4308.

SEC. 1709. (a) The Secretary shall conduct a referendum among domestic producers and importers not exempt under section 1712 of this title who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants, for the purpose of ascertaining whether the issuance of an order is approved or favored by such domestic producers and importers. No order issued pursuant to this title shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two-thirds of the producers and importers voting in such referendum, or by a majority of the producers and importers voting in such referendum if such majority produced and imported not less than two-thirds of the total value of the flowers and plants produced and imported by those producers and importers voting in such referendum during a representative period defined by the Secretary.

Reimbursement.

(b) The Secretary shall be reimbursed from assessments for all costs incurred by the Government in connection with the conduct of the referendum, except for the salaries of Government employees.

SUSPENSION AND TERMINATION OF ORDERS

7 USC 4309.

SEC. 1710. (a) Whenever the Secretary finds that any order issued under this title, or any provisions thereof, obstructs or does not tend to effectuate the declared policy of this title, the Secretary shall terminate or suspend the operation of such order or such provisions thereof.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of producers and importers voting in the referendum approving the order, to determine whether such producers and importers favor the termination or suspension of the order, and shall suspend or terminate such order six months after the Secretary determines that suspension or termination of the order is approved or favored by a majority of the producers and importers voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production or importation of flowers and plants.

(c) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this title.

PROVISIONS APPLICABLE TO AMENDMENTS

7 USC 4310.

SEC. 1711. The provisions of this title applicable to orders shall be applicable to amendments to orders.

EXEMPTIONS

7 USC 4311.

SEC. 1712. Any producer or importer whose total sales of flowers and plants do not exceed $100,000 during a twelve consecutive month period prior to the date an assessment is due and payable shall be exempt from assessments under this title under such conditions and procedures as may be prescribed in the order or rules and regulations issued thereunder and shall not vote in any referendum under this title: *Provided*, That the Floraboard shall have the discretion to make annual adjustments in the level of exemption to account for inflation. For the purpose of this section, a producer's or importer's total sales shall include, in those cases in which the producer or importer is an

individual, sales attributable to such person's spouse, children, grandchildren, and parents; in those cases in which the producer or importer is a partnership or a member of a partnership, sales attributable to the other partners; and, in those cases in which the producer or importer is a corporation, sales attributable to any corporate subsidiaries of which such corporation owns 50 per centum or more of the stock, or if such subsidiaries are not corporations, subsidiaries which are controlled by such corporation. In addition, in determining a producer's or importer's total sales, the sales of any corporation in which such producer or importer owns 50 per centum or more of the stock shall be attributed to such producer or importer. For these purposes stock in the same corporation which is owned by such producer's or importer's spouse, children, grandchildren, parents, partners, and any corporation 50 per centum or more of whose stock is owned by the producer or importer shall be treated as owned by the producer or importer.

PRODUCER OR IMPORTER REFUND

SEC. 1713. Notwithstanding any other provisions of this title, any producer or importer who pays an assessment shall have the right to demand and receive from the Floraboard a refund of such assessment: *Provided*, That such demand shall be made by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the Floraboard and approved by the Secretary, but in no event more than sixty days after the end of the month in which the assessment was paid. Such refund shall be made not later than sixty days after submission of proof satisfactory to the Floraboard that the producer or importer paid the assessment for which refund is sought. 7 USC 4312.

PETITION AND REVIEW

SEC. 1714. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provisions of such order or any obligations imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. Such person shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations prescribed by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final if in accordance with law. 7 USC 4313.

(b) The district courts of the United States in any district in which such person is an inhabitant, or carries on business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to the Secretary a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 1715(a) of this title.

ENFORCEMENT

7 USC 4314.

SEC. 1715. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued pursuant to this title. Any civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this title shall be construed as requiring the Secretary to refer to the Attorney General violations of this title whenever the Secretary believes that the administration and enforcement of the program would be adequately served by administrative action pursuant to subsection (b) of this section or suitable written notice or warning to any person committing such violations.

(b)(1) Any person who violates any provisions of any order or regulation issued by the Secretary pursuant to this title, or who fails or refuses to pay, collect, or remit any assessment or fee duly required thereunder, may be assessed a civil penalty by the Secretary of not less than $500 or more than $5,000 for each such violation. Each violation shall be a separate offense. In addition to or in lieu of such civil penalty the Secretary may issue an order requiring such person to cease and desist from continuing such violation or violations. No penalty may be assessed or cease and desist order issued unless such person is given notice and opportunity for a hearing before the Secretary with respect to such violation. The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate United States court of appeals.

(2) Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under paragraph (1) of this subsection may obtain review in the court of appeals of the United States for the circuit in which such person resides or carries on business or in the United States Court of Appeals for the District of Columbia Circuit by filing a notice of appeal in such court within thirty days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found. The findings of the Secretary shall be set aside only if found to be unsupported by substantial evidence.

(3) Any person who fails to obey a cease and desist order after it has become final and unappealable, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review pursuant to the procedures specified in paragraphs (1) and (2) of this subsection, of not more than $500 for each offense, and each day during which such failure continues shall be deemed a separate offense.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

CERTIFICATION OF ORGANIZATIONS

SEC. 1716. The eligibility of any organization to represent producers of flowers and plants of any producing area of the United States or importers of flowers and plants, for purposes of requesting the issuance of an order under section 1705, or making nominations under section 1707(2) of this title, shall be certified by the Secretary. Certification shall be based, in addition to other available information, upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including, but not limited to, the following: 7 USC 4315.

(1) geographic territory covered by the organization's active membership;

(2) nature and size of the organization's active membership, the proportion of such active membership accounted for by producers and importers, and information as to the volume of production by State or the volume of importation by country accounted for by the organization's producer and importer members;

(3) the extent to which the producer and importer membership of such organization is represented in setting the organization's policies;

(4) evidence of stability and permanency of the organization;

(5) sources from which the organization's operating funds are derived;

(6) functions of the organization;

(7) whether the majority of the governing board of the organization is composed of producers and importers; and

(8) the organization's ability and willingness to further the aims and objectives of this title.

The primary consideration in determining the eligibility of any organization shall be whether its membership consists of a substantial number of producers and importers who produce and import a substantial volume of flowers and plants. The Secretary shall certify any organization which is found to be eligible under this section, and the Secretary's determination as to eligibility shall be final. Whenever more than one organization is certified in any geographic area, such organizations may caucus to determine the area's nominations under section 1707(2) of this title.

REGULATIONS

SEC. 1717. The Secretary may issue such regulations as may be necessary to carry out the provisions of this title. 7 USC 4316.

INVESTIGATIONS; POWER TO SUBPENA AND TAKE OATHS AND AFFIRMATIONS; AID OF COURTS

SEC. 1718. The Secretary may make such investigations as are deemed necessary to carry out the Secretary's responsibilities under this title or to determine whether a producer, importer, wholesaler, retailer, or other seller of flowers and plants, or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provisions of this title, or of any order, or rule or regulation issued under this title. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, 7 USC 4317.

and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena to, any person, including a producer of flowers and plants, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All processes in any such cases may be served in the judicial district wherein such person is an inhabitant or wherever such person may be found.

SEPARABILITY

7 USC 4318.

SEC. 1719. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of this title and of the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

7 USC 4319.

SEC. 1720. There are authorized to be appropriated out of any money in the Treasury not otherwise appropriated such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Floraboard in administering any provisions of any order issued pursuant to the terms of this title.

TITLE XVIII—EFFECTIVE DATE

7 USC 4301 note.

SEC. 1801. Except as otherwise provided herein, the provisions of this Act shall become effective on enactment.

Approved December 22, 1981.

LEGISLATIVE HISTORY—S. 884 (H.R. 3603):

HOUSE REPORTS: No. 97-106 (Comm. on Agriculture), No. 97-106, Part 2 (Comm. on Appropriations), No. 97-106, Part 3 (Comm. on Ways and Means) accompanying H.R. 3603, and No. 97-377 (Comm. of Conference).

SENATE REPORTS: No. 97-126 (Comm. on Agriculture, Nutrition, and Forestry) and No. 97-290 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Sept. 14-18, considered and passed Senate.

Oct. 2, 7, 14, 15, 20-22, H.R. 3603 considered and passed House; proceedings vacated and S. 884, amended, passed in lieu.

Dec. 10, Senate agreed to conference report.

Dec. 16, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 52 (1981):

Dec. 22, Presidential statement.

Public Law 97-99
97th Congress

An Act

To authorize certain construction at military installations for fiscal year 1982, and for other purposes.

Dec. 23, 1981
[H.R. 3455]

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 "Military Construction Authorization Act, 1982".

Military Construction Authorization Act, 1982.

TITLE I—ARMY

AUTHORIZED ARMY CONSTRUCTION PROJECTS

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $1,600,000.
Fort Campbell, Kentucky, $1,500,000.
Fort Carson, Colorado, $29,690,000.
Fort Drum, New York, $14,480,000.
Fort Greely, Alaska, $1,150,000.
Fort Hood, Texas, $28,710,000.
Fort Irwin, California, $43,350,000.
Fort Lewis, Washington, $6,700,000.
Fort George G. Meade, Maryland, $3,350,000.
Fort Polk, Louisiana, $630,000.
Fort Riley, Kansas, $4,640,000.
Fort Stewart/Hunter Army Air Field, Georgia, $28,500,000.
Fort J. M. Wainwright, Alaska, $1,200,000.
Presidio of San Francisco, California, $520,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Carlisle Barracks, Pennsylvania, $620,000.
Fort Belvoir, Virginia, $3,600,000.
Fort Benjamin Harrison, Indiana, $5,120,000.
Fort Benning, Georgia, $21,810,000.
Fort Bliss, Texas, $3,700,000.
Fort Dix, New Jersey, $28,040,000.
Fort Eustis, Virginia, $8,280,000.
Fort Knox, Kentucky, $620,000.
Fort Leavenworth, Kansas, $670,000.
Fort Lee, Virginia, $9,870,000.
Fort McClellan, Alabama, $4,780,000.

Fort Pickett, Virginia, $640,000.
Fort Rucker, Alabama, $5,210,000.
Fort Sill, Oklahoma, $4,650,000.
Fort Story, Virginia, $1,050,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $4,200,000.
Army Materials and Mechanics Research Center, Massachusetts, $1,200,000.
Corpus Christi Army Depot, Texas, $840,000.
Crane Army Ammunition Plant Activity, Indiana, $540,000.
Fort Monmouth, New Jersey, $26,000,000.
Lexington—Blue Grass Army Depot, Kentucky, $1,450,000.
Red River Army Depot, Texas, $2,720,000.
Redstone Arsenal, Alabama, $4,750,000.
Rock Island Arsenal, Illinois, $4,000,000.
Savanna Army Ammunition Depot, Illinois, $3,600,000.
Tobyhanna Army Depot, Pennsylvania, $1,800,000.
Tooele Army Depot, Utah, $1,500,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $2,627,000.
Indiana Army Ammunition Plant, Indiana, $2,453,000.
Iowa Army Ammunition Plant, Iowa, $18,599,000.
Kansas Army Ammunition Plant, Kansas, $4,344,000.
Lake City Army Ammunition Plant, Missouri, $604,000.
Longhorn Army Ammunition Plant, Texas, $257,000.
Milan Army Ammunition Plant, Tennessee, $1,984,000.
Newport Army Ammunition Plant, Indiana, $728,000.
Radford Army Ammunition Plant, Virginia, $17,390,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $820,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Ritchie, Maryland, $920,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $7,700,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $1,450,000.
Walter Reed Army Medical Center, District of Columbia, $6,250,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Terminal, New Jersey, $2,800,000.
Sunny Point Army Terminal, North Carolina, $880,000.

CONUS VARIOUS

Various Locations, $1,950,000.

OUTSIDE THE UNITED STATES

EIGHTH UNITED STATES ARMY, KOREA

Various Locations, $62,320,000.

UNITED STATES ARMY FORCES COMMAND, OVERSEAS

Egypt, $36,000,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $3,240,000.

UNITED STATES ARMY, JAPAN

Kawakami, Japan, $1,950,000.

UNITED STATES ARMY, EUROPE

Germany, $267,596,000.
Turkey, $20,800,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND

Korea, $1,550,000.
Turkey, $2,550,000.

EMERGENCY CONSTRUCTION

SEC. 102. The Secretary of the Army may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Army, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1, 1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

Notification to congressional committees.

Expiration date.

MINOR CONSTRUCTION

SEC. 103. The Secretary of the Army is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $34,150,000.

DEFICIENCY AUTHORIZATIONS FOR PRIOR YEAR PROJECTS

SEC. 104. (a) Section 602(1) of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 941), is amended to read as follows:

"(1) for title I: inside the United States $591,785,000; outside the United States $162,950,000; minor construction $52,270,000; for a total of $807,005,000.".

(b) Section 602(1) of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1768), is amended to read as follows:

"(1) for title I: inside the United States $590,440,000; outside the United States $248,140,000; minor construction $44,560,000; for a total of $883,140,000.".

TITLE II—NAVY

AUTHORIZED NAVY CONSTRUCTION PROJECTS

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $4,700,000.

Marine Corps Base, Camp Lejeune, North Carolina, $26,250,000.

Marine Corps Base, Camp Pendleton, California, $18,550,000.

Marine Corps Air Station, Cherry Point, North Carolina, $3,700,000.

Marine Corps Air Station, El Toro, California, $12,400,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $2,650,000.

Marine Corps Air Station, New River, North Carolina, $5,060,000.

Marine Corps Bases Pacific, Camp H. M. Smith, Oahu, Hawaii, $2,900,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $13,400,000.

Marine Corps Development and Education Command, Quantico, Virginia, $13,560,000.

Marine Corps Recruit Depot, San Diego, California, $1,300,000.

Marine Corps Air Station (Helicopter), Tustin, California, $7,600,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $5,450,000.

Marine Corps Air Station, Yuma, Arizona, $3,450,000.

OFFICE OF NAVAL RESEARCH

Naval Ocean Research and Development Activity, Bay Saint Louis, Mississippi, $5,900,000.

Naval Research Laboratory, Washington, District of Columbia, $6,800,000.

CHIEF OF NAVAL OPERATIONS

Naval Submarine Base, Bangor, Bremerton, Washington, $19,150,000.

Naval Submarine Support Base, Kings Bay, Kingsland, Georgia, $65,060,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $12,800,000.

Naval Air Station, Cecil Field, Florida, $21,700,000.

Naval Station, Charleston, South Carolina, $21,660,000.

Naval Submarine Base, New London, Groton, Connecticut, $15,650,000.

Naval Submarine Support Facility, New London, Groton, Connecticut, $3,300,000.

Naval Air Station, Jacksonville, Florida, $6,380,000.

Naval Amphibious Base, Little Creek, Virginia, $27,950,000.

Naval Station, Mayport, Florida, $2,000,000.

Naval Station, Norfolk, Virginia, $46,100,000.

Naval Air Station, Oceana, Virginia, $18,760,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Station, Adak, Alaska, $1,550,000.

Naval Air Station, Barbers Point, Hawaii, $9,650,000.

Naval Air Station, Fallon, Nevada, $18,300,000.

Naval Air Station, Lemoore, California, $2,200,000.

Naval Station, Long Beach, California, $22,000,000.

Naval Air Station, Moffett Field, California, $2,000,000.

Naval Air Station, North Island, California, $13,240,000.

Naval Station, Pearl Harbor, Hawaii, $9,920,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $13,350,000.

NAVAL EDUCATION AND TRAINING COMMAND

Naval Air Station, Chase Field, Texas, $3,230,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $4,600,000.

Naval Training Center, Great Lakes, Illinois, $11,800,000.

Naval Explosive Ordnance Disposal School, Indian Head, Maryland, $3,300,000.

Naval Air Station, Memphis, Millington, Tennessee, $11,000,000.

Naval Air Station, Meridian, Mississippi, $2,600,000.

Naval Education and Training Center, Newport, Rhode Island, $1,900,000.

Naval Justice School, Newport, Rhode Island, $1,500,000.

Naval Training Center, Orlando, Florida, $6,880,000.

Naval Air Station, Pensacola, Florida, $14,100,000.

Fleet Combat Training Center, Pacific, San Diego, California, $6,800,000.

Naval Training Center, San Diego, California, $1,150,000.

BUREAU OF MEDICINE AND SURGERY

Naval Regional Medical Clinic, Annapolis, Maryland, $3,560,000.

National Naval Medical Center, Bethesda, Maryland, $1,100,000.

NAVAL MATERIAL COMMAND

Pacific Missile Range Facility, Barking Sands, Hawaii, $8,100,000.

David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,050,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $164,600,000.

Charleston Naval Shipyard, Charleston, South Carolina, $20,650,000.

Naval Supply Center, Charleston, South Carolina, $4,200,000.

Naval Weapons Station, Charleston, South Carolina, $1,390,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $2,800,000.

Naval Weapons Center, China Lake, California, $4,400,000.

Naval Weapons Station, Concord, California, $1,280,000.

Naval Weapons Support Center, Crane, Indiana, $3,500,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $4,900,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $680,000.

Naval Ordnance Station, Indian Head, Maryland, $26,100,000.

Naval Air Rework Facility, Jacksonville, Florida, $25,620,000.

Naval Undersea Warfare Engineering Station, Keyport, Washington, $8,300,000.

Portsmouth Naval Shipyard, Kittery, Maine, $2,900,000.

Naval Air Engineering Center, Lakehurst, New Jersey, $3,178,000.

Naval Underwater Systems Center Detachment, New London, Connecticut, $3,100,000.

Naval Air Rework Facility, Norfolk, Virginia, $18,650,000.

Naval Supply Center, Norfolk, Virginia, $6,200,000.

Naval Public Works Center, Norfolk, Virginia, $2,400,000.

Naval Supply Center, Oakland, California, $2,420,000.

Naval Air Test Center, Patuxent River, Maryland, $3,600,000.

Naval Supply Center, Pearl Harbor, Hawaii, $520,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $14,100,000.

Navy Public Works Center, Pensacola, Florida, $2,800,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $17,030,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $6,050,000.

Naval Air Rework Facility, North Island, San Diego, California, $1,150,000.

Naval Supply Center, San Diego, California, $2,350,000.

Naval Weapons Station, Seal Beach, California, $520,000.

Naval Air Propulsion Center, Trenton, New Jersey, $720,000.

Mare Island Naval Shipyard, Vallejo, California, $27,700,000.

Naval Surface Weapons Center Detachment, White Oak, Maryland, $4,450,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station Eastern Pacific, Honolulu, Hawaii, $2,300,000.

Naval Communications Station, Stockton, California, $830,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $5,510,000.

OUTSIDE THE UNITED STATES

CHIEF OF NAVAL OPERATIONS

Circle Transit Station, Blenheim, New Zealand, $1,250,000.
Defense Installations, Mariana Islands, $32,000,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Facility, Brawdy, Wales, United Kingdom, $2,800,000.
Naval Station, Keflavik, Iceland, $2,350,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Air Station, Cubi Point, Republic of the Philippines, $12,150,000.
Naval Support Facility, Diego Garcia, Indian Ocean, $122,750,000.
Naval Activities, Kenya, $4,000,000.
Naval Activities, Somalia, $24,000,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $580,000.
Naval Station, Subic Bay, Republic of the Philippines, $6,800,000.
Fleet Activities, Yokosuka, Japan, $1,250,000.

UNITED STATES NAVAL FORCES EUROPE

Naval Station, Rota, Spain, $4,300,000.
Naval Air Facility, Sigonella, Italy, $17,100,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communications Station, Ponce, Puerto Rico, $1,600,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, United Kingdom, $3,515,000.

EMERGENCY CONSTRUCTION

SEC. 202. The Secretary of the Navy may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Navy, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on October 1,

Notification to congressional committees.

Expiration date.

1982, or on the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

MINOR CONSTRUCTION

SEC. 203. The Secretary of the Navy is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $33,320,000.

NAVAL AIR STATION, KEY WEST, FLORIDA

SEC. 204. The Secretary of the Navy may acquire lands or interests in lands necessary to ensure unhampered air operations at the Naval Air Station, Key West, Florida, by exchange of Government-owned land of equal value to the lands or interests in lands acquired.

STEAM SUPPLY, NAVAL STATION, CHARLESTON, SOUTH CAROLINA

SEC. 205. (a) The Secretary of the Navy may, in order to supply needed steam or needed steam and electricity to the Naval Station, Charleston, South Carolina—

(1) construct steam lines and all other needed facilities to tie into the waste heat recovery boilers of the Macalloy Corporation (a corporation incorporated under the laws of the State of Delaware), and

(2) contract with such corporation to supply steam or both steam and electricity to such naval station,

if the Secretary determines that such construction and contract would be cost effective using accepted life-cycle costing procedures.

(b) Before entering into a contract with the Macalloy Corporation for the supply of steam or both steam and electricity, the Secretary of the Navy shall submit a report on the costs associated with such contract (including the life-cycle cost analyses to support his proposal) to the Committees on Armed Services of the Senate and House of Representatives. The Secretary may then enter into such contract with the Macalloy Corporation after thirty days have elapsed from the date of receipt by such committees of such report or after both committees have indicated approval of such report.

(c) The authority of the Secretary to enter into a contract under this section is subject to the availability of appropriations for that purpose.

TITLE III—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION PROJECTS

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Kelly Air Force Base, Texas, $3,550,000.
McClellan Air Force Base, California, $18,830,000.
Robins Air Force Base, Georgia, $6,890,000.
Tinker Air Force Base, Oklahoma, $31,520,000.
Wright-Patterson Air Force Base, Ohio, $120,150,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $1,690,000.
Brooks Air Force Base, Texas, $3,110,000.
Buckley Air National Guard Base, Colorado, $14,000,000.
Cape Canaveral Air Force Station, Florida, $1,810,000.
Eglin Air Force Base, Florida, $4,100,000.
Los Angeles Air Force Station, California, $2,370,000.
Patrick Air Force Base, Florida, $2,950,000.
Sunnyvale Air Force Station, California, $7,250,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $4,120,000.
Columbus Air Force Base, Mississippi, $510,000.
Keesler Air Force Base, Mississippi, $8,480,000.
Laughlin Air Force Base, Texas, $1,090,000.
Lowry Air Force Base, Colorado, $2,840,000.
Mather Air Force Base, California, $1,520,000.
Randolph Air Force Base, Texas, $3,360,000.
Reese Air Force Base, Texas, $1,140,000.
Sheppard Air Force Base, Texas, $10,745,000.
Vance Air Force Base, Oklahoma, $2,840,000.
Williams Air Force Base, Arizona, $2,600,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $1,700,000.
Elmendorf Air Force Base, Alaska, $7,240,000.
King Salmon Airport, Alaska, $8,050,000.
Various Locations, Alaska, $42,750,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $6,650,000.
Andrews Air Force Base, Maryland, $4,940,000.
Charleston Air Force Base, South Carolina, $630,000.
Kirtland Air Force Base, New Mexico, $7,510,000.
Little Rock Air Force Base, Arkansas, $790,000.
McChord Air Force Base, Washington, $1,180,000.
McGuire Air Force Base, New Jersey, $2,680,000.
Norton Air Force Base, California, $20,000,000.
Pope Air Force Base, North Carolina, $5,510,000.
Scott Air Force Base, Illinois, $5,450,000.
Travis Air Force Base, California, $3,790,000.

NORTH AMERICAN AIR DEFENSE COMMAND

NORAD Cheyenne Mountain Complex, Colorado, $11,000,000.

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PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $1,090,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $3,000,000.
Blytheville Air Force Base, Arkansas, $20,440,000.
Carswell Air Force Base, Texas, $39,810,000.
Castle Air Force Base, California, $2,000,000.
Dyess Air Force Base, Texas, $1,420,000.
Ellsworth Air Force Base, South Dakota, $36,880,000.
Francis E. Warren Air Force Base, Wyoming, $720,000.
Fairchild Air Force Base, Washington, $25,800,000.
Grand Forks Air Force Base, North Dakota, $1,420,000.
Griffiss Air Force Base, New York, $8,390,000.
Grissom Air Force Base, Indiana, $4,070,000.
K. I. Sawyer Air Force Base, Michigan, $4,370,000.
Loring Air Force Base, Maine, $12,340,000.
March Air Force Base, California, $1,705,000.
McConnell Air Force Base, Kansas, $1,090,000.
Minot Air Force Base, North Dakota, $7,406,000.
Offutt Air Force Base, Nebraska, $4,060,000.
Pease Air Force Base, New Hampshire, $6,840,000.
Peterson Air Force Base, Colorado, $4,260,000.
Plattsburgh Air Force Base, New York, $890,000.
Rickenbacker Air Force Base, Indiana, $540,000.
Vandenberg Air Force Base, California, $9,000,000.
Whiteman Air Force Base, Missouri, $1,090,000.
Wurtsmith Air Force Base, Michigan, $2,270,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $2,580,000.
Cannon Air Force Base, New Mexico, $2,700,000.
Davis-Monthan Air Force Base, Arizona, $12,460,000.
England Air Force Base, Louisiana, $2,170,000.
George Air Force Base, California, $2,460,000.
Holloman Air Force Base, New Mexico, $7,480,000.
Homestead Air Force Base, Florida, $2,480,000.
Hurlburt Field, Florida, $510,000.
Langley Air Force Base, Virginia, $10,220,000.
Luke Air Force Base, Arizona, $520,000.
MacDill Air Force Base, Florida, $16,960,000.
Moody Air Force Base, Georgia, $650,000.
Mountain Home Air Force Base, Idaho, $3,410,000.
Myrtle Beach Air Force Base, South Carolina, $7,130,000.
Nellis Air Force Base, Nevada, $6,870,000.
Seymour-Johnson Air Force Base, North Carolina, $1,420,000.
Tyndall Air Force Base, Florida, $510,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $510,000.

OUTSIDE THE UNITED STATES

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $46,570,000.
Rhein-Main Air Base, Germany, $1,200,000.

PACIFIC AIR FORCES

Clark Air Base, Republic of the Philippines, $9,330,000.
Diego Garcia Air Base, Indian Ocean, $114,990,000.
Hampyong Communication Station, Korea, $1,540,000.
Hunghae Communication Station, Korea, $1,500,000.
Kadena Air Base, Japan, $17,490,000.
Kunsan Air Base, Korea, $12,380,000.
Kwang-Ju Air Base, Korea, $6,650,000.
Osan Air Base, Korea, $26,720,000.
Various Locations, $1,250,000.

STRATEGIC AIR COMMAND

Thule Air Base, Greenland, $1,600,000.

UNITED STATES AIR FORCES IN EUROPE

Egypt, Various Locations, $70,400,000.
Germany, Various Locations, $13,424,000.
San Vito Air Station, Italy, $1,540,000.
Camp New Amsterdam, Netherlands, $4,860,000.
Hellenikon, Greece, $800,000.
Oman, Various Locations, $78,480,000.
Spain, Various Locations, $5,390,000.
Incirlik Air Base, Turkey, $1,160,000.
Turkey, Various Locations, $4,000,000.
United Kingdom, Various Locations, $26,190,000.
Various Locations, $113,086,000.

EMERGENCY CONSTRUCTION

SEC. 302. The Secretary of the Air Force may establish or develop installations and facilities by proceeding with construction made necessary by changes in missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, (4) improved production schedules, or (5) revisions in the tasks or functions assigned to a military installation or facility or for environmental considerations, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $20,000,000. The Secretary of the Air Force, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization shall expire on Octo-

Notification to congressional committees.

Expiration date.

ber 1, 1982, or on the date of the enactment of the Military Construction Authorization Act of fiscal year 1983, whichever is later, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section before such date.

MINOR CONSTRUCTION

SEC. 303. The Secretary of the Air Force is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $28,680,000.

DEFICIENCY AUTHORIZATION FOR PRIOR YEAR PROJECT

SEC. 304. Section 602(3) of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1361) is amended to read as follows:

"(3) for title III: inside the United States $759,759,000; outside the United States $56,650,000; for a total of $816,409,000.".

TITLE IV—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS FOR THE DEFENSE AGENCIES

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for defense agencies for the following acquisition and construction:

INSIDE THE UNITED STATES

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, District of Columbia, $72,500,000.

DEFENSE LOGISTICS AGENCY

Defense Construction Supply Center, Columbus, Ohio, $680,000.
Defense Depot, Tracy, California, $554,000.
Defense Depot, Mechanicsburg, Pennsylvania, $2,050,000.
Defense Depot, Memphis, Tennessee, $5,220,000.
Defense Depot, Ogden, Utah, $2,670,000.
Defense Fuel Support Point, Grand Forks, North Dakota, $1,690,000.
Defense Fuel Support Point, Pearl City, Hawaii, $3,600,000.
Defense General Supply Center, Richmond, Virginia, $5,600,000.
Defense Property Disposal Office, Fort Bragg, North Carolina, $2,800,000.

DEFENSE MAPPING AGENCY

Aerospace Center, Saint Louis, Missouri, $10,750,000.

DEFENSE PUBLIC AFFAIRS

American Forces Radio and Television Service, Los Angeles, California, $6,125,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $57,596,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Classified Location, $10,000,000.
Classified Activity, Fort Belvoir, Virginia, $2,100,000.

OUTSIDE THE UNITED STATES

DEFENSE COMMUNICATIONS AGENCY

Patch Barracks, Vaihingen, Germany, $900,000.

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Wake Island, $14,500,000.
Defense Property Disposal Office, Kaiserslautern, Germany, $1,210,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Classified Location, $2,000,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Croughton Royal Air Force Station, United Kingdom, $13,700,000.
Dexheim, Germany, $800,000.
Fulda, Germany, $8,590,000.
Landstuhl Air Base, Germany, $5,030,000.
Misawa Air Base, Japan, $6,180,000.
Naval Station, Guantanamo Bay, Cuba, $5,900,000.
Pusan, Korea, $2,460,000.
Schwaebisch Hall, Germany, $640,000.
Seoul, Korea, $4,350,000.
Vilseck, Germany, $8,120,000.
Yokota Air Base, Japan, $3,290,000.

EMERGENCY CONSTRUCTION

SEC. 402. The Secretary of Defense may establish or develop installations and facilities which he determines to be vital to the security of the United States and, in connection therewith, may acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $15,000,000. The Secretary of Defense, or the Secretary's designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including real estate actions pertaining thereto.

Notification to congressional committees.

MINOR CONSTRUCTION

SEC. 403. The Secretary of Defense is authorized to accomplish minor construction projects under section 2674 of title 10, United States Code, in the amount of $6,210,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

AUTHORIZED CONTRIBUTION

SEC. 501. (a) The Secretary of Defense is authorized to incur obligations in amounts not to exceed $345,000,000 for the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area.

(b) Within thirty days after the end of each calendar-year quarter, the Secretary of Defense shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred by the United States during the preceding quarter for the United States share of the cost of such multilateral programs.

TITLE VI—MILITARY FAMILY HOUSING AND HOMEOWNERS ASSISTANCE PROGRAM

AUTHORIZATION TO CONSTRUCT OR ACQUIRE HOUSING

SEC. 601. (a) The Secretary of Defense, or the Secretary's designee, is authorized to construct or acquire sole interest in existing family housing units in the numbers and at the locations hereinafter named, but no family housing construction shall be commenced at any such location in the United States until the Secretary shall have consulted with the Secretary of Housing and Urban Development as to the availability of suitable private housing at such location. If agreement cannot be reached with respect to the availability of suitable private housing at any location, the Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise. The Secretary of Defense is authorized to acquire less than sole interest in existing family housing units in foreign countries when determined to be in the best interests of the Government.

Notification to congressional committees.

(b) With respect to the family housing units authorized to be constructed by this section, the Secretary of Defense is authorized to acquire sole interest in privately owned or Department of Housing and Urban Development-held family housing units in lieu of constructing all or a portion of the family housing authorized by this section, if the Secretary, or the Secretary's designee, determines such action to be in the best interests of the United States, but any family housing units acquired under authority of this subsection shall not exceed the cost limitations specified in this section for the project nor the limitations on size specified in section 2684 of title 10, United States Code. In no case may family housing units be acquired under this subsection through the exercise of eminent domain authority, and in no case may family housing units other than those authorized by this section be acquired in lieu of construction unless the acquisition of such units is hereafter specifically authorized by law.

(c) Family Housing units:

Marine Corps Air Station, El Toro, California, two hundred and twelve units, $15,540,000.

Fort Irwin, California, four hundred and fifty-four units, $32,055,000.

Naval Complex, San Diego, California, two hundred and ninety units, $25,350,000.

Naval Submarine Support Base, Kings Bay, Georgia, one hundred and sixty-five units, $12,740,000.

Picatinny Arsenal, New Jersey, twenty-six units, $2,141,000.

Fort Drum, New York, two hundred and thirty-two units, $15,865,000.

Naval Air Station, Chase Field, Texas, eighty-eight units, $6,360,000.

Incirlik Air Base, Turkey, four hundred units, $29,000,000.

Greenham-Common, United Kingdom, two hundred and seventy units, $27,200,000.

Classified Location Overseas, six units, $765,000.

(d) The amounts specified in this section may, at the discretion of the Secretary of Defense, or the Secretary's designee, be increased by 10 percent, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. The amounts authorized include the costs of shades, screens, ranges, refrigerators, and all other installed equipment and fixtures, the cost of the family housing unit, supervision, inspection, overhead, land acquisition, site preparation, installation of utilities, and solar energy systems.

IMPROVEMENT OF EXISTING QUARTERS

SEC. 602. (a) The Secretary of Defense, or the Secretary's designee, is authorized to accomplish alterations, additions, expansions, or extensions, not otherwise authorized by law, to existing public quarters at a cost not to exceed $109,819,000 of which $44,878,000 shall be available only for energy conservation projects.

(b) The Secretary of Defense, or the Secretary's designee, within the amount specified in subsection (a), is authorized to accomplish repairs and improvements to existing family housing in amounts in excess of the dollar limitation prescribed in section 610(a) of the Military Construction Authorization Act, 1968 (42 U.S.C. 1594h-2), as follows: Costs, limitation.

Marine Corps Air Ground Combat Center, Twentynine Palms, California, one hundred and thirty-five units, $2,897,300.

Navy Public Works Center, Honolulu, Hawaii, one hundred units, $3,190,000.

Chanute Air Force Base, Illinois, two hundred and twenty-two units, $4,662,000.

Fort Knox, Kentucky, one hundred units, $2,851,000.

Nellis Air Force Base, Nevada, two hundred thirty-six units, $4,956,000.

Kirtland Air Force Base, New Mexico, one hundred and fifty-five units, $3,875,000.

Offutt Air Force Base, Texas, eighty units, $1,599,000.

Randolph Air Force Base, Texas, one hundred and sixty-seven units, $3,839,000.

Fort Lewis, Washington, fifty-eight units, $1,378,000.

Mildenhall, United Kingdom, thirty units, $1,511,600.

Upper Heyford, United Kingdom, twelve units, $648,400.

ADVANCE PLANNING AND DESIGN

SEC. 603. The Secretary of Defense may carry out advance planning and construction design and may obtain architectural and engineering services in connection with any family housing construction, including improvements, authorized or not otherwise authorized by law at a total cost of not to exceed $9,100,000.

LEASING OF FAMILY HOUSING

SEC. 604. Section 2675(d) of title 10, United States Code, is amended—

(1) by striking out "150" in paragraph (1) and inserting in lieu thereof "250"; and

(2) by striking out "17,000" in paragraph (2) and inserting in lieu thereof "22,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 605. (a) There is authorized to be appropriated for fiscal year 1982 for use by the Secretary of Defense, or the Secretary's designee, for military family housing as authorized by law for the following purposes:

(1) For construction or acquisition of family housing, including minor construction, improvements to public quarters, relocation of family housing, and planning, an amount not to exceed $285,935,000.

(2) For support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m), an amount not to exceed $2,047,801,000, of which not more than $12,000,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam, and of which not more than $113,717,000 may be obligated or expended for the leasing of military family housing in foreign countries.

(3) For homeowners assistance under section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374), including acquisition of properties, an amount not to exceed $2,000,000.

(b) The amounts authorized to be appropriated in subsection (a)(2) for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS AND ADMINISTRATIVE PROVISIONS

WAIVER OF RESTRICTIONS

SEC. 701. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning,

and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or lands includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

AUTHORIZATION OF APPROPRIATIONS

SEC. 702. There are authorized to be appropriated for fiscal years beginning after September 30, 1981, such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: inside the United States $389,036,000; outside the United States $381,534,000; minor construction $34,150,000; for a total of $804,720,000;

(2) for title II: inside the United States $970,268,000; outside the United States $236,445,000; minor construction $33,320,000; for a total of $1,240,033,000;

(3) for title III: inside the United States $669,276,000; outside the United States $560,550,000; minor construction $28,680,000; for a total of $1,258,506,000;

(4) for title IV: a total of $282,815,000, including $6,210,000 for minor construction; and

(5) for title V: a total of $345,000,000.

COST VARIATIONS

SEC. 703. (a) OVERALL TITLE TOTAL LIMITATION.—Notwithstanding the provisions of subsections (b), (c), (e), and (h), the total cost of all construction and acquisition in each of titles I, II, III, and IV may not exceed the total amount authorized to be appropriated in that title.

(b) VARIATIONS IN INSTALLATION TOTALS—UNUSUAL VARIATIONS IN COST.—Except as provided in subsections (c) and (e), any of the amounts specified in titles I, II, III, and IV (other than in sections 103, 203, 303, and 403) may, at the discretion of the Secretary of the military department or Director of the defense agency concerned, be increased by 5 percent when inside the United States (other than Alaska or Hawaii), and by 10 percent when outside the United States or in Alaska or Hawaii, if the Secretary of the military department or Director of the defense agency concerned determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress.

(c) VARIATIONS IN INSTALLATION TOTALS—ONLY ONE PROJECT AT AN INSTALLATION.—When the amount named for any construction or acquisition in title I, II, III, or IV involves only one project at any military installation and the Secretary of the military department or Director of the defense agency concerned determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (b), the Secretary of the military department or Director of the defense agency concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 percent the amount named for such project by the Congress.

(d) VARIATIONS IN NORTH ATLANTIC TREATY ORGANIZATION TOTAL.—When the Secretary of Defense determines that the amount

set forth in title V for the United States share of the cost of the North Atlantic Treaty Organization program must be increased, the Secretary may incur obligations in excess of such amount if the amount of the increase does not exceed by more than 25 percent the amount set forth in such title.

(e) VARIATIONS IN INSTALLATION TOTALS—REPORTS BY THE SECRETARY OF DEFENSE.—When the Secretary of Defense determines that any amount specified in title I, II, III, IV, or V must be exceeded by more than the percentages permitted in subsections (b), (c), and (d) to accomplish authorized construction or acquisition or for contribution by the United States as its share of the cost of the North Atlantic Treaty Organization infrastructure program, the Secretary of Defense or the Secretary of the military department or Director of the defense agency concerned may proceed with such construction, acquisition, or contribution after a written report of the facts relating to the increase of such amount, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either (1) thirty days have elapsed from the date of submission of such report, or (2) both committees have indicated approval of such construction, acquisition, or contribution. Notwithstanding the provisions in prior Military Construction Authorization Acts, the provisions of this subsection shall apply to such prior Acts.

(f) COST AND SCOPE VARIATIONS OF INDIVIDUAL PROJECTS: REPORTS TO CONGRESS.—No individual project authorized under title I, II, III, or IV for any specifically listed military installations for which the current working estimate is greater than the statutory upper limit for minor construction projects may be placed under contract if—

(1) the approved scope of the project is reduced in excess of 25 percent; or

(2) the current working estimate, based upon bids received, for the construction of such project exceeds by more than 25 percent the amount authorized for such project by the Congress;

until a written report of the facts relating to the reduced scope or increased cost of such project, including a statement of the reasons for reduction in scope or increase in cost, has been submitted to the Committees on Armed Services of the Senate and House of Representatives and either thirty days have elapsed from the date of submission of such report or both committees have indicated approval of such reduction in scope or increase in cost, as the case may be.

(g) ANNUAL REPORTS TO CONGRESS.—The Secretary of Defense, or the Secretary's designee, shall submit an annual report to the Congress identifying each individual project (other than a project authorized under section 103, 203, 303, or 403) which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense, based upon bids received, for such project exceeded the amount authorized by the Congress for that project by more than 25 percent. The Secretary shall also include in such report each individual project with respect to which the scope was reduced by more than 25 percent in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

(h) COST AND FLOOR AREA VARIATIONS—SOLAR ENERGY.—The Secretary of Defense shall encourage the utilization of solar energy as a source of energy for projects authorized by this Act where utilization of solar energy would be practical and economically feasible. In order to equip any project authorized by this Act with solar heating equipment, solar cooling equipment, or both solar heating and solar cooling equipment, the Secretary of Defense may authorize increases in the cost limitations or floor area limitations for such project by such amounts as may be necessary for such purpose. Any increase under this subsection in the cost or floor area of a project authorized by this Act shall be in addition to any other increase in such cost or variation in floor area limitations authorized by this or any other Act.

CONSTRUCTION SUPERVISION

SEC. 704. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious, and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress shall continue to be awarded in accordance with presently established procedures, customs, and practices) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code. The Secretaries of the military departments shall report annually to the President of the Senate and Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder. Such reports shall also show, in the case of the ten architect-engineering firms which, in terms of total dollars, were awarded the most business, the names of such firms, the total number of separate contracts awarded each firm, and the total amount paid or to be paid in the case of each such action under all such contracts awarded such firm.

10 USC 2301 *et seq.*

REPEAL OF PRIOR YEAR AUTHORIZATIONS: EXCEPTIONS

SEC. 705. (a) As of October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1749), and all such authorizations contained in Acts

94 Stat. 1749, 1752, 1756, 1759, 1763.

approved before October 10, 1980, and not superseded or otherwise modified by a later authorization are repealed except—

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions; and

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part, before October 1, 1982, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1983, whichever is later, and authorizations for appropriations therefor.

(b) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorizations for the following items authorized in section 101 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 928) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Boiler Plant Emission Control System construction in the amount of $1,900,000 at Anniston Army Depot, Alabama.

(2) Boiler Plant Emission Control System construction in the amount of $3,000,000 at Tobyhanna Army Depot, Pennsylvania.

(3) Boiler Plant Emission Control System construction in the amount of $2,800,000 at Fort Benjamin Harrison, Indiana.

(4) Industrial Waste Treatment Plant construction in the amount of $1,100,000 at Riverbank Army Ammunition Plant, California.

(5) Advanced Power Train Test Facility construction in the amount of $1,560,000 at Corpus Christi Army Depot, Texas.

(6) Ammunition Inspection and Test Facility construction in the amount of $1,200,000 at Letterkenny Army Depot, Pennsylvania.

(7) Replace Boilers construction in the amount of $8,600,000 at Red River Army Depot, Texas.

(8) Dental Clinic construction in the amount of $2,750,000 at Schofield Barracks, Hawaii.

(9) Centralized Container Ammunition Facility construction in the amount of $920,000 at Lone Star Army Ammunition Plant, Texas.

(10) Indoor Athletic Facilities construction in the amount of $12,200,000 at the United States Military Academy, West Point, New York.

(11) Temperature-Altitude Test Facility construction in the amount of $2,000,000 at the White Sands Missile Range, New Mexico.

(12) Water Monitor Station construction in the amount of $220,000 at Riverbank Army Ammunition Plant, California.

(c) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorization for the construction of the Reception Station at Fort Benning, Georgia, in the amount of $5,886,000 authorized in section 101 of the Military Construction Authorization Act, 1978 (Public Law 95-82; 91 Stat. 358), as such authorization was extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 945), shall remain in effect until October 1, 1983, or the date of

enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later.

(d) Notwithstanding the provisions of subsection (a) of this section and of section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770) authorizations for the following items authorized in section 201 or such authorizations as were extended in section 605 of the Military Construction Authorization Act, 1980 (Public Law 96-125) shall remain in effect until October 1, 1983, or the date of enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later: 93 Stat. 944.

(1) Municipal Sewer Connection construction in the amount of $2,200,000 at the Naval Submarine Base, New London, Connecticut.

(2) Insulation and Storm Windows construction in the amount of $2,350,000 at the Naval Weapons Station, Charleston, South Carolina.

(3) Applied Instruction (Morse Training) Building construction in the amount of $2,400,000 at the Naval Technical Training Center, Pensacola, Florida.

(4) Engine Test Cell Modernization in the amount of $3,500,000 at the Naval Air Rework Facility, Alameda, California.

(5) Municipal Sewer Connection construction in the amount of $2,100,000 at the Naval Shipyard, Long Beach, California.

(6) Industrial Waste Collection and Treatment construction in the amount of $6,500,000 at the Naval Shipyard, Long Beach, California.

(7) Engine Test Cell Modernization in the amount of $3,200,000 at the Naval Air Rework Facility, North Island, California.

(8) Aircraft Maintenance Hanger in the amount of $1,500,000 at the Naval Air Facility, Sigonella, Italy.

(e) Notwithstanding the repeal provisions of subsection (a) of this section and section 605 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1770), authorizations for the following items authorized in section 301 of the Military Construction Authorization Act, 1980 (Public Law 96-125; 93 Stat. 934) shall remain in effect until October 1, 1983, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1984, whichever is later:

(1) Connect to Regional Sewage System in the amount of $1,100,000 at Richards-Gebaur Air Force Base, Missouri.

(2) Pave roads in the amount of $690,000 at Davis-Monthan Air Force Base, Arizona.

(3) Aircraft Maintenance Control Facility in the amount of $850,000 at England Air Force Base, Louisiana.

(4) Composite Medical Facility in the amount of $16,500,000 at George Air Force Base, California.

(5) Air Installation Compatible Use Zone in the amount of $1,950,000 at Buckley Air National Guard Base, Colorado.

(6) Various Operational Facilities in the amount of $4,950,000 at Roberts International Airport, Liberia.

(7) Unaccompanied Officer Personnel Housing in the amount of $510,000 at Taegu Air Force Base, Korea.

(8) Security Facilities in the amount of $3,485,000 at Howard Air Base, Canal Zone.

(9) Special Operations Facilities in the amount of $2,800,000 at Various Locations Overseas.

(10) Unaccompanied Enlisted Personnel Housing in the amount of $2,300,000 at Wright-Patterson Air Force Base, Ohio.

UNIT COST LIMITATIONS

SEC. 706. None of the authority contained in titles I, II, III, and IV shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $53 per square foot for permanent barracks; or

(2) $57 per square foot for unaccompanied officer quarters; unless the Secretary of Defense, or the Secretary's designee, determines that, because of special circumstances, application to such project of the limitation on unit cost contained in this section is impracticable. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

TITLE VIII—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

10 USC 2231 *et seq.*

SEC. 801. Subject to chapter 133 of title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Guard and Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $60,000,000; and

(B) for the Army Reserve, $50,000,000.

(2) For the Department of the Navy: for the Naval and Marine Corps Reserves, $35,000,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $100,000,000; and

(B) for the Air Force Reserve, $35,000,000.

WAIVER OF CERTAIN RESTRICTIONS

SEC. 802. The Secretary of Defense may establish or develop installations and facilities under this title without regard to section 3648 of the Revised Statutes (31 U.S.C. 529) and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255) and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

EXPANSION OF FEDERAL FACILITIES BY THE NATIONAL GUARD

SEC. 803. Section 2233 of title 10, United States Code, is amended—

(1) by inserting "or by the United States" after "or convert facilities owned by it" in subsection (a)(2); and

(2) by adding at the end of subsection (b) the following new sentence: "Such property may be transferred to any State or Territory, Puerto Rico, or the District of Columbia incident to the expansion, rehabilitation, or conversion of such property under subsection (a)(2) so long as the transfer of such property does not result in the creation of an enclave owned by a State or Territory, Puerto Rico, or the District of Columbia within a Federal installation.".

FEDERAL CONTRIBUTIONS FOR CONSTRUCTION TO UPGRADE WEAPONS STORAGE FACILITIES

SEC. 804. Section 2233(a) of title 10, United States Code, is amended—

(1) by striking out "and" after clause (4);

(2) by striking out the period at the end of clause (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new clause: "(6) contribute to any State or Territory, Puerto Rico, or the District of Columbia such amounts for the construction, alteration, or rehabilitation of arms storage rooms as the Secretary determines to be required to meet a change in Department of Defense standards related to the safekeeping of arms.".

TITLE IX—GENERAL PROVISIONS

USE OF SOLAR ENERGY SYSTEMS IN NEW CONSTRUCTION

SEC. 901. Subsection (b) of section 2688 of title 10, United States Code, is amended to read as follows:

"(b) For the purposes of this section, a solar energy system shall be considered to be cost effective if the original investment cost differential can be recovered over the expected life of the facility using accepted life-cycle costing procedures. Such accepted life-cycle costing procedures shall include the use of the sum of all capital, operating, and maintenance expenses associated with the energy system of the building involved over the expected life of such system or during a period of twenty-five years, whichever is shorter, and using marginal fuel cost as determined by the Secretary of Defense and at a discount rate of 7 percent per year. For the purposes of a life-cycle cost analysis under this subsection, the original investment cost of a solar energy system shall be reduced 10 percent as an investment cost credit.".

Life-cycle costing procedures.

CONSTRUCTION FUNDED BY FOREIGN GOVERNMENTS

SEC. 902. Section 504 of the Act of September 28, 1951 (31 U.S.C. 723), is amended—

(1) by inserting "(1)" after "in connection with"; and

(2) by striking out the period at the end and inserting in lieu thereof ", and (2) construction management of those projects funded by foreign governments directly or through international organizations for which United States forces are the sole or primary user.".

CONSTRUCTION AUTHORITY UNDER A DECLARATION OF WAR OR NATIONAL EMERGENCY

10 USC 140 note.

SEC. 903. (a) In the event of a declaration of war or the declaration by the President of a national emergency in accordance with the National Emergencies Act (50 U.S.C. 1601 et seq.) requiring use of the Armed Forces, the Secretary of Defense may, without regard to any other provision of law, undertake military construction necessary to support such use within the total amount of funds that have been appropriated for military construction, including funds appropriated for family housing, that have not been obligated.

(b) Authority under subsection (a) includes authority for (1) acquisition of real estate and interests in land (including temporary interests) by lease, purchase, gift, exchange of Government-owned land, or otherwise, (2) surveys and site preparation, (3) acquisition, lease, conversion, and rehabilitation of permanent or temporary facilities, (4) appurtenances, supporting facilities, and utilities incident to such construction, (5) acquisition of and installation of equipment integral to the construction, and (6) planning, supervision, administration, and overhead incident to such construction.

(c) The authority described in subsection (a) shall terminate at the end of the war or the end of the national emergency, as the case may be.

Notification to congressional committees.

(d) Whenever a decision to undertake military construction authorized by this section is made, the Secretary of Defense shall notify the Committees on Armed Services and on Appropriations of the Senate and House of Representatives of the decision and the estimated cost of such construction, including the cost of real estate actions pertaining to the construction.

IMPACT PLANNING ASSISTANCE FOR AREAS AFFECTED BY THE MX WEAPON SYSTEM AND THE EAST COAST TRIDENT BASE

SEC. 904. (a) Section 801 of the Military Construction Authorization Act, 1981 (94 Stat. 1775), is amended by striking out "During fiscal year 1981" and all that follows through the colon and inserting in lieu thereof the following: "The Secretary of Defense may use funds appropriated for fiscal year 1981 for planning and design purposes to provide community planning assistance, by grant or otherwise, as follows:".

10 USC 139 note.

(b) Section 802 of such Act is amended to read as follows:

"IMPACT ASSISTANCE FOR AREAS AFFECTED BY THE EAST COAST TRIDENT PROGRAM

"SEC. 802. (a) The Secretary of Defense (hereinafter in this section referred to as the 'Secretary') may assist communities located near the East Coast Trident Base, and the States in which such communities are located, in meeting the costs of providing increased municipal services and facilities to the residents of such communities, if the Secretary determines that there is an immediate and substantial increase in the need for such services and facilities in such communities as a direct result of work being carried out in connection with the construction, installation, or operation of the East Coast Trident Base and that an unfair and excessive financial burden will be incurred by such communities, or the States in which such communities are located, as a result of such increased need for such services and facilities.

"(b)(1) Whenever possible, the Secretary shall carry out the program of assistance authorized under this section through existing Federal programs. In carrying out such program of assistance, the Secretary may—

"(A) supplement funds made available under existing Federal programs through a direct transfer of funds from the Secretary to the department or agency concerned in such amounts as the Secretary considers necessary;

"(B) provide financial assistance to communities described in subsection (a) to help such communities pay their share of the costs under such programs;

"(C) guarantee State or municipal indebtedness, and make interest payments, in whole or in part, for State or municipal indebtedness, for improved public facilities related to the East Coast Trident Base; and

"(D) make direct grants to or on behalf of communities described in subsection (a) in cases in which Federal programs (or funds for such programs) do not exist or are not sufficient to meet the costs of providing increased municipal services and facilities to the residents of such communities.

"(2) The head of each department and agency shall cooperate fully with the Secretary in carrying out the provisions of this section on a priority basis.

"(3) Notwithstanding any other provision of law, the Secretary, in cooperation with the heads of other departments and agencies of the Federal Government, may provide assistance under this section in anticipation of the work to be carried out in connection with the East Coast Trident Base.

"(c) In determining the amount of financial assistance to be made available under this section to any local community for any community service or facility, the Secretary shall consult with the head of the department or agency concerned with the type of service or facility for which financial assistance is being made available and shall take into consideration—

"(1) the time lag between the initial impact of increased population in any such community and any increase in the local tax base which will result from such increased population;

"(2) the possible temporary nature of the increased population and the long-range cost impact on the permanent residents of any such community;

"(3) the initial capitalization required for municipal sewer and water systems;

"(4) the initial operating cost for upgrading municipal services; and

"(5) such other pertinent factors as the Secretary considers appropriate.

"(d) Funds appropriated to the Department of Defense for carrying out the East Coast Trident Base program may, to the extent specifically authorized in Military Construction Authorization Acts, be used by the Secretary to provide assistance under this section.

"(e) The Secretary shall transmit to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives, not later than sixty days after the end of each fiscal year, a written report indicating the total amount transferred to and the amount obligated and expended by each local community or State which has been provided assistance under the authority of this section during the preceding fiscal year, the specific projects for

Report to congressional committees.

89-194 O—82——89 : QL3

which assistance was provided during such year, and the total amount for each such project during such year.".

DISTRICT OFFICES OF ARMY CORPS OF ENGINEERS

SEC. 905. (a) During fiscal year 1982, the Secretary of the Army shall maintain a District Office of the United States Army Corps of Engineers at each site within twenty-five miles of each major defense port within the continental United States at which there was such an office on June 4, 1981.

"Major defense port."

(b) For the purposes of this section, the term "major defense port" means any of the following:

(1) A major United States Navy shipyard.

(2) A home port for major naval forces.

(3) A major supply and embarkation port for elements of the Armed Forces.

RESTRICTIONS ON CONSTRUCTION OF SPECIAL CONTINGENCY FACILITIES IN CERTAIN COUNTRIES

SEC. 906. (a) Subject to subsections (b) and (c), none of the funds appropriated pursuant to this Act for the construction of contingency facilities to support the national security interests of the United States in Egypt, Kenya, Oman, Somalia, the island of Diego Garcia, or at Lajes Field (Portugal) may be obligated or expended for the construction of a facility in any such country, island, or air field unless each contract entered into for the construction of such facility requires that all construction materials (other than cement, cement products, aggregates, and concrete components other than steel) to be used in carrying out the contract will be materials produced, manufactured, or refined in the United States.

(b) The provisions of subsection (a) shall not apply (1) if the application of such provisions would violate a formal agreement between the United States and the country that exercises sovereignty over the land on which a facility referred to in such subsection is to be constructed, or (2) in the case of a contract for $5,000,000 or less.

(c) The project manager of a facility referred to in subsection (a) may authorize, in the construction of such facility, a limited use of materials not produced, manufactured, or refined in the United States if the manager determines that the use of such materials is necessary for the orderly and timely construction of such facility. However, the total amount expended for materials not produced, manufactured, or refined in the United States under a contract for the construction of a facility referred to in subsection (a) may not exceed the applicable limit specified in the following table:

If the contract amount is—		The percent of the contract amount that may be used to procure materials not produced, manufactured, or refined in the United States may not exceed—
More than—	But not more than—	
$5,000,000	$25,000,000	5
$25,000,000	$50,000,000	3
$50,000,000	$100,000,000	2
$100,000,000		1.

MINOR CONSTRUCTION AUTHORITY

SEC. 907. (a) Subsection (b) of section 2674 of title 10, United States Code, is amended to read as follows:

"(b)(1) Except as provided in paragraph (2), a project costing more than $1,000,000 may not be carried out under the authority of this section.

"(2) The cost of a project may be increased above $1,000,000—

"(A) to not more than $1,100,000 if the Secretary of Defense determines that such an increase is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress; and

"(B) to more than $1,100,000 but not more than $1,250,000 if (i) the Secretary of Defense determines that such an increase is required for the sole purpose of meeting unusual variations in cost and that such variations in cost could not have been reasonably anticipated at the time the project was originally approved by Congress, (ii) the Secretary of Defense has notified the Committees on Armed Services of the Senate and House of Representatives in writing that he has made those determinations with respect to the project, and (iii) a 15-day period has elapsed after the date the notification is received by the committees, or both committees approve such increase before the expiration of the 15-day period.

"(3)(A) Except as provided in subparagraph (B), a project costing more than $750,000 may not be carried out under this section unless approved in advance by the Secretary of Defense, and a project costing more than $500,000 but less than $750,000 may not be carried out under this section unless approved in advance by the Secretary of the military department or the Director of the defense agency concerned.

"(B) Approval under this paragraph is not required if the project has been authorized in an annual Military Construction Authorization Act.".

(b) Subsection (f) of such section is amended—

(1) by striking out "30 days" and "$300,000" in the second sentence and inserting in lieu thereof "fifteen days" and "$500,000", respectively; and

(2) striking out the last sentence and inserting in lieu thereof the following: "Such notice is not required in the case of a project that has been authorized in an annual Military Construction Authorization Act.".

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1982.

Effective date. 10 USC 2674 note.

GEOTHERMAL ENERGY RESOURCE DEVELOPMENT

SEC. 908. Subsection (a) of section 803 of the Military Construction Authorization Act, 1979 (Public Law 95-356; 92 Stat. 585), is amended to read as follows:

30 USC 1002a.

"(a) The Secretary of each military department may develop, for the use or benefit of the Department of Defense, any geothermal energy resource within lands under his jurisdiction, including public lands, if such development is in the public interest, as determined by the Secretary of the military department concerned, and will not deter commercial development and use of other portions of such resource if offered for leasing.".

AEROSPACE CORPORATION

Repeal.
10 USC 9503 note.

SEC. 909. Section 609 of the Military Construction Authorization Act, 1966 (Public Law 89-188; 79 Stat. 818), is repealed.

SALE OF TIMBER AND TIMBER PRODUCTS

SEC. 910. (a) Section 2665 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) Each State in which is located a military installation or facility from which timber and timber products are sold in a fiscal year is entitled at the end of such year to an amount equal to 25 percent of (A) the amount received by the United States during such year as proceeds from the sale of timber and timber products produced on such installation or facility, less (B) the amount of reimbursement of appropriations of the Department of Defense under subsection (d) for all expenses of production of timber and timber products during such year attributable to such installation or facility.

"(2) The amount paid to a State pursuant to paragraph (1) shall be expended as the State legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which the military installation or facility is situated.

"(3) In a case in which a military installation or facility is located in more than one State or county, the amount paid pursuant to paragraph (1) shall be distributed in a manner proportional to the area of such installation or facility in each State or county.".

10 USC 2665 note.

(b) Subsection (e) of section 2665 of title 10, United States Code, as added by subsection (a), shall apply with respect to timber and timber products sold after September 30, 1981.

CONTINUED USE OF CERTAIN FORMER PUBLIC HEALTH SERVICE FACILITIES

42 USC 248c.

42 USC 248b.

10 USC 1071 *et seq.*

SEC. 911. (a) Any Public Health Service hospital or other station which was transferred to a public or nonprofit private entity pursuant to the provisions of section 987 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 603) shall be deemed to be a facility of the uniformed services for the purposes of chapter 55 of title 10, United States Code, if such hospital or other station was, on the day before the date of the transfer, a facility approved under such chapter to provide medical and dental care to members and former members of the uniformed services and their dependents.

(b) The Secretary of Defense and the Secretary of Health and Human Services may terminate, for purposes of chapter 55 of title 10, United States Code, the approved status, of any facility described in subsection (a) to furnish medical or dental care to members and former members of the uniformed services and their dependents at any time after the expiration of three years after the date of the transfer of such facility under section 987 of the Omnibus Budget Reconciliation Act of 1981. The termination of such status in the case of any such facility may be effected only by an order jointly issued by the Secretary of Defense and the Secretary of Health and Human Services which identifies the facility whose approved status is being terminated and specifies the date on which such status is being terminated.

(c) The Secretary of Defense and the Secretary of Health and Human Services shall reimburse any facility described in subsection

(a) for medical and dental care provided by such facility to members and former members of the uniformed services and their dependents who receive such care under chapter 55 of title 10, United States Code. The rates of reimbursement shall be negotiated and agreed upon by the Secretary of Defense, the Secretary of Health and Human Services, and the appropriate officials representing the facility concerned. The rates of reimbursement shall be based upon medical and dental care costs in the area in which the facility concerned is located.

10 USC 1071 *et seq.*

SPECIAL PROVISIONS RELATING TO THE EXPANSION OF FORT CARSON MILITARY INSTALLATION, COLORADO

SEC. 912. (a) Section 6(a) of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality", approved October 20, 1976 (90 Stat. 2665; 31 U.S.C. 1606), is amended—

(1) by striking out "or" at the end of clause (4);

(2) by adding "or" at the end of clause (5); and

(3) by adding at the end thereof the following new clause: "(6) located in the vicinity of Purgatory River Canyon and Pinon Canyon, Colorado, and acquired after the date of the enactment of this clause by the United States for the purpose of expanding the Fort Carson military installation;".

(b) The Secretary of the Army shall adhere to all commitments made by the Secretary of the Army concerning environmental mitigation measures (including those regarding salinity) that are contained in the final environmental impact statement on the proposed Fort Carson military installation land acquisition.

LAND CONVEYANCE, CECIL COUNTY, MARYLAND

SEC. 913. (a) The Federal property constituting the former Naval Training Center, Bainbridge, Cecil County, Maryland, is hereby declared to be surplus property within the meaning of section 3(g) of the Federal Property and Administrative Services Act of 1949, and the Administrator of General Services is authorized to dispose of that property under such Act.

Surplus property, disposal.

40 USC 472.

(b)(1) Proceeds from the disposition of property under this section shall be used by the Administrator to discharge any lien, encumbrance, contract claim, or other charge on or related to the property.

(2) The Secretary of the Navy, after consultation with the Administrator, shall determine the form and amount of any compromise or settlement of any claim against the United States with respect to the water agreement dated March 24, 1943, between the United States and the town of Port Deposit, Maryland.

(c) The exact acreages and legal descriptions of the property declared to be excess property by subsection (a) shall be determined by surveys that are satisfactory to the Secretary of the Navy.

LAND CONVEYANCE, LONG BEACH, CALIFORNIA

SEC. 914. (a) The Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Long Beach, California (hereinafter in this section referred to as the "city"), all right, title, and interest of the United States in and to a tract of land of varying width consisting of 0.7176 acres and extending

from the south boundary of the Long Beach Army Reserve Training Center, Long Beach, California, north along the west boundary of such training center to Willow Street.

(b) In consideration for the conveyance under subsection (a), the city shall convey to the United States all right, title, and interest of the city in and to a tract of land of varying width consisting of 0.7176 acres and coextensive with and immediately adjoining the south boundary of the Long Beach Army Reserve Training Center, as established after the conveyance authorized in subsection (a).

(c) The city shall pay to the United States an amount equal to the amount by which the fair market value (as determined by the Secretary) of the property to be conveyed by the United States to the city under subsection (a) exceeds the fair market value (as determined by the Secretary) of the property to be conveyed by the city to the United States under subsection (b).

(d)(1) The exact acreages and legal descriptions of any property acquired or conveyed under subsection (a) or (b) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the city.

(2) The Secretary may require such additional terms and conditions with respect to the acquisition and conveyance authorized by this section as he considers appropriate to protect the interests of the United States.

LAND CONVEYANCE, SOUTH CHARLESTON, WEST VIRGINIA

SEC. 915. (a) Subject to subsection (b), the Secretary of Defense (hereinafter in this section referred to as the "Secretary") is authorized to convey or cause to be conveyed to the city of South Charleston, West Virginia (hereinafter in this section referred to as the "city"), all right, title, and interest of the United States in and to land, aggregating approximately eight acres, together with the improvements thereon, that is presently the location of the Reserve Centers of the Army, Navy, and Marine Corps and that previously was part of the Navy Ordnance Depot in South Charleston, West Virginia.

(b)(1) The conveyance authorized by subsection (a) shall be subject to the conditions—

(A) that the city, pursuant to an agreement to be entered into between the city and the Secretary, convey to the United States a tract of land consisting of approximately ten acres on completed Corridor "G" at Lillian Roads, South Charleston, West Virginia;

(B) that such tract of land be served with access roads and utilities extended to the property line;

(C) that the city construct facilities on such land suitable for use as a United States Armed Forces Reserve Center; and

(D) that such facilities be designed and constructed in accordance with the requirements of, and subject to the approval of, the Secretary and be limited to those facilities required to complete the project within the boundaries of the rough graded site to be conveyed by the city.

(2) The cost of the facilities to be constructed by the city (including the cost of architectural engineering design and inspection fees) shall be paid as follows:

(A) The city shall pay the amount by which the appraised fair market value of the land and improvements conveyed by the Secretary under subsection (a) exceeds the fair market value of the land (in rough graded state) to be conveyed by the city to the United States.

(B) The United States shall pay any remaining amount (after payment by the city as provided in subparagraph (A)) out of funds appropriated for the Reserve Forces for fiscal years after fiscal year 1981.

(c) The legal description of properties to be conveyed under subsections (a) and (b) shall be determined by surveys performed by the city and agreed to by the Secretary.

(d) The use of funds for payment by the United States under subsection (b) shall be considered as use for the purchase of facilities authorized by chapter 133 of title 10, United States Code.

10 USC 2231 *et seq.*

(e) The Secretary may require such additional terms and conditions as the Secretary considers appropriate to carry out the provisions of this section and to protect the interests of the United States.

Report to congressional committees.

(f) Before the conveyance authorized in subsection (a) is executed, the Secretary shall report to the appropriate committees of the Congress on the terms relating to such conveyance agreed upon by the Secretary and the city.

Repeals.

(g) Section 609 of the Military Construction Authorization Act, 1977 (Public Law 94-431; 90 Stat. 1365), and section 813 of the Military Construction Authorization Act, 1981 (Public Law 96-418; 94 Stat. 1780), are repealed.

LAND CONVEYANCE, SAN ANTONIO, TEXAS

SEC. 916. (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of San Antonio, Texas (hereinafter in this section referred to as the "city"), all right, title, and interest of the United States in and to the land and improvements comprising the United States Naval and Marine Corps Reserve Center, San Antonio, Texas. Such conveyance shall be made subject to such terms and conditions as the Secretary considers appropriate, but may not be made until a replacement facility for such Reserve Center has been made available to the United States in accordance with subsection (b).

(b)(1) In consideration for the conveyance authorized under subsection (a), the city shall make available to the Secretary funds in an amount equal to the fair market value, as determined by the Secretary, of the land and improvements to be conveyed by the Secretary under subsection (a).

(2) As a further condition to the conveyance authorized under subsection (a), the city shall pay the cost of relocating all goods and equipment of the Reserve Center from the site of the Reserve Center referred to in subsection (a) to the site of the replacement facility.

(c) Funds made available to the Secretary under subsection (b)(1) shall be used by the Secretary for the purchase of land for use as a site for the location of a replacement facility for the Reserve Center to be conveyed under subsection (a) or for the construction, renovation, repair, or improvement of a replacement facility for such Reserve Center, or for both the purchase of land and the construction, renovation, repair, or improvement of a replacement facility.

(d)(1) If the cost of a replacement facility is more than the fair market value of the existing Reserve Center facility referred to in subsection (a), the Secretary may pay the amount of the difference out of any funds appropriated for the acquisition of facilities for the Reserve Forces for fiscal years after fiscal year 1981.

(2) If the cost of the replacement facility is less than the fair market value of the existing facility, the city shall pay the amount of the

difference between such costs to the United States, and such amount shall be deposited in the Treasury as miscellaneous receipts.

(e) The exact acreage and legal description of any land conveyed under this section shall be determined by surveys which are satisfactory to the Secretary.

(f)(1) The Secretary is authorized to accept any land conveyed or any funds made available to the United States under subsection (b). Any such land shall be administered, and any such funds may be obligated and disbursed, by the Secretary for the purpose of providing a replacement Reserve Center facility for the facility referred to in subsection (a).

(2) The authority under this section to place improvements on land (including site preparation) may be exercised before title to the land is approved under section 355 of the Revised Statutes (40 U.S.C. 255).

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 3455 (S. 1408):

HOUSE REPORTS: No. 97-44 (Comm. on Armed Services) and No. 97-362 (Comm. of Conference).
SENATE REPORT No. 97-141 accompanying S. 1408 (Comm. on Armed Services).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 4, considered and passed House.
Nov. 5, considered and passed Senate, amended, in lieu of S. 1408.
Dec. 8, House and Senate agreed to conference report.

Public Law 97-100
97th Congress

An Act

Making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 23, 1981
[H.R. 4035]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1982, and for other purposes, namely:

Department of the Interior and related agencies. Appropriations, fiscal year 1982.

TITLE I—DEPARTMENT OF THE INTERIOR

LAND AND WATER RESOURCES

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including administrative expenses associated with the management of funds provided under the heads "Oregon and California Grant Lands" and "Acquisition, Construction, and Maintenance", $370,131,000.

ACQUISITION, CONSTRUCTION, AND MAINTENANCE

For acquisition of lands and interests therein, and construction and maintenance of buildings, recreation facilities, roads, trails, and appurtenant facilities, $12,720,000, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 1601), $99,500,000, of which not to exceed $400,000 shall be available for administrative expenses: *Provided,* That this appropriation may be used to correct underpayments in the previous fiscal year to achieve equity among all qualified recipients.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205 and 318(d) of Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interest therein, $3,137,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

43 USC 1715, 1748.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; $54,988,000, to remain available until expended: *Provided,* That the amount appropriated herein for the purposes of this appropriation on lands administered by the Forest Service shall be transferred to the Forest Service, Department of Agriculture: *Provided further,* That the amount appropriated herein for road construction on lands other than those administered by the Forest Service shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further,* That twenty-five per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, acquisition of lands and interests therein, and improvement of Federal range lands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), sums equal to fifty per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315, et seq.), but not less than $10,000,000 (43 U.S.C. 1901), and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, to remain available until expended: *Provided,* That not to exceed $675,000 shall be available for administrative expenses.

43 USC 1751.

43 USC 315b, 315m.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701); and sections 101 and 203 of Public Law 93-153, to be immediately available until expended.

43 USC 1734, 1735, 1764. 30 USC 185, 43 USC 1652.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act.

43 USC 1737.

43 USC 1721.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, insurance on official motor vehicles, aircraft, and boats operated by the Bureau of Land Management in Canada; and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; $10,000 for payment, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the United States Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided,* That appropriations herein made for the Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further,* That appropriations herein made may be expended on a reimbursable basis for (1) surveys of lands other than those under the jurisdiction of the Bureau of Land Management, and (2) protection of lands for the State of Alaska: *Provided further,* That the Secretary of the Interior shall develop criteria for extending, on a case-by-case basis, the period allowed for phased livestock reductions on public rangelands administered through the Bureau of Land Management up to five years. Such criteria shall take into account available agricultural assistance programs, the magnitude of projected livestock reductions, alternative pasturage available, and ability of such public rangelands to sustain such phasing in of livestock reductions without damage to rangeland productivity: *Provided further,* That an appeal of any reductions in grazing allotments on public rangelands must be taken within 30 days after receipt of a final grazing allotment decision or 90 days after the effective date of this Act in the case of reductions ordered during 1979, whichever occurs later. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within 2 years after the appeal is filed: *Provided further,* That, none of the funds provided in this Act to the Bureau of Land Management may be expended to determine suitability or nonsuitability for wilderness or for any wilderness study area designation as directed in 43 U.S.C. 1782 of the Federal Land Policy and Management Act of the lands withdrawn by the Executive Order numbered 3767 of December 19, 1922, to be used by the United States Department of Agriculture for a sheep experiment station.

43 USC 1181f-4.

43 USC 1752 note.

OFFICE OF WATER RESEARCH AND TECHNOLOGY

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Water Research and Development Act of 1978 (Public Law 95-467) and

42 USC 7801 note.

provisions of Public Law 95-84, as amended (42 U.S.C. 1959-1959i), $11,194,000, of which $2,955,000 shall remain available for obligation until September 30, 1983.

FISH AND WILDLIFE AND PARKS

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; and maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge, including administrative expenses associated with the management of funds provided under the head "Construction and Anadromous Fish", and up to $3,000,000 but not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $229,531,000: *Provided*, That funds in this appropriation may be used to issue regulations that will permit modification to the habitat of a threatened or endangered species when the net effect of the modification is equal to, favorable to, and not adverse to the protection of the species.

16 USC 1701-1706.

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; and for expenses necessary to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757f); $6,961,000, to remain available until expended.

MIGRATORY BIRD CONSERVATION ACCOUNT

For an advance to the migratory bird conservation account, as authorized by the Act of October 4, 1971, as amended (16 U.S.C. 715k-3, 5), $1,250,000, to remain available until expended.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, $17,178,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

16 USC 460*l*-4—460*l*-11.

NATIONAL WILD REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $6,000,000.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 120 passenger motor vehicles, of which 107 are for replacement only (including 49 for police-type use); purchase of 3 new aircraft for replacement only; not to exceed $100,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service; miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $100,000; insurance on official motor vehicles, aircraft and boats operated by the United States Fish and Wildlife Service in Mexico and Canada; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are not inconsistent with their primary purpose; and the maintenance and improvement of aquaria, buildings and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), including not to exceed $372,000 for the Roosevelt Campobello International Park Commission, including administrative expenses associated with the management of funds provided under the heads "Construction" and "John F. Kennedy Center for the Performing Arts", and up to $3,000,000 but not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $534,252,000 without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451): *Provided,* That not to exceed $5,000,000 may be available for operation of the National Visitor Center and of that amount not to exceed $3,500,000 may be used for payment of rent: *Provided further,* That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation: *Provided further,* That appropriations for maintenance and improvement of roads within the boundary of Indiana Dunes National Lakeshore shall be available for such purposes without regard to whether title to such road rights-of-way is in the United States: *Provided further,* That $85,000 shall be available for the National Park Service to assist the Town of Harpers Ferry, West Virginia, for police force use.

16 USC 1701-1706.

16 USC 20b note.

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental and compliance review, and grant administration, not otherwise provided for, $12,888,000: *Provided,* That the unexpended balances of the Heritage Conservation and Recreation Service appropriation "Salaries and expenses" and grant administration unexpended balances of the "Historic Preservation Fund" and "Urban Park and Recreation Fund" shall be merged with this appropriation.

URBAN PARK AND RECREATION FUND

For supplemental grants to existing "innovation grants" made under authority of section 1003 of the Urban Park and Recreation Recovery Act of 1978 (title 10 of Public Law 95-625), $8,000,000, to remain available until expended.

16 USC 2502.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $26,500,000, to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1983: *Provided,* That of the amount included in this head, not to exceed $1,500,000 shall be used to reimburse fiscal year 1981 costs of those nine States which did not receive their full survey and planning grants in that year.

16 USC 470h.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), $88,721,000, to remain available until expended.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, $107,773,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

16 USC 460*l*-4—460*l*-11.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $4,315,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 188 passenger motor vehicles, of which 149 shall be for replacement only, including not to exceed 125 for police-type use and 25 buses; and to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the

National Park System used in connection with organized recreation and interpretive programs of the National Park Service; and options for the purchase of land at not to exceed $1 for each option: *Provided,* That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System; and to provide insurance on official motor vehicles and aircraft operated by the National Park Service in Mexico and Canada: *Provided further,* That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further,* That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further,* That none of the funds appropriated to the National Park Service shall be used to phase out livestock grazing as provided for in section 3 of Public Law 92-207 (85 Stat. 739). 16 USC 273b.

ENERGY AND MINERALS

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332, and 1340); classify lands as to mineral character and water and power resources, give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; enforce departmental regulations applicable to oil, gas, and other mining leases, permits, licenses, and operating contracts; control the interstate shipment of contraband oil as required by law (15 U.S.C. 715); administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; $515,151,000, of which $44,727,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided,* That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality. 43 USC 50.

EXPLORATION OF NATIONAL PETROLEUM RESERVE IN ALASKA

For necessary expenses of carrying out the provisions of section 104 of Public Law 94-258, $2,288,000, to remain available until expended. 42 USC 6504.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 19 passenger motor vehicles for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of

necessary buildings and appurtenant facilities; acquisition of lands for observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts.

BUREAU OF MINES

MINES AND MINERALS

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $151,964,000, of which $9,629,000 shall be available to carry out the provisions of title III of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1221), and of which $108,161,000 shall remain available until expended.

ADMINISTRATIVE PROVISION

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided,* That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

30 USC 1201 note.

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, $60,953,000, including the purchase of not to exceed 10 passenger motor vehicles for replacement only.

ABANDONED MINE RECLAMATION FUND

30 USC 1231.

30 USC 1233.

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 15 passenger motor vehicles for replacement only, to remain available until expended, $106,335,000, of which $16,000,000 shall be available to the Bureau of Mines to carry out research, demonstration, and reclamation projects authorized by section 403, Public Law 95-87, to be derived from receipts of the Abandoned Mine Reclamation Fund.

INDIAN AFFAIRS

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment (in advance or from date of admission) of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order and payment of rewards for information or evidence concerning violations of law on Indian reservation lands or treaty fishing rights tribal use areas; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; and for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, $835,646,000, of which not to exceed $4,000,000 shall be available for grants to the Navajo Community College, pursuant to 25 U.S.C. 640C-1, as amended, and, of which not to exceed $57,349,000 for higher education scholarships and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1983, and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1983: *Provided,* That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs; and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531, $4,352,000, to remain available until expended: *Provided further,* That none of these funds shall be expended as matching funds for programs funded under section 103(a)(1)(B)(iii) of the Vocational Education Act of 1963, as amended (20 U.S.C. 2303(a)(1)(B)(iii)) by the Act of June 3, 1977 (Public Law 95-40): *Provided further,* That notwithstanding the provisions of section 6 of said Act of April 16, 1934, as added by section 202 of the Indian Education Assistance Act (88 Stat. 2213, 2214; 25 U.S.C. 457) funds appropriated pursuant to this or any other Act for fiscal years ending September 30 of 1981 and 1982 may be utilized to reimburse school districts for up to the full per capita cost of educating Indian students (1) who are normally residents of the State in which such school districts are located but do not normally reside in such districts, and (2) who are residing in Federal boarding facilities for the purpose of attending public schools within such districts.

25 USC 640c-1.

25 USC 640d-18.

CONSTRUCTION

For construction, major repair and improvement of irrigation and power systems, buildings, utilities, and other facilities; acquisition of lands and interests in lands; preparation of lands for farming; and architectural and engineering services by contract, $97,529,000, to remain available until expended: *Provided,* That such amounts as

Transfer of funds.

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may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation.

ROAD CONSTRUCTION

For construction of roads and bridges pursuant to authority contained in 23 U.S.C. 203, the Act of November 2, 1921 (42 Stat. 208; 25 U.S.C. 13), and the Act of May 26, 1928 (45 Stat. 750; 25 U.S.C. 318a), $49,125,000, to remain available until expended.

TRIBAL TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed $3,000,000 from tribal funds not otherwise available for expenditure for the benefit of Indians and Indian tribes, including pay and travel expenses of employees; care, tuition, and other assistance to Indian children attending public and private schools (which may be paid in advance or from date of admission); purchase of land and improvements on land, title to which shall be taken in the name of the United States in trust for the tribe for which purchased; lease of lands and water rights; compensation and expenses of attorneys and other persons employed by Indian tribes under approved contracts; pay, travel, and other expenses of tribal officers, councils, and committees thereof, or other tribal organizations, including mileage for use of privately owned automobiles and per diem in lieu of subsistence at rates established administratively but not to exceed those applicable to civilian employees of the Government; relief of Indians, without regard to section 7 of the Act of May 27, 1930 (46 Stat. 391), including cash grants: *Provided,* That in addition to the amount appropriated herein, tribal funds may be advanced to Indian tribes during the current fiscal year for such purposes as may be designated by the governing body of the particular tribe involved and approved by the Secretary: *Provided further,* That (except in the case of funds held in trust for Indian tribes or individuals) the funds available for expenditure under the "Indian moneys, proceeds of labor" accounts authorized by the Act of May 17, 1926 (Chap. 309, 44 Stat. 560; 25 U.S.C. 155); the Act of March 3, 1883 (22 Stat. 582) in the fifth paragraph under the heading "INDIAN AFFAIRS" (22 Stat. 590; 25 U.S.C. 155); and the Act of March 2, 1887 (24 Stat. 449) in the first paragraph under the heading "MISCELLANEOUS" (24 Stat. 463; 25 U.S.C. 155) may be expended until September 30, 1982 for any purpose for which funds are appropriated under the subheading "Operation of Indian Programs". On September 30, 1982, the balance of such accounts (except for the funds held in trust for Indian tribes or individuals, and not to exceed $10,000,000 which shall be available until expended by eligible tribes for purposes approved by the Bureau of Indian Affairs) shall be deposited into miscellaneous receipts of the Treasury to offset outlays of the Bureau of Indian Affairs and thereafter no funds shall be deposited in such accounts other than funds held in trust for Indian tribes or individuals.

18 USC 4124 note.

25 USC 155b.

REVOLVING FUND FOR LOANS

During fiscal year 1982, and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $14,770,000.

INDIAN LOAN GUARANTY AND INSURANCE FUND

During fiscal year 1982, and within the resources and authority available, total commitments to guarantee loans shall not exceed $27,630,000 of contingent liability for loan principal.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans) shall be available for expenses of exhibits; purchase of not to exceed 280 passenger carrying motor vehicles of which 180 shall be for replacement only, which may be used for the transportation of Indians; advance payments for services (including services which may extend beyond the current fiscal year) under contracts executed pursuant to the Act of June 4, 1936 (25 U.S.C. 452), the Act of August 3, 1956 (25 U.S.C. 309), and legislation terminating Federal supervision over certain Indian tribes; and expenses required by continuing or permanent treaty provisions: *Provided,* That no part of any appropriation to the Bureau of Indian Affairs shall be available to continue academic and residential programs of the Chilocco, Seneca, and Fort Sill boarding schools, Oklahoma; and Stewart boarding school, Nevada: *Provided further,* That no part of any appropriation to the Bureau of Indian Affairs shall be used to subject the transportation of school children to any limitation on travel or transportation expenditures for Federal employees.

TERRITORIAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of Territories under the jurisdiction of the Department of the Interior, $89,679,000, of which (1) not to exceed $84,352,000 shall be available for grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to American Samoa, in addition to current local revenues, for support of governmental functions; grants to Guam, as authorized by law (48 U.S.C. 1428–1428e; Public Law 95–134; 91 Stat. 1161, 1162, 1163; Public Law 95–348; 92 Stat. 487, 488); grants to the Government of the Virgin Islands as authorized by law (Public Law 95–348, 92 Stat. 490); direct grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241, 90 Stat. 272 and Public Law 96–205, 94 Stat. 86), to remain available until expended; and (2) not to exceed $5,327,000 shall be available for expenses of the offices of the Government Comptroller for the Virgin Islands, the Government Comptroller for Guam, Trust Territory of the Pacific Islands, the Northern Mariana Islands, and the Government Comptroller for American Samoa, as authorized by law (Public Law 95–134, 91 Stat. 1161, 1162; Public Law 96–205, 94 Stat. 85, 90), and for salaries and expenses of the Office of Territorial Affairs, and for expenses of the Northern Mariana Islands Federal Laws Commission as authorized by law (Public Law 94–241, 90 Stat. 268): *Provided,* That the Territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further,* That appropriations available for the administration of Territories may be expended for the purchase, charter, maintenance, and operation of surface vessels for official purposes and for commercial transportation purposes found by the Secretary

48 USC 1401f, 1423*l*, 1665.

48 USC 1470a.

48 USC 1469b.

to be necessary: *Provided further,* That all financial transactions of the Territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834).

31 USC 1.
31 USC 65 note.

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; $79,330,000, to remain available until expended: *Provided,* That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): *Provided further,* That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further,* That appropriations available for the administration of the Trust Territory of the Pacific Islands may be expended for the purchase, charter, maintenance, and operation of surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary in carrying out the provisions of articles 6(2) of the Trusteeship Agreement approved by Congress.

48 USC 1683.
48 USC 1682.
48 USC 1687.

SECRETARIAL OFFICES

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $18,333,000.

OFFICE OF THE SECRETARY

DEPARTMENTAL MANAGEMENT

For necessary expenses of the Office of the Secretary of the Interior, including necessary expenses for certain operations that provide departmentwide services, $42,434,000, of which not to exceed $5,000 may be for official reception and representation expenses.

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $4,000,000, to remain available for obligation until September 30, 1983.

INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, $10,770,000.

ADMINISTRATIVE PROVISION

There is hereby authorized for acquisition, from available resources within the Working Capital Fund, 11 additional aircraft, all of which may be from surplus.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided,* That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior and for the emergency rehabilitation of burned-over lands under its jurisdiction, and for emergency reclamation projects under section 410 of Public Law 95-87: *Provided,* That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further,* That no appropriations made in this title shall be available for acquisition of automatic data processing equipment, software, or services in excess of $1,000,000 systems life cost, without prior approval of the Secretary.

30 USC 1240.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided,* That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

SEC. 107. No appropriations made in this title shall be available for the identification of lands not now so identified or acquisition (by withdrawal, transfer, or purchase) of lands for or associated with the Unique Wildlife Ecosystem Program as now defined by the United States Fish and Wildlife Service not authorized by law under an existing program.

SEC. 108. Except as specifically provided otherwise in this Act, no funds appropriated in this title shall be available to fulfill the requirements of section 8 of Public Law 94-458 as they apply to reporting to Congress on potential new areas of the National Park System.

16 USC 1a-5.

SEC. 109. No funds provided in this title may be expended by the Department of the Interior for the procurement, leasing, bidding, exploration, or development of the Point Arena, Bodega, Santa Cruz or Eel River basins of Outer Continental Shelf Lease Sale numbered 53.

SEC. 110. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.

SEC. 111. None of the funds provided in this title may be used for administrative expenses of a program that does not include operation of the Office of Aircraft Services.

SEC. 112. Notwithstanding the provisions of section 6 of the Act of May 25, 1948 (62 Stat. 269, 273), appropriations of power revenues of the Flathead Irrigation Project on the Flathead Reservation, Montana, made pursuant to section 3 of the Act of August 7, 1946 (60 Stat. 895), shall hereafter be available in an amount not exceeding 20 percent of the gross power revenues of said project for the preceding fiscal year, or $750,000, whichever is greater, for improvements and extensions to the power system: *Provided*, That no appropriations shall be made in excess of the Flathead Irrigation power revenues on deposit with the Federal Government: *Provided further*, That notwithstanding any other provision of this Act, budget authority provided by this Act is hereby reduced by the following amounts: Department of the Interior, $145,955,000; Forest Service, $59,581,000; Department of Energy, $56,947,000; Indian Health Service, $26,950,000; Indian Education, $3,244,000; Navajo and Hopi Indian Relocation Commission, $419,000; Smithsonian Institution, $5,939,000; National Gallery of Art, $1,242,000; Woodrow Wilson International Center for Scholars, $78,000; National Endowment for the Arts, $5,960,000; National Endowment for the Humanities, $5,440,000; Institute of Museum Services, $480,000; Commission of Fine Arts, $12,000; Advisory Council on Historic Preservation, $65,000; National Capital Planning Commission, $94,000; Franklin Delano Roosevelt Memorial Commission, $1,000; Pennsylvania Avenue Development Corporation, $762,000; Federal Inspector for the Alaska Gas Pipeline, $1,143,000; and Holocaust Memorial Council, $32,000: *Provided further*, That such reductions shall be ratably applied to each account, program, activity and project.

31 USC 725s-3.

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, $114,992,000.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest insect and disease activities, $66,315,000, of which $60,860,000 shall remain available for obligation until September 30, 1983, to carry out activities authorized in Public Law 95-313: *Provided,* That a grant of $3,000,000 shall be made to the State of Minnesota for the purposes authorized by section 6 of Public Law 95-495.

16 USC 2101 note.

92 Stat. 1652.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for liquidation of obligations incurred in the preceding fiscal year for forest fire protection and emergency rehabilitation, including administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", and "Construction and Land Acquisition", and up to $3,000,000 but not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, $1,007,074,000, of which $223,278,000 for reforestation, timber stand improvement, cooperative law enforcement, and maintenance of forest development roads and trails shall remain available for obligation until September 30, 1983.

42 USC note prec. 2711.

CONSTRUCTION AND LAND ACQUISITION

For necessary expenses of the Forest Service, not otherwise provided for, for construction and land acquisition, $265,101,000, to remain available until expended, of which $20,693,000 is for construction and acquisition of buildings and other facilities; and $244,408,000 is for construction of forest roads and trails by the Forest Service: *Provided,* That $78,700,000 available under the Act of March 4, 1913 (16 U.S.C. 501), shall be transferred to the General Fund of the Treasury of the United States: *Provided further,* That $1,485,000 shall be available for construction of the Bald Mountain Road in the Siskiyou National Forest: *Provided further,* That section 9 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (Public Law 93-378, as amended), is amended by deleting all of the sentence after the word "benefits" and inserting in lieu thereof, the following: ": *Provided,* That limitations on the level of obligations for construction of forest roads by timber purchasers shall be established in annual appropriation Acts.": *Provided further,* That no more than $242,542,000 shall be obligated for the construction of forest roads by timber purchasers.

16 USC 1608.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Forest Service, $27,356,000, to be derived from the Land and Water Conservation Fund, to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

For acquisition of land within the exterior boundaries of the Cache National Forest, Utah; Uinta and Wasatch National Forests, Utah; Toiyabe National Forest, Nevada; Angeles National Forest, California; and, San Bernardino and Cleveland National Forests, California, as authorized by law, $754,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands in accordance with the Act of December 4, 1967 (16 U.S.C. 484a), all funds deposited by public school authorities pursuant to that Act, to remain available until expended.

RANGELAND IMPROVEMENTS

For necessary expenses of range rehabilitation, protection, and improvement in accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-579, as amended, 50 per centum of all moneys received during the prior fiscal year, and not less than $1,000,000 of unexpended balances from prior year receipts, as fees for grazing domestic livestock on lands in National Forests in the sixteen western States, to remain available until expended.

43 USC 1751.

TIMBER SALVAGE SALES

Funds previously appropriated under this head may be recovered from receipts deposited on the applicable National Forest. Such funds, when recovered, may be expended and recovered on any National Forest.

MISCELLANEOUS TRUST FUNDS

For expenses authorized by 16 U.S.C. 1643(b), $90,000, to remain available until expended, to be derived from the fund established pursuant to 16 U.S.C. 1643(b).

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 271 passenger motor vehicles of which 6 will be used primarily for law enforcement purposes and of which 250 shall be for replacement only, acquisition of 92 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 4 for replacement only, and acquisition of 50 aircraft from excess sources; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); (d)

purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); and (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, and National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System limitation for the emergency rehabilitation of burned-over lands under its jurisdiction.

Appropriations and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

Funds available under the Act of March 4, 1913 (16 U.S.C. 501), may be merged with and made a part of the Construction and Land Acquisition and/or the National Forest System appropriations.

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

DEPARTMENT OF ENERGY

ALTERNATIVE FUELS PRODUCTION

The provisions in the next to last paragraph under this head in the Supplemental Appropriations and Rescission Act, 1980 (Public Law 96-304), regarding transfer of projects to the Synthetic Fuel Corporation from the Department of Energy shall not apply to any demonstration projects authorized pursuant to the Federal Nonnuclear Energy Research and Development Act, as amended (Public Law 93-577).

42 USC 5915 note.
94 Stat. 880.
42 USC 5901 note.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), sections 302(b), 302(c) and 303(c) of which are hereby repealed, $431,100,000, to remain available until expended: *Provided*, That no part of the sum herein appropriated shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

42 USC 7152, 7153.

FOSSIL ENERGY CONSTRUCTION

For necessary expenses in connection with the purchase and construction of fossil energy plants, including the acquisition of interests, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, $4,000,000, to remain available until expended: *Provided*, That funds deferred under this head in the Supplemental Appropriations and Rescission Act, 1981 (Public Law 97-12), and further deferred (D82-9) in the special message transmitted by the President to the

Ante, p. 47.

31 USC 1403.

Congress on October 1, 1981, under section 1013 of the Impoundment Control Act of 1974 (Public Law 93-344), shall be used for continuing design of the Solvent Refined Coal-I (SRC-I) demonstration facility (Project No. 78-2-d) and that deferral (D82-9) is hereby disapproved.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserves activities, $222,023,000, to remain available until expended.

ENERGY CONSERVATION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out energy conservation activities, $161,490,000 and $172,608,000 to be derived from "Fossil Energy Construction", Department of Energy, and $400,000 to be derived from "Energy production, demonstration, and distribution", Department of Energy, to remain available until expended: *Provided,* That the indebtedness guaranteed or committed to be guaranteed under section 10 of the Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1976, as amended (15 U.S.C. 2509), shall not exceed the aggregate of $16,000,000.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $23,900,000: *Provided,* That none of the funds herein appropriated shall be available to pay the expenses of parties intervening in regulatory proceedings before the Economic Regulatory Administration: *Provided further,* That of the funds deferred under this head in the Supplemental Appropriations and Rescission Act, 1981 (Public Law 97-12), $5,000,000 shall be available for the Federal coal conversion program, of which $4,500,000 shall be available only for expenses in issuing prohibition orders under the Powerplant and Industrial Fuel Use Act and other related laws.

Ante, p. 47.

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), $199,408,000, to remain available until expended.

42 USC 6231-6246.

SPR PETROLEUM ACCOUNT

The aggregate amount that may be obligated under section 167 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), for the acquisition and transportation of petroleum, and for other necessary expenses, is $3,684,000,000, to remain available until expended.

Ante, p. 619.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, $82,207,000.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations to the Department of Energy under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From this appropriation, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided,* That (1) revenues received from the sale of any products produced in facilities other than demonstration plants operated as part of Department of Energy programs appropriated under this Act shall be covered into the Treasury as miscellaneous receipts; and (2) revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with demonstration plant projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further,* That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further,* That any contract, agreement or provision thereof entered into by the Secretary pursuant to this authority shall be submitted to the Senate Committee on Appropriations and the House Committee on Appropriations and a period of thirty days shall elapse while Congress is in session (in computing the thirty days, there shall be excluded the days on which either the Senate or the House is not in session because of adjournment for more than three days) before the contract, agreement or provision thereof shall become effective, except that such committees, after having received the proposed contract, agreement or provision thereof, may, by separate resolutions in writing, waive the condition of all or any portion of such thirty-day period.

Contracts, submittal to congressional committees.

Where the Secretary has the legal authority under other provisions of law, including other provisions of this Act, to undertake projects for the design, construction, or operation of Government-owned facilities for developing or demonstrating the conversion of coal into gaseous, liquid, or solid hydrocarbon products, the Secretary may use the authority contained in Public Law 85-804 (50 U.S.C. 1431-1435), with respect to such contracts or agreements for or related to such projects: *Provided,* That any contract, agreement, or provision thereof entered into by the Secretary using the authority of Public Law 85-804 shall be submitted to the Senate Committee on Appropriations and the House Committee on Appropriations and a period of thirty days shall elapse while Congress is in session (in computing the thirty days, there shall be excluded the days on which either the Senate or the House is not in session because of adjournment for more than three days) before the contract, agreement or provision thereof

Coal conversion.

Contracts, submittal to congressional committees.

shall become effective, except that such committees, after having received the proposed contract, agreement or provision thereof, may, by separate resolutions in writing, waive the condition of all or any portion of such thirty-day period. The notification required herein shall be in lieu of the notification requirements of Public Law 85-804.

Notification.
50 USC 1431.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH SERVICES ADMINISTRATION

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and V and section 757 of the Public Health Service Act, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary, $624,630,000: *Provided,* That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until September 30, 1983. Funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further,* That the first $5,000,000 of the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be used to carry out the purposes for which this appropriation is made and any additional collections shall be available until September 30, 1983, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further,* That funding contained herein, and in any earlier appropriations Act, for scholarship programs under section 103 of the Indian Health Care Improvement Act and section 757 of the Public Health Service Act shall remain available for expenditure until September 30, 1983.

42 USC 2001-2004b.
25 USC 450 note.
25 USC 1601 note.
42 USC 241, 219, 294y-1.

42 USC 1395f, 1395n, 1395qq and notes, 1396j and notes, 1396d; 25 USC 1671 note.
42 USC 1395, 1396.

25 USC 1613.
42 USC 294y-1.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites; purchase and erection of portable buildings, purchase of trailers, and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, $49,117,000, to remain available until expended.

25 USC 450 note.
25 USC 1601 note.

ADMINISTRATIVE PROVISIONS, HEALTH SERVICES ADMINISTRATION

Appropriations in this Act to the Health Services Administration, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, for uniforms or allowances therefor

as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided,* That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriations Acts: *Provided further,* That non-Indian patients may be extended health care at the Talihina Hospital in Talihina, Oklahoma, and the Zuni-Ramah Indian Health Service Unit in Zuni, New Mexico, if such care can be extended without impairing the ability of the Indian Health Service to fulfill its responsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act: *Provided further,* That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further,* That employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment.

42 USC 1395f, 1395n, 1395qq and notes, 1396j and notes, 1396d.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For carrying out, to the extent not otherwise provided, Part A ($57,250,000), and Parts B and C ($20,930,000) of the Indian Education Act, and the General Education Provisions Act, $81,096,000: *Provided,* That no funds shall be obligated for expenses of the Office of the Director of Indian Education after March 1, 1982, until the Secretary of Education has submitted to the Congress his report and recommendations on the study and analysis of the definition of the term "Indian" as required by section 453 of the Indian Education Act (86 Stat. 345), as amended (20 U.S.C. 1221h).

86 Stat. 334, 339, 342, 20 USC 1221.

Report and recommendations to Congress.

NAVAJO AND HOPI INDIAN RELOCATION COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Navajo and Hopi Indian Relocation Commission as authorized by Public Law 93-531, $10,481,000 for operating expenses of the Commission.

25 USC 640d—640d-24.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed ten

years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 3 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; $133,823,000: *Provided,* That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further,* That none of these funds shall be available to a Smithsonian Research Foundation.

MUSEUM PROGRAMS AND RELATED RESEARCH

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States, for necessary expenses for carrying out museum programs, scientific and cultural research, and related educational activities, as authorized by law, $4,500,000, to remain available until expended and to be available only to United States institutions: *Provided,* That this appropriation shall be available, in addition to other appropriations to the Smithsonian Institution, for payments in the foregoing currencies: *Provided further,* That none of these funds shall be available to a Smithsonian Research Foundation: *Provided further,* That not to exceed $500,000 may be used to make grant awards to employees of the Smithsonian Institution.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $1,150,000, to remain available until expended.

RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of restoration and renovation of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, $8,000,000, to remain available until expended.

20 USC 53a.

CONSTRUCTION

For necessary expenses to construct a building for the Museum of African Art and a gallery for Eastern art together with structures for related educational activities in the area south of the original Smithsonian Institution Building, including not to exceed $50,000 for services as authorized by 5 U.S.C. 3109, $1,000,000, to remain available until expended.

SALARIES AND EXPENSES, NATIONAL GALLERY OF ART

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the

20 USC 71.
53 Stat. 577.

general public; purchase, repair, and cleaning of uniforms for guards and elevator operators, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and not to exceed $70,000 for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $31,057,000, of which not to exceed $3,850,000 for the repair, renovation, and restoration program of the original West Building shall remain available until expended.

SALARIES AND EXPENSES, WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356), including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $1,950,000. 20 USC 80e note.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

SALARIES AND EXPENSES

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $119,000,000 of which $107,635,000 shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, of which not less than 20 per centum of the funds provided for section 5(c) shall be available for assistance pursuant to section 5(g) of the Act, and $11,365,000 shall be available for administering the functions of the Act. 20 USC 951 note. 20 USC 954.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $30,000,000, to remain available until September 30, 1983, to the National Endowment for the Arts, of which $15,000,000 shall be available for purposes of section 5(1): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated. 20 USC 959. 20 USC 954. 20 USC 960.

NATIONAL ENDOWMENT FOR THE HUMANITIES

SALARIES AND EXPENSES

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, $106,000,000 of 20 USC 951 note.

which $94,200,000 shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, of which not less than 20 per centum shall be available for assistance pursuant to section 7(f) of the Act, and $11,800,000 shall be available for administering the functions of the Act.

20 USC 956.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $30,000,000, to remain available until September 30, 1983, of which $21,600,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided,* That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years, for which equal amounts have not previously been appropriated.

20 USC 959.
20 USC 956.
20 USC 960.

INSTITUTE OF MUSEUM SERVICES

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $12,000,000: *Provided,* That none of these funds shall be available for the compensation of Executive Level V or higher positions: *Provided further,* That notwithstanding section 203 of the Museum Services Act, as amended, the Institute of Museum Services is established as an entity within the National Foundation on the Arts and the Humanities.

20 USC 961.
20 USC 962.

ADMINISTRATIVE PROVISION

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $303,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 94-422, $1,632,000: *Provided,* That none of these funds shall be available for the compensation of Executive Level V or higher positions.

16 USC 460*l*-5, 460*l*-7—460*l*-10, 460*l*-10d, 470b, 470c, 470f, 470h, 470i, 470*l*—470t. 5 USC 5316, 30 USC 191.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $2,361,000.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $30,000, to remain available for obligation until September 30, 1983.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,340,000 for operating and administrative expenses of the Corporation. 40 USC 885.

LAND ACQUISITION AND DEVELOPMENT FUND

The Pennsylvania Avenue Development Corporation is authorized to borrow from the Treasury of the United States $2,500,000, pursuant to the terms and conditions specified in paragraph 10, section 6, of Public Law 92-578. 40 USC 875.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, $14,200,000 to remain available for obligation until expended. 40 USC 885.

FEDERAL INSPECTOR FOR THE ALASKA GAS PIPELINE

PERMITTING AND ENFORCEMENT

For necessary expenses of the Federal Inspector for the Alaska Gas Pipeline, $28,568,000, of which not to exceed $3,000 may be used for official reception and representation expenses.

HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, $800,000. 36 USC 1401-1408.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser:

89-194 O—82——91 : QL3

Provided, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

SEC. 303. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided,* That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 304. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete, in accordance with 18 U.S.C. 1913.

SEC. 305. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation and enforcement.

SEC. 306. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 307. No part of any appropriation contained in this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 308. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 309. None of the funds provided in this Act to any department or agency shall be obligated or expended to purchase passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated m.p.g. average of less than 22 miles per gallon.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4035:

HOUSE REPORTS: No. 97-163 (Comm. on Appropriations) and No. 97-315 (Comm. of Conference).
SENATE REPORT No. 97-166 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 13, 21, 22, considered and passed House.
Oct. 23, 26, 27, considered and passed Senate, amended.
Nov. 12, House agreed to conference report; concurred in certain Senate amendments.
Dec. 10, Senate agreed to conference report; concurred in House amendments with an amendment; House concurred in Senate amendment.

Public Law 97-101
97th Congress

An Act

Making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 23, 1981
[H.R. 4034]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, and for other purposes, namely:**

Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1982.

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

The amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and heretofore approved in annual appropriation Acts, is increased by $916,233,800 of which $25,112,000 shall be for assistance in financing the development or acquisition cost of low-income housing for Indian families as authorized by section 5(c) of the aforementioned Act and of which $75,000,000 shall be for the modernization of existing low-income housing projects: *Provided,* That budget authority obligated under such contracts shall be increased above amounts heretofore provided in annual appropriation Acts by $17,939,370,000: *Provided further,* That of the budget authority provided herein, $2,354,400,000 shall be allocated for public housing new construction other than for low-income housing for Indian families: *Provided further,* That any balances of authorities remaining at the end of fiscal year 1981 shall be added to and merged with the authority provided herein and made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1982, except that $15,000,000 of contract authority for modernization of existing low-income housing projects and $300,000,000 of budget authority which were deferred from obligation in the Supplemental Appropriations and Rescission Act, 1981, Public Law 97-12, shall be available after September 30, 1981, in accordance with the Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1981, Public Law 96-526.

Ante, p. 14.

94 Stat. 3044.

RENT SUPPLEMENT

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), is reduced in fiscal year 1982 by not more than $30,500,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts.

HOUSING PAYMENTS

For the payment of annual contributions, not otherwise provided for, in accordance with section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c); for payments authorized by title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749 et seq.); for rent supplement payments authorized by section 101 of the Housing and Urban Development Act of 1965, as amended (12 U.S.C. 1701s); and for payments as authorized by sections 235 and 236 of the National Housing Act, as amended (12 U.S.C. 1715z, 1715z-1), $8,759,000,000.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

In 1982, $830,848,000 of gross loan commitments may be made under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q), utilizing collections and other resources of the fund authorized by subsection (a)(4) of such section, in accordance with paragraph (C) of such subsection, and up to $20,000,000 of additional gross 1982 loan commitments may be made from prior year commitments canceled in 1982: *Provided*, That such commitments shall be available only to qualified nonprofit sponsors for the purpose of providing 100 per centum loans for the development of housing for the elderly or handicapped, with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time: *Provided further*, That the full amount shall be available for permanent financing (including construction financing) for housing projects for the elderly or handicapped: *Provided further*, That the Secretary may borrow from the Secretary of the Treasury in such amounts as are necessary to provide the loans authorized herein: *Provided further*, That, notwithstanding any other provision of law, the receipts and disbursements of the aforesaid fund shall be included in the totals of the Budget of the United States Government.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS—FISCAL YEAR 1981

For an additional amount for "Payments for operation of low-income housing projects", $148,000,000, to remain available until December 31, 1981.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $1,204,600,000.

TROUBLED PROJECTS OPERATING SUBSIDY

For assistance payments to owners of eligible multifamily housing projects insured, or formerly insured, under the National Housing Act, as amended, in the program of operating subsidies for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, $4,000,000, together with all unobligated balances of excess rental charges and with any collections after September 30, 1981, to remain available until September 30, 1983: *Provided,* That assistance payments to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development.

12 USC 1701.

42 USC 5301 note.

HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106(a)(1)(iii) and section 106(a)(2) of the Housing and Urban Development Act of 1968, as amended, $5,000,000.

12 USC 1701x.

FEDERAL HOUSING ADMINISTRATION FUND

For payment to cover losses, not otherwise provided for, sustained by the Special Risk Insurance Fund and the General Insurance Fund as authorized by the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), $222,148,000, to remain available until expended.

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the National Housing Act, as amended.

During 1982, additional commitments to guarantee loans to carry out the purposes of the National Housing Act, as amended, shall not exceed $40,000,000,000.

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the low-rent public housing loan fund.

During 1982, total commitments to guarantee loans are authorized in such amounts as may be necessary to carry out the purposes of the low-rent public housing loan fund.

NONPROFIT SPONSOR ASSISTANCE

During 1982, within the resources and authority available, gross obligations for the principal amounts of direct loans shall not exceed $2,590,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SPECIAL ASSISTANCE FUNCTIONS FUND

During 1982, within the resources and authority available, gross obligations for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), shall not exceed $1,973,000,000, which may be financed with collections received in 1982, and additional obligations are authorized in such amounts as are necessary for increases to prior year commitments.

PAYMENT OF PARTICIPATION SALES INSUFFICIENCIES

For the payment of such insufficiencies as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations in assets of the Department of Housing and Urban Development (including the Government National Mortgage Association) authorized by the Independent Offices and Department of Housing and Urban Development Appropriation Act, 1968, to be issued pursuant to section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717), $1,964,000.

81 Stat. 341.

EMERGENCY MORTGAGE PURCHASE ASSISTANCE

During 1982, within the resources and authority available, gross obligations for the principal amounts of direct loans are authorized in such amounts as are necessary for increases to prior year commitment contracts.

GUARANTEES OF MORTGAGE-BACKED SECURITIES

During 1982, additional commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721g), shall not exceed $68,250,000,000.

12 USC 1721.

SOLAR ENERGY AND ENERGY CONSERVATION BANK

ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

For financial assistance and other expenses, not otherwise provided for, to carry out the provisions of the Solar Energy and Energy Conservation Bank Act of 1980 (12 U.S.C. 3601), $25,000,000, to remain available until September 30, 1983.

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $3,666,000,000, to remain available until September 30, 1984: *Provided,* That not to exceed 20 per centum of any grant made pursuant to section 103(a) of title I of the Housing and Community Development Act of 1974, as amended, shall be expended for "Planning and Management Development" and "Administra-

42 USC 5303.

tion" as defined in regulations promulgated by the Department of Housing and Urban Development.

During 1982, total commitments to guarantee loans, as authorized by section 108 of the aforementioned Act, shall not exceed $225,000,000 of contingent liability for loan principal. 42 USC 5308.

URBAN DEVELOPMENT ACTION GRANTS

For grants pursuant to section 103(c) of title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $500,000,000, to remain available until September 30, 1985. Funds heretofore provided in Public Law 95-392, Public Law 96-103, and Public Law 96-526 for grants pursuant to section 103(c) shall remain available for obligation for one year after the date on which the authority to obligate such funds would otherwise expire. 42 USC 5303. 92 Stat. 791, 93 Stat. 771, 94 Stat. 3044.

REHABILITATION LOAN FUND

During 1982, collections, unexpended balances of prior appropriations (including any recoveries of prior reservations) and any other amounts in the revolving fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b), after September 30, 1981, are available for commitments for loans and operating costs and the capitalization of delinquent interest on delinquent or defaulted loans.

URBAN RENEWAL PROGRAMS

During 1982, within the resources available, obligations for direct loans and commitments to guarantee loans are authorized in such amounts as may be necessary in connection with previously approved urban renewal projects.

NEW COMMUNITY DEVELOPMENT CORPORATION

NEW COMMUNITIES FUND

For the redemption of new community debentures and related expenses, authorized by section 713, Housing and Urban Development Act of 1970, as amended (42 U.S.C. 4514), and section 403, Housing and Urban Development Act of 1968, as amended (42 U.S.C. 3902), such sums as may be necessary, to be financed as provided by section 717, Housing and Urban Development Act of 1970, as amended (42 U.S.C. 4518).

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $23,000,000, to remain available until September 30, 1983. 5 USC app.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ASSISTANCE

42 USC 3601.

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended, $5,700,000, to remain available until September 30, 1983.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $3,000 for official reception and representation expenses, $590,416,000, of which $266,752,000 shall be provided from the various funds of the Federal Housing Administration.

WORKING CAPITAL FUND

42 USC 3535.

For additional capital for the fund established pursuant to section 7(f) of the Department of Housing and Urban Development Act of 1965 (79 Stat. 670), $600,000.

TITLE II

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; $10,507,000: *Provided,* That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further,* That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further,* That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it.

36 USC 121b.

36 USC 122.

36 USC 122a.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including rent in the District of Columbia, hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed $500 for official reception and representation expenses, $32,983,000: *Provided,* That funds provided by this appropriation for laboratories shall be available only for the acquisition or conversion of existing laboratories.

DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, $5,086,000, to remain available until expended: *Provided,* That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; and not to exceed $3,000 for official reception and representation expenses; $583,747,000: *Provided,* That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913).

RESEARCH AND DEVELOPMENT

For research and development activities, $181,250,700, to remain available until September 30, 1983.

ABATEMENT, CONTROL AND COMPLIANCE

For abatement, control and compliance activities, $421,840,500, to remain available until September 30, 1983: *Provided,* That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913) or for support to State, regional, local and interstate agencies in accordance with subtitle D of the Solid Waste Disposal Act, as amended, other than section 4008(a)(2) or 4009.

42 USC 6941, 6948, 6949.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment of facilities of or used by the Environmental Protection Agency, $4,115,000, to remain available until expended.

PAYMENT TO THE HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

42 USC 9631.

For payment to the Hazardous Substance Response Trust Fund as authorized by Public Law 96-510, $28,000,000.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

42 USC 9611.

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4), $200,000,000, to be derived from the Hazardous Substance Response Trust Fund, to remain available until expended: *Provided*, That not to exceed $41,640,000 shall be available for administrative expenses. Funds appropriated under this account may be allocated to other Federal agencies in accordance with section 111(a) of Public Law 96-510.

CONSTRUCTION GRANTS

33 USC 1283.

For liquidation of obligations incurred pursuant to authority contained in section 203 of the Federal Water Pollution Control Act, as amended, $1,000,000,000, to remain available until expended.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

42 USC 4321 note.
42 USC 4371 note, 5 USC app.

For necessary expenses of the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91-190), the Environmental Quality Improvement Act of 1970 (Public Law 91-224), and Reorganization Plan No. 1 of 1977, including not to exceed $500 for official reception and representation expenses, and hire of passenger motor vehicles, $1,044,000.

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed $1,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $1,793,000.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

For necessary expenses in carrying out the functions of the Disaster Relief Act of 1970, as amended (42 U.S.C. 4401), and the Disaster Relief Act of 1974, as amended (42 U.S.C. 5121 et seq.), $369,000,000, to remain available until expended.

42 USC 4401 note.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire of passenger motor vehicles; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $500 for official reception and representation expenses; $83,369,000.

STATE AND LOCAL ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), $134,789,000.

EMERGENCY PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 et seq.), the Urban Property Protection and Reinsurance Act of 1968, as amended, and the National Insurance Development Act of 1975 (12 U.S.C. 1749bbb et seq.), the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 278f and 2201 et seq.), the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, $65,456,000.

12 USC 1701 note.

5 USC app.

NATIONAL FLOOD INSURANCE FUND

For repayment under notes dated April 17, 1979, and September 28, 1979, issued by the Director of the Federal Emergency Management Agency to the Secretary of the Treasury pursuant to section 15(e) of the Federal Flood Insurance Act of 1956, as amended (42 U.S.C. 2414(e)), $373,000,000. Operating expenses of the National Flood

Insurance program shall not exceed $34,927,000 in fiscal year 1982 without the approval of the Committees on Appropriations.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $1,344,000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $2,000,000.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; and including not to exceed (1) $75,000,000 for Space Transportation Systems Upper Stages, (2) $40,000,000 for Space Transportation Systems Operations—Upper Stages, (3) $119,500,000 for the Space Telescope, (4) $10,000,000 for Venus Orbiting Imaging Radar, (5) $8,000,000 for the Gamma Ray Observatory, (6) $108,000,000 for Project Galileo, (7) $83,900,000 for Landsat D, (8) $2,194,000,000 for the Space Shuttle, and (9) $110,700,000 for Spacelab, without the approval of the Committees on Appropriations, $4,973,100,000, to remain available until September 30, 1983: *Provided,* That none of these funds shall be used to support the definition and development of techniques to analyze extraterrestrial radio signals for patterns that may be generated by intelligent sources.

CONSTRUCTION OF FACILITIES

For construction, repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Aeronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, $99,800,000, to remain available until September 30, 1984: *Provided,* That, notwithstanding the limitation on the availability of funds appropriated under this head by this appropriation Act, when any activity has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; purchase (for replacement only, of one aircraft, for which partial payment may be made by exchange of at least one existing administrative aircraft and such other existing aircraft as may be considered appropriate), hire, maintenance and operation of administrative aircraft; purchase (not to exceed twenty-four for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of $75,000 per project for construction of new facilities and additions to existing facilities, repairs, and rehabilitation and modification of facilities; $1,114,300,000: *Provided,* That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further,* That not to exceed $25,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

NATIONAL CONSUMER COOPERATIVE BANK

SELF-HELP DEVELOPMENT

For advances by the Office of Self-Help Development and Technical Assistance as authorized by section 202 of the National Consumer Cooperative Bank Act (12 U.S.C. 3042), $5,000,000, to remain available until September 30, 1983.

During 1982, within the resources and authority available, gross obligations for the amount of direct loans shall not exceed $14,000,000.

NATIONAL CONSUMER COOPERATIVE BANK FUND

During 1982, within the resources available, the principal amount of direct loans outstanding shall not exceed $260,000,000.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

For emergency lending to the Central Liquidity Facility by the Secretary of the Treasury in the event of insufficient funds to meet liquidity needs of credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), $100,000,000, to remain available until expended: *Provided,* That the amount which may be borrowed, from the public or any other source except the Secretary of the Treasury, by the Central Liquidity Facility shall not exceed $600,000,000: *Provided further,* That administrative expenses of the Central Liquidity Facility in fiscal year 1982 shall not exceed $1,641,000.

During 1982, within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $4,400,000,000.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SALARIES AND EXPENSES

For payment to the National Institute of Building Sciences as authorized by section 809 of the Housing and Community Development Act of 1974, as amended (12 U.S.C. 1701j-2), $1,500,000.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services as authorized by 5 U.S.C. 3109; lease of one aircraft with option to purchase; maintenance and operation of aircraft and purchase of flight services for research support; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; not to exceed $63,200,000 for program development and management; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; $1,040,000,000, to remain available until September 30, 1983: *Provided,* That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further,* That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: *Provided further,* That not more than $184,600,000 shall be available for biological behavioral, and social sciences.

SCIENCE EDUCATION ACTIVITIES

For necessary expenses in carrying out science education programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including award of graduate fellowships, services as authorized by 5 U.S.C. 3109, and rental of conference rooms in the District of Columbia, $27,450,000: *Provided,* That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, $3,500,000, to remain available until September 30, 1983: *Provided,* That this appropriation shall be available in addition to other

appropriations to the National Science Foundation, for payments in the foregoing currencies.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), $14,450,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed $500 for official reception and representation expenses; $20,000,000: *Provided,* That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense: *Provided further,* That if continuous registration is suspended, obligations for each succeeding month in the fiscal year shall not exceed $1,000,000 per month: *Provided further,* That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

31 USC 665.

DEPARTMENT OF THE TREASURY

PAYMENTS TO STATE AND LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND

For payments to the State and Local Government Fiscal Assistance Trust Fund, as authorized by the State and Local Fiscal Assistance Act of 1972, as amended (31 U.S.C. 1221-1263), $4,566,700,000.

OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES

For necessary expenses of the Office of Revenue Sharing, including hire of passenger motor vehicles, $6,986,000.

NEW YORK CITY LOAN GUARANTEE PROGRAM

For necessary administrative expenses as authorized by the New York City Loan Guarantee Act of 1978 (Public Law 95-415), $934,000. Total commitments issued during 1982 to guarantee principal and interest on loans shall not exceed $755,898,000 of contingent liability for loan principal.

31 USC 1521 note.

INVESTMENT IN NATIONAL CONSUMER COOPERATIVE BANK

For the purchase of class A stock issued by the National Consumer Cooperative Bank as authorized by section 104 of the National Consumer Cooperative Bank Act (12 U.S.C. 3014), $47,000,000, to remain available until September 30, 1983.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, $12,881,600,000, to remain available until expended.

50 USC app. 540.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, 32, 34-36, 39, 51, 53, 55, and 61), $1,658,000,000, to remain available until expended: *Provided*, That this appropriation is hereby reduced by $19,700,000 through the elimination of payments for flight and correspondence training benefits, except for those persons enrolled in flight training on August 31, 1981, and correspondence training on September 30, 1981, and who remain continuously thereafter so enrolled and meet the applicable requirements of eligibility.

38 USC 801 *et seq.*, 1501 *et seq.*, 1601 *et seq.*, 1651-1770 *et seq.*, 1901 *et seq.*, 3001 *et seq.*, 3101 *et seq.*, 3201 *et seq.*, 3501 *et seq.*

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, and service-disabled veterans insurance, as authorized by law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487), $8,500,000, to remain available until expended.

38 USC 701 *et seq.*

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Veterans insurance and indemnities fund".

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); and aid to State homes as authorized by law (38 U.S.C. 641); $6,966,418,000, plus reimbursements.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until September 30, 1983, $150,699,000, plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, and for carrying out the provisions of section 5055, title 38, United States Code, relating to pilot programs and grants for exchange of medical information, $62,400,000, plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $3,000 for official reception and representation expenses; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles, for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; $659,512,000.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is $2,000,000 or more or where funds for a project were made available in a previous major project appropriation, $434,603,000, to remain available until expended: *Provided,* That, except for advance planning of projects funded through the Advance Planning Fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves $35,961,000 of the proposed deferral D81-98 relating to the Veterans Administration, Construction, major projects, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, where the estimated cost of a project is less than $2,000,000, $110,000,000, to remain available until expended, along with unobligated balances of previous Construction, minor projects appropriations which are hereby made available for any project where the estimated cost is less than $2,000,000: *Provided,* That not

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more than $30,279,000 shall be available for expenses of the Office of Construction.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 5031-5037), $18,000,000, to remain available until September 30, 1984.

LOAN GUARANTY REVOLVING FUND

During 1982, the Loan guaranty revolving fund shall be available for expenses for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations, as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title): *Provided,* That the unobligated balances including retained earnings of the Direct loan revolving fund shall be available, during 1982, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

38 USC 1801 *et seq.*
38 USC 1824.

During 1982, within the resources available, gross obligations for direct loans and total commitments to guarantee loans are authorized in such amounts as may be necessary to carry out the purposes of the "Loan guaranty revolving fund".

DIRECT LOAN REVOLVING FUND

During 1982, within the resources available, gross obligations for direct loans are authorized only for specially adapted housing loans and obligations for such loans shall not exceed $1,000,000 (38 U.S.C. chapter 37).

SERVICE-DISABLED VETERANS INSURANCE FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Service-disabled veterans insurance fund" (38 U.S.C. chapter 19).

38 USC 701 *et seq.*

VETERANS REOPENED INSURANCE FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Veterans reopened insurance fund" (38 U.S.C. chapter 19).

EDUCATION LOAN FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Education loan fund" (38 U.S.C. chapters 32, 34, 35 and 36).

38 USC 1601 *et seq.*, 1651 *et seq.*, 1700 *et seq.*, 1770 *et seq.*

VOCATIONAL REHABILITATION REVOLVING FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Vocational rehabilitation revolving fund" (38 U.S.C. chapter 31).

38 USC 1501 *et seq.*

NATIONAL SERVICE LIFE INSURANCE FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "National service life insurance fund" (38 U.S.C. chapter 19).

38 USC 701 *et seq.*

UNITED STATES GOVERNMENT LIFE INSURANCE FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "United States Government life insurance fund" (38 U.S.C. chapter 19).

VETERANS SPECIAL LIFE INSURANCE FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the "Veterans special life insurance fund" (38 U.S.C. chapter 19).

ADMINISTRATIVE PROVISIONS

Not to exceed 5 per centum of any appropriation for 1982 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for 1982 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects" and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

TITLE III

CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development and the Federal Home Loan Bank Board which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and

31 USC 841 note.

31 USC 849.

commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1982 for such corporation or agency except as hereinafter provided: *Provided,* That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriation Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of $59,860,000 shall be available for expenses of the Federal Home Loan Bank Board, which amount shall include nonadministrative expenses for the examination and supervision of Federal and State-chartered institutions in an amount not to exceed $37,540,000, including $500,000 which shall be available only for purposes of training State examiners, and administrative expenses in an amount not to exceed $22,320,000, and said total amount shall be available for procurement of services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902), and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year and prior fiscal years, and the Board may utilize and may make payment for services and facilities of the Federal home loan banks, the Federal Reserve Banks, the Federal Savings and Loan Insurance Corporation, the Federal Home Loan Mortgage Corporation, and other agencies of the Government (including payment for office space): *Provided,* That expenses for special examinations of Federal and State-chartered institutions determined by the Board to be necessary, all necessary expenses in connection with the conservatorship or liquidation of institutions insured by the Federal Savings and Loan Insurance Corporation, liquidation or handling of assets of or derived from such insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of such insured institutions, or activities relating to section 5A(f) or 6(i) of the Federal Home Loan Bank Act, section 5(d) of the Home Owners' Loan Act of 1933, section 12(i) of the Securities Exchange Act of 1934, or section 406(c), 407, or 408 of the National Housing Act and all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the handling, including the purchase, sale, and exchange, of securities on behalf of Federal home loan banks, and the sale, issuance, and retirement of, or payment of interest on, debentures or bonds, under the Federal Home Loan Bank Act, as amended, shall be excluded from the above limitations: *Provided further,* That members and alternates of the Federal Savings and Loan Advisory Council shall be entitled to reimbursement from the Board as approved by the Board for transportation expenses incurred in attendance at meetings of or

12 USC 1425a, 1426.
12 USC 1464, 15 USC 78*l*.
12 USC 1729-1730a.

12 USC 1421.
12 USC 1428a note.

concerned with the work of such Council and may be paid in lieu of subsistence per diem not to exceed the dollar amount set forth in 5 U.S.C. 5703: *Provided further,* That not to exceed $1,500 shall be available for official reception and representation expenses: *Provided further,* That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of July 22, 1932, as amended (12 U.S.C. 1421-1449).

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed $1,030,000 shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expenditures, expenses in connection with liquidation of insured institutions or activities relating to section 406(c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the Government: *Provided,* That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730f). 12 USC 1729-1730a.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND

During 1982, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purpose of 12 U.S.C. 1729(f).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided,* That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Disaster Relief Act of 1974; or to payments to interagency motor pools where separately set forth in the budget schedules. Travel expenses. 42 USC 5121 note.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

Legal services.
31 USC 841 note.
12 USC 1749a.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such an audit.

Prohibition of certain government transportation.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitations.

Research projects.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: *Provided,* That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the maximum rate paid for GS-18, unless specifically authorized by law.

5 USC 5332 note.

SEC. 409. No part of any appropriation contained in this Act for personnel compensation and benefits shall be available for other object classifications set forth in the budget estimates submitted for the appropriations without the approval of the Committees on Appropriations.

SEC. 410. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

Consulting service contracts. Public record availability.

SEC. 411. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 412. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared and (B) the contractor who prepared the report pursuant to such contract.

SEC. 413. No part of any appropriation contained in this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 414. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 415. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

TITLE V

SEC. 501. Notwithstanding any other provision of this Act—

(1) The amount of the increase in contract authority under the heading "HOUSING PROGRAMS, ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING", shall be $897,177,848, and the amount of the increase in budget authority under such heading shall be $17,373,528,040.

(2) The amount appropriated under the heading "HOUSING PROGRAMS, HOUSING COUNSELING ASSISTANCE", shall be $3,520,000.

(3) The amount appropriated under the heading "SOLAR ENERGY AND ENERGY CONSERVATION BANK, ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS", shall be $23,000,000.

(4) The amount appropriated under the heading "COMMUNITY PLANNING AND DEVELOPMENT, COMMUNITY DEVELOPMENT GRANTS", shall be $3,600,000,000.

(5) The amount appropriated under the heading "COMMUNITY PLANNING AND DEVELOPMENT, URBAN DEVELOPMENT ACTION GRANTS", shall be $458,000,000.

(6) The amount appropriated under the heading "POLICY DEVELOPMENT AND RESEARCH, RESEARCH AND TECHNOLOGY", shall be $20,000,000.

(7) The amount appropriated under the heading "FAIR HOUSING AND EQUAL OPPORTUNITY, FAIR HOUSING ASSISTANCE", shall be $5,016,000.

(8) The amount appropriated under the heading "MANAGEMENT AND ADMINISTRATION, WORKING CAPITAL FUND", shall be $528,000.

(9) The amount appropriated under the heading "DEPARTMENT OF DEFENSE—CIVIL, CEMETERIAL EXPENSES, ARMY, SALARIES AND EXPENSES", shall be $4,476,000.

(10) The amount appropriated under the heading "ENVIRONMENTAL PROTECTION AGENCY, SALARIES AND EXPENSES", shall be $562,837,000.

(11) The amount appropriated under the heading "ENVIRONMENTAL PROTECTION AGENCY, RESEARCH AND DEVELOPMENT", shall be $167,759,000.

(12) The amount appropriated under the heading "ENVIRONMENTAL PROTECTION AGENCY, ABATEMENT, CONTROL AND COMPLIANCE", shall be $395,000,000.

(13) The amount appropriated under the heading "ENVIRONMENTAL PROTECTION AGENCY, BUILDINGS AND FACILITIES", shall be $3,621,000.

(14) The amount appropriated under the heading "EXECUTIVE OFFICE OF THE PRESIDENT, COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY", shall be $919,000.

(15) The amount appropriated under the heading "EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF SCIENCE AND TECHNOLOGY POLICY", shall be $1,578,000.

(16) The amount appropriated under the heading "FEDERAL EMERGENCY MANAGEMENT AGENCY, FUNDS APPROPRIATED TO THE PRESIDENT, DISASTER RELIEF", shall be $301,694,000.

(17) The amount appropriated under the heading "FEDERAL EMERGENCY MANAGEMENT AGENCY, SALARIES AND EXPENSES", shall be $93,879,000.

(18) The amount appropriated under the heading "FEDERAL EMERGENCY MANAGEMENT AGENCY, STATE AND LOCAL ASSISTANCE", shall be $121,829,000.

(19) The amount appropriated under the heading "FEDERAL EMERGENCY MANAGEMENT AGENCY, EMERGENCY PLANNING AND ASSISTANCE", shall be $67,906,000.

(20) There are appropriated, out of any money in the Treasury not otherwise appropriated, for the repayment of notes dated April 17, 1979, and September 28, 1979, issued by the Director of the Federal Emergency Management Agency to the Secretary of the Treasury pursuant to section 15(e) of the Federal Flood Insurance Act of 1956 (42 U.S.C 2414(e)), $328,240,000.

(21) The amount appropriated under the heading "DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF CONSUMER AFFAIRS", shall be $1,760,000.

(22) The amount appropriated under the heading "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, RESEARCH AND DEVELOPMENT", shall be $4,973,100,000, of which not to exceed $3,104,900,000 shall be available for the Space Shuttle including space flight operations: *Provided,* That the limitations subject to the approval of the Committees on Appropriations contained under this heading shall not be affected by this subsection.

(23) The amount appropriated under the heading "NATIONAL SCIENCE FOUNDATION, RESEARCH AND RELATED ACTIVITIES", shall be $1,010,000,000.

(24) The amount appropriated under the heading "NATIONAL SCIENCE FOUNDATION, SCIENCE EDUCATION ACTIVITIES", shall be $22,000,000.

(25) The amount appropriated under the heading "NATIONAL SCIENCE FOUNDATION, SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)", shall be $3,080,000.

(26) The amount appropriated under the heading "SELECTIVE SERVICE SYSTEM, SALARIES AND EXPENSES", shall be $18,633,000.

(27) The amount appropriated under the heading "DEPARTMENT OF THE TREASURY, OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES", shall be $6,148,000.

(28) The amount appropriated under the heading "DEPARTMENT OF THE TREASURY, NEW YORK CITY LOAN GUARANTEE PROGRAM", shall be $822,000.

(29) The amount appropriated under the heading "VETERANS ADMINISTRATION, COMPENSATION AND PENSIONS", shall be $13,824,000,000.

(30) The amount appropriated under the heading "VETERANS ADMINISTRATION, READJUSTMENT BENEFITS", shall be $1,938,800,000.

(31) The amount appropriated under the heading "VETERANS ADMINISTRATION, MEDICAL AND PROSTHETIC RESEARCH", shall be $128,215,000.

(32) The amount appropriated under the heading "VETERANS ADMINISTRATION, MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES", shall be $57,700,000.

(33) The amount appropriated under the heading "VETERANS ADMINISTRATION, CONSTRUCTION, MAJOR PROJECTS", shall be $378,338,000.

(34) The amount appropriated under the heading "VETERANS ADMINISTRATION, CONSTRUCTION, MINOR PROJECTS", shall be $102,942,000, of which not to exceed $30,018,000 shall be available for the Office of Construction.

(35) The amount appropriated under the heading "VETERANS ADMINISTRATION, GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES", shall be $15,840,000.

(36) The amount appropriated under the heading "DEPARTMENT OF THE TREASURY, INVESTMENT IN NATIONAL CONSUMER COOPERATIVE BANK", shall be $43,000,000: *Provided,* That the final Government equity redemption date for the National Consumer Cooperative Bank shall occur on December 31, 1981.

(37) During fiscal year 1982, gross obligations of not to exceed $75,960,000 are authorized for payments under section 230(a) of the National Housing Act, as amended, from the insurance fund chargeable for benefits on the mortgage covering the property to which the payments made relate, and payments in connection with such obligations are hereby approved.

12 USC 1715u.

(38) The amount appropriated under the heading "HOUSING PROGRAMS, PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS—FISCAL YEAR 1981", shall remain available until September 30, 1982: *Provided,* That any part of the foregoing amount which has not been obligated before the forty-fifth calendar day following the enactment of this joint resolution, shall be deemed obligated notwithstanding the provisions of 31 U.S.C. 200(a).

(39) The Congress also disapproves the deferral under the heading "VETERANS ADMINISTRATION, (DISAPPROVAL OF DEFERRAL)", of the Washington, D.C., and Long Beach, Calif., projects as contained in deferral notice D82-140.

(40) Notwithstanding any other provision of this Act, including any other provision of this title, any agency may, before December 31, 1981, transfer to salaries and expenses from other sources made available to it by this Act, such amounts as may be required if the aggregate amount available for salaries and expenses, after such transfer, does not exceed the amount contained for such purposes in this Act before the application of the changes contained in title V: *Provided,* That such transfers shall be subject to the approval of the Committees on Appropriations: *Provided further,* That in the Department of Housing and Urban Development not to exceed (1) $34,000,000 shall be available for data processing services, (2) 12 full-time permanent positions and 16 staff years shall be available for the Immediate Office of the Assistant Secretary for Administration, and (3) 26 full-time permanent positions and 27 staff years shall be available for the Office of the Assistant Secretary for Legislation and Congressional Relations: *Provided further,* That in the National Aeronautics and Space Administration not to exceed (1) 150 full-time permanent positions shall be available for the Office of the Comptroller and (2) 120 full-time permanent positions shall be available for the Office of External Relations: *Provided further,* That in the Veterans Administration not to exceed (1) $1,500,000 shall be available for the Office of Planning and Program Evaluation and (2) 649 staff years shall be available for the Supply Service.

(41) Notwithstanding any other provision of this Act, section 140 of H.J. Res. 357, as passed by the Senate on November 20, 1981, shall apply to programs, projects, or activities contained in this Act: *Provided*, That section 140 shall remain in effect for the programs, projects, or activities in this Act through September 30, 1982.

This Act may be cited as the "Department of Housing and Urban Development—Independent Agencies Appropriation Act, 1982". Short title.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4034:

HOUSE REPORTS: No. 97-162 (Comm. on Appropriations) and No. 97-222 (Comm. of Conference).
SENATE REPORT No. 97-163 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 10, 17, 21, considered and passed House.
July 30, considered and passed Senate, amended.
Sept. 15, House agreed to conference report; concurred in certain Senate amendments.
Nov. 21, Senate agreed to conference report; concurred in House amendments with an amendment.
Dec. 10, House concurred in Senate amendment.

Public Law 97-102
97th Congress

An Act

Dec. 23, 1981
[H.R. 4209]

Making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

Department of Transportation and Related Agencies Appropriation Act, 1982.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes, namely:**

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Transportation, including not to exceed $27,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine, $35,100,000: *Provided,* That none of the funds in this Act shall be available for the execution of the sale or transference of any Government-owned securities of the Consolidated Rail Corporation without the prior consent of the House and Senate Committees on Appropriations.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, to remain available until expended, $7,250,000.

LIMITATION ON WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed $70,909,000 shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriation Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles, for replacement only; and recreation and welfare, $1,400,000,000, of which $244,073 shall be applied to

Capehart Housing debt reduction: *Provided,* That an additional $5,000,000 shall be derived from the National Recreational Boating Safety and Facilities Improvement Fund to implement a program of recreational boat safety, designed by the Secretary pursuant to 46 U.S.C. 1475 and for the purposes set out in Public Law 97-12: *Provided further,* That the number of aircraft on hand at any one time shall not exceed one hundred and seventy-nine exclusive of planes and parts stored to meet future attrition: *Provided further,* That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further,* That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 103 except to the extent fees are collected from yacht owners and credited to this appropriation, and, notwithstanding any other law, the Secretary may prescribe fees to recover the expenses of yacht documentation.

94 Stat. 1984, *Ante* p. 14. 14 USC 92 note.

94 Stat. 3460.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; to remain available until September 30, 1986, $400,000,000: *Provided,* That of the foregoing amount $175,000,000 shall be available only for assets deployed and dedicated in a manner to maximize their contribution to the Coast Guard's drug interdiction program.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, $12,000,000, to remain available until expended.

RETIRED PAY

For retired pay including the payment of obligations therefore otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, $279,000,000.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services, $49,483,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for basic and applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, $22,000,000, to remain available until expended: *Provided,* That there may be credited to this appropriation, funds received from State and local governments, other public authorities, private sources and foreign countries for expenses incurred for research, development, testing and evaluation.

OFFSHORE OIL POLLUTION COMPENSATION FUND

For necessary expenses to carry out the provisions of title III of the Outer Continental Shelf Lands Act Amendments of 1978 (Public Law 95-372), $5,000,000, to be derived from the Offshore Oil Pollution Compensation Fund and to remain available until expended. In addition, the Secretary of Transportation is authorized to issue to the Secretary of the Treasury, to meet the obligations of the Fund, notes or other obligations pursuant to section 302 of the Amendments in such amounts and at such times as may be necessary.

43 USC 1811.

43 USC 1812.

COAST GUARD SUPPLY FUND

To increase the capital of the Coast Guard Supply Fund, $1,320,000, to remain available until expended.

DEEPWATER PORT LIABILITY FUND

For necessary expenses to carry out the provisions of section 18 of the Deepwater Port Act of 1974 (Public Law 93-627), $5,000,000 to be derived from the Deepwater Port Liability Fund and to remain available until expended. In addition, the Secretary of Transportation is authorized to issue, and the Secretary of the Treasury is authorized to purchase, without fiscal year limitation, notes or other obligations pursuant to section 18(f)(3) of the Act in such amounts and at such times as may be necessary to meet the obligations of the Fund.

33 USC 1517.

33 USC 1517a.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development and for establishment of air navigation facilities, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing obligation of funds for similar programs of airport and airway development or improvement; payments to lenders required as a consequence of any guaranty under Public Law 85-307, as amended; purchase of four passenger motor vehicles for replacement only and purchase and repair of skis and snowshoes, $2,220,000,000 of which not to exceed $800,000,000 shall be derived from the Airport and Airway Trust Fund and, in addition, $3,400,000 from unobligated balances in the appropriations for "Civil supersonic aircraft development", "Civil supersonic aircraft development termination", and "Research and development": *Provided,* That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities: *Provided further,* That none of these funds shall be available for new applicants for the second career training program.

49 USC 1701 note.

49 USC 1324 note.

FACILITIES, ENGINEERING AND DEVELOPMENT

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, for acquisition and modernization of facilities and equipment and service testing in accordance with the

provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, $17,797,000, to remain available until expended: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for engineering and development.

FACILITIES AND EQUIPMENT (AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; to be derived from the Airport and Airway Trust Fund, $284,847,000, to remain available until September 30, 1986: *Provided*, That of the foregoing amount, $4,000,000 shall be available only for the design, engineering, construction, and equipment for an air traffic control training facility at the University of North Dakota at Grand Forks: *Provided further*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further*, That no part of the foregoing appropriation shall be available for the construction of a new wind tunnel, or to purchase any land for or in connection with the Federal Aviation Administration Technical Center.

RESEARCH, ENGINEERING AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering and development, in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, $71,800,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering and development.

GRANTS-IN-AID FOR AIRPORTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for airport development under authority contained in section 14 of Public Law 91-258, as amended, and for liquidation of obligations incurred for airport planning and development under other law authorizing such obligations, $471,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended.

49 USC 1714.

Operation and Maintenance, Metropolitan Washington Airports

For expenses incident to the care, operation, maintenance, improvement, and protection of the federally owned civil airports in the vicinity of the District of Columbia, including purchase of ten passenger motor vehicles for police or ambulance type use, for replacement only; and purchase of four motor bikes, of which two are for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition, $29,982,000: *Provided,* That there may be credited to this appropriation, funds received from air carriers, concessionaires, and non-Federal tenants sufficient to cover utility and fuel costs which are in excess of $7,677,000: *Provided further,* That there may be credited to this appropriation, funds received from States, counties, municipalities, other public authorities, or private sources, for expenses incurred in the maintenance and operation of the federally owned civil airports.

Construction, Metropolitan Washington Airports

For necessary expenses for construction at the federally owned civil airports in the vicinity of the District of Columbia $31,700,000 to remain available until September 30, 1984.

Aviation Insurance Revolving Fund

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

Aircraft Purchase Loan Guarantee Program

In carrying out the program for guarantee of aircraft purchase loans under the Act of September 7, 1957, as amended (49 U.S.C. 1324 note), during fiscal year 1982 new commitments to guarantee loans shall be exclusively for the purchase of aircraft designed to have a maximum passenger capacity of sixty seats or less or a maximum cargo payload of eighteen thousand pounds or less, and shall not exceed in the aggregate $100,000,000.

FEDERAL HIGHWAY ADMINISTRATION

Limitation on General Operating Expenses

Necessary expenses for administration, operation, and research of the Federal Highway Administration not to exceed $192,440,000 shall be paid, in accordance with law, from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided,* That not to exceed $37,000,000 of the amount provided herein shall remain available until expended.

MOTOR CARRIER SAFETY

For necessary expenses to carry out motor carrier safety functions of the Secretary, as authorized by the Department of Transportation Act (80 Stat. 939-940), $12,893,000, of which $3,300,000 of the amount appropriated herein shall remain available until expended and not to exceed $1,665,000 shall be available for "Limitation on general operating expenses". 49 USC 1651 note.

HIGHWAY SAFETY RESEARCH AND DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in carrying out provisions of title 23, United States Code, to be derived from the Highway Trust Fund and to remain available until expended, $6,860,000, together with $1,500,000 to be derived from the appropriation "Baltimore-Washington Parkway".

HIGHWAY BEAUTIFICATION

For necessary expenses in carrying out section 131 of title 23, U.S.C. and section 104(a)(11) of the Surface Transportation Assistance Act of 1978, $2,000,000 to remain available until expended: *Provided*, That, notwithstanding any other provision of law, any determination as to whether any outdoor advertising sign, display, or device is or has been lawfully erected under State law or is entitled to compensation shall not be affected by any waiver of compensation. 92 Stat. 2690.

HIGHWAY-RELATED SAFETY GRANTS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402, administered by the Federal Highway Administration, to remain available until expended, $23,300,000 to be derived from the Highway Trust Fund: *Provided*, That not to exceed $833,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses".

RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

For necessary expenses of railroad-highway crossings demonstration projects, as authorized by title 23, United States Code, section 322(b), to remain available until expended, $2,835,000. For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, and title III of the National Mass Transportation Assistance Act of 1974, to remain available until expended, $14,500,000, of which $9,667,000 shall be derived from the Highway Trust Fund. 23 USC 130 note. 49 USC 1605 note.

TERRITORIAL HIGHWAYS

For necessary expenses in carrying out the provisions of title 23, United States Code, sections 152, 153, 215, and 402, $4,000,000, to remain available until expended.

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NATIONAL SCENIC AND RECREATIONAL HIGHWAY (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 148, $21,000,000, to remain available until expended, of which $18,900,000 shall be derived from the Highway Trust Fund.

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

For carrying out the provisions of title 23, United States Code, which are attributable to Federal-aid highways, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $8,000,000,000, or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

INTERSTATE TRANSFER GRANTS—HIGHWAYS

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to highway projects, $325,000,000, to remain available until expended.

RIGHT-OF-WAY REVOLVING FUND (LIQUIDATION OF CONTRACT AUTHORIZATION) (TRUST FUND)

23 USC 108.
23 USC 108 note.

For payment of obligations incurred in carrying out the provisions of 28 U.S.C. 108(c), as authorized by section 7(c) of the Federal-Aid Highway Act of 1968, $25,000,000, to be derived from the Highway Trust Fund as necessary.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

15 USC 1901 note.

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety and functions under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended), $81,900,000, of which $24,785,000 shall be derived from the Highway Trust Fund: *Provided*, That not to exceed $39,664,700 shall remain available until expended, of which $12,512,000 shall be derived from the Highway Trust Fund: *Provided further*, That, of the funds appropriated under this heading $6,000,000 shall be available only for activities at the Transportation Systems Center: *Provided further*, That of the funds appropriated under this heading, $1,000,000 and sixteen permanent positions shall be available only for the operation of the National Driver Register.

STATE AND COMMUNITY HIGHWAY SAFETY (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402 and 406, to remain available until expended, $150,200,000, to be derived from the Highway Trust Fund.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $7,522,000.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, $26,676,000, of which $6,000,000 shall remain available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $39,000,000, to remain available until expended: *Provided,* That there may be credited to this appropriation, funds received from State and local governments, other public authorities, private sources, and foreign countries for expenses incurred for engineering, testing, and development.

RAIL SERVICE ASSISTANCE

(INCLUDING DISAPPROVAL OF DEFERRAL)

For necessary expenses for rail service assistance authorized by section 5 of the Department of Transportation Act, as amended, and for necessary administrative expenses in connection with Federal rail assistance programs not otherwise provided for, $9,500,000, together with $9,000,000 for the Minority Business Resource Center, as authorized by title IX of Public Law 94-210: *Provided,* That none of the funds provided under this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, in excess of $2,600,000 of contingent liability for loan principal in fiscal year 1982, and that no commitments to guarantee new loans under section 211(a) of the Regional Rail Reorganization Act of 1973, as amended, shall be made.

49 USC 1654.

49 USC 1657a.

45 USC 661 note.

45 USC 721.

The Congress disapproves $35,000,000 of the proposed deferral D81-91 relating to the Federal Railroad Administration, Rail Service Assistance, as set forth in the message of March 10, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective upon the enactment into law of this bill and the amount of the proposed deferral disapproved herein shall be made available for obligation immediately, and shall not be subject to deferral or rescission for the balance of fiscal year 1982.

RAIL LABOR ASSISTANCE

(TRANSFER OF FUNDS)

For payment of benefits under section 1160 of the Northeast Rail Service Act of 1981, $25,000,000, to remain available until expended, to be derived from the unobligated balances of "Payments for Purchase of Conrail Securities": *Provided,* That such sum shall be considered to have been appropriated under said section 1160.

Ante, p. 682.

CONRAIL WORKFORCE REDUCTION PROGRAM

(TRANSFER OF FUNDS)

For expenses of the Conrail Workforce Reduction Program as authorized by section 713 of the Regional Rail Reorganization Act of 1973 as added by section 1143 of the Northeast Rail Service Act of 1981, $100,000,000, to remain available until expended, to be derived from the unobligated balances of "Payments for Purchase of Conrail Securities": *Provided*, That, such sum shall be considered to have been appropriated to the Secretary under section 713 of the Regional Rail Reorganization Act of 1973 to be available for the payment of termination allowances under section 702 of that Act: *Provided further*, That, for purposes of section 710 of the Regional Rail Reorganization Act of 1973 as added by section 1143 of the Northeast Rail Service Act of 1981, such sum shall be considered to have been appropriated under section 713 of the Regional Rail Reorganization Act of 1973 and counted against the limitation on the total liability of the United States.

Ante, p. 661.

CONRAIL LABOR PROTECTION

(TRANSFER OF FUNDS)

For labor protection as authorized by section 713 of the Regional Rail Reorganization Act of 1973 as added by section 1143 of the Northeast Rail Service Act of 1981, $85,000,000, to remain available until expended, to be derived from the unobligated balances of "Payments for Purchase of Conrail Securities": *Provided*, That, such sum shall be considered to have been appropriated to the Secretary under said section 713 for transfer to the Railroad Retirement Board for the payment of benefits under section 701 of the Regional Rail Reorganization Act of 1973, as amended: *Provided further*, That, for purposes of section 710 of the Regional Rail Reorganization Act of 1973 as added by section 1143 of the Northeast Rail Service Act of 1981, such sum shall be considered to have been appropriated under section 713 of the Regional Rail Reorganization Act of 1973 and counted against the limitation on the total liability of the United States: *Provided further*, That, in addition, such sums as may be necessary shall be derived from the unobligated balances of "Payments for Purchase of Conrail Securities" for necessary expenses of administration of section 701 of the Regional Rail Reorganization Act of 1973 by the Railroad Retirement Board.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of Public Law 94-210, as amended, $176,000,000, to remain available until expended: *Provided*, That, notwithstanding any other provisions of law, the provisions of Public Law 85-804 shall apply to the Northeast Corridor Improvement Program: *Provided further*, That the Secretary may waive the provisions of 23 U.S.C. 322 (c) and (d) if he determines such action would serve a public purpose: *Provided further*, That all public at grade-level crossings remaining along the Northeast Corridor upon completion of the project shall be equipped with protective devices including gates and lights.

45 USC 851.
45 USC 851 note.
50 USC 1431.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation, $569,000,000, to remain available until expended, and, derived from the permanent appropriation, $166,000,000 for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 565: *Provided,* That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the President of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further,* That notwithstanding any other provision of law, the Corporation shall provide through rail passenger service between Washington, D.C. and Chicago, via Cincinnati: *Provided further,* That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1982: *Provided further,* That the incurring of any obligation or commitment by the Corporation for capital improvements not expressly provided for in an appropriation Act or prohibited by this Act shall be deemed a violation of 31 U.S.C. 665.

Notwithstanding any other provision of law, none of the funds appropriated for the benefit of the Corporation pursuant to this Act or the revenues or other assets of the Corporation or any railroad subsidiary thereof shall be available for payment to any State, political subdivision of a State, or local taxing authority for any taxes or other fees levied on the Corporation: *Provided,* That notwithstanding any provision of law, the Corporation shall pay all taxes or other fees appropriately levied on its facilities in Beech Grove, Indiana.

(DISAPPROVAL OF DEFERRAL)

The Congress disapproves in its entirety deferral D82-217 relating to the Federal Railroad Administration, Grants to the National Railroad Passenger Corporation, as set forth in the message of November 6, 1981, which was transmitted to the Congress by the President. This disapproval shall be effective immediately and the amount of the proposed deferral disapproved herein shall be made available for obligation.

COMMUTER RAIL SERVICE

For necessary expenses to carry out the commuter rail activities authorized by section 601(d) of the Rail Passenger Service Act (45 U.S.C. 601), as amended, $15,000,000, and for necessary expenses to carry out section 1139(b) of Public Law 97-35, $45,000,000, to remain available until expended. *Ante,* p. 652.

ALASKA RAILROAD REVOLVING FUND

The Alaska Railroad Revolving Fund shall continue available until expended for the work authorized by law, including operation and maintenance of oceangoing or coastwise vessels by ownership, charter, or arrangement with other branches of the Government service, for the purpose of providing additional facilities for transportation of freight, passengers, or mail, when deemed necessary for the benefit and development of industries or travel in the area served and payment of compensation and expenses as authorized by 5 U.S.C.

8146, to be reimbursed as therein provided: *Provided,* That no employee shall be paid an annual salary out of said fund in excess of the salaries prescribed by the Classification Act of 1949, as amended, for grade GS-15, except the general manager of said railroad, one assistant general manager and five officers at not to exceed the salaries prescribed for members of the Senior Executive Service.

63 Stat. 954.
5 USC 5332 note.

PAYMENTS TO THE ALASKA RAILROAD REVOLVING FUND

For payment to the Alaska Railroad Revolving Fund for capital replacements, improvements, operations and maintenance, $6,160,000, to remain available until expended.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided,* That the aggregate principal amount of guarantees and commitments to guarantee obligations under section 511 of Public Law 94-210, as amended, shall not exceed $770,000,000: *Provided further,* That the total commitments to guarantee new loans shall not exceed $270,000,000 of contingent liabilities for loan principal during fiscal year 1982.

45 USC 832.
45 USC 831-833.

REDEEMABLE PREFERENCE SHARES

The Secretary of Transportation is hereby authorized to expend proceeds from the sale of fund anticipation notes to the Secretary of the Treasury and any other moneys deposited in the Railroad Rehabilitation and Improvement Fund pursuant to sections 502, 505-507, and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, and section 803 of Public Law 95-620, for uses authorized for the Fund, in amounts not to exceed $67,500,000.

45 USC 822, 825-827, 829.
45 USC 821, 822 and note, 825.

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), 23 U.S.C. chapter 1, in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $26,888,000.

23 USC 101 *et seq.*

RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

For necessary expenses for research and training, as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, $61,600,000: *Provided,* That $58,600,000 shall be available for research, development, and demonstrations, $2,000,000 shall be available for university

research and training and not to exceed $1,000,000 shall be available for managerial training as authorized under the authority of said Act.

URBAN DISCRETIONARY GRANTS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for urban discretionary grants (including section 21) as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until September 30, 1985, $1,479,000,000, together with $11,000,000 to be derived from the appropriation "Rail service operating payments": *Provided,* That grants awarded for contracts for the acquisition of rolling stock, including buses, which will result in the expenditure of Federal financial assistance, shall only be awarded after an evaluation of performance, standardization, life-cycle costs, and other factors the Secretary may deem relevant, in addition to the consideration of initial capital costs. Where necessary, the Secretary shall assist grantees in making such evaluations. 49 USC 1617.

NON-URBAN FORMULA GRANTS

For necessary expenses for public transportation projects in areas other than urbanized areas as defined for the purposes of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $72,500,000, to remain available until expended: *Provided,* That this appropriation shall be apportioned using data from the 1970 decennial census until March 31, 1982, after which date funds apportioned under this appropriation shall be distributed on the basis of data from the 1980 decennial census.

URBAN FORMULA GRANTS

For necessary expenses for urban formula grants as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $1,430,000,000, to remain available until expended: *Provided,* That this appropriation shall be apportioned using data from the 1970 decennial census until March 31, 1982, after which date funds apportioned under this appropriation shall be distributed on the basis of data from the 1980 decennial census: *Provided further,* That grants awarded for contracts for the acquisition of rolling stock, including buses, which will result in the expenditure of Federal financial assistance, shall only be awarded after an evaluation of performance, standardization, life-cycle costs, and other factors the Secretary may deem relevant, in addition to the consideration of initial capital costs. Where necessary, the Secretary shall assist grantees in making such evaluation.

LIQUIDATION OF CONTRACT AUTHORIZATION

For payment to the urban mass transportation fund, for liquidation of contractual obligations incurred under authority of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), and 23 U.S.C. 142(c) and of obligations incurred for projects substituted for Interstate System segments withdrawn prior to enactment of the Federal-Aid Highway Act of 1976, $1,200,000,000, to remain available until expended: *Provided,* That none of these funds shall be made available for the establishment of depreciation reserves or 23 USC 101 note.

reserves for replacement accounts: *Provided further,* That amounts for highway projects substituted for Interstate System segments shall be transferred to the Federal Highway Administration.

WATERBORNE TRANSPORTATION DEMONSTRATION PROJECT

(RESCISSION)

93 Stat. 120; 93 Stat. 1032; 94 Stat. 1690.

Of the funds appropriated under this head in Public Law 96-38, Public Law 96-131 and Public Law 96-400, making appropriations for a waterborne transportation demonstration project for fiscal years 1979, 1980, and 1981, $2,000,000 are rescinded.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, $560,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for the Corporation except as hereinafter provided.

31 USC 849.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $1,601,000 shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation: *Provided,* That Corporation funds shall be available for the hire of passenger motor vehicles and aircraft, operation and maintenance of aircraft, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 5901-5902), and $15,000 for services as authorized by 5 U.S.C. 3109.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

RESEARCH AND SPECIAL PROGRAMS

For expenses necessary to discharge the functions of the Research and Special Programs Administration, $26,441,000, of which not to exceed $8,703,000 shall remain available until expended for expenses for conducting research and development and not to exceed $3,184,000 shall remain available until expended for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1674).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $13,047,000, together with $9,200,000 derived from funds available under 23 U.S.C. 104(a) for payment of obligations. 5 USC app.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $2,000,000. 29 USC 792.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), $19,125,000, of which not to exceed $300 may be used for official reception and representation expenses. 5 USC 5332 note.

CIVIL AERONAUTICS BOARD

SALARIES AND EXPENSES

For necessary expenses of the Civil Aeronautics Board, including hire of aircraft; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); and not to exceed $5,000 for official reception and representation expenses, $27,000,000.

PAYMENTS TO AIR CARRIERS

For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 and section 419 of the Federal Aviation Act of 1958, as amended, (49 U.S.C. 1376 and 1389), as is payable by the Board, $65,900,000, to remain available until expended: *Provided,* That, notwithstanding any other provision of law, none of the funds appropriated by this Act shall be expended under section 406 for services provided after ninety-five days following the date of enactment of this Act to points which, based on reports filed with the Civil Aeronautics Board, enplaned an average of eighty or more passengers per day in the fiscal year ended September 30, 1981: *Provided further,* That, notwithstanding any other provision of law, payments under section 406,

exclusive of payments for services provided within the State of Alaska, shall not exceed a total of $14,000,000 for services provided during the period between March 31, 1982, and September 30, 1982, and, to the extent it is necessary to meet this limitation, the compensation otherwise payable by the Board under section 406 shall be reduced by a percentage which is the same for all air carriers receiving such compensation: *Provided further,* That, notwithstanding any other provision of law, payments under section 406 for services provided within the State of Alaska during the period between March 31, 1982, and September 30, 1982, shall not exceed a total of $5,500,000 and, to the extent it is necessary to meet this limitation, the compensation otherwise payable by the Board under section 406 shall be reduced by a percentage which is the same for all carriers receiving such compensation: *Provided further,* That the foregoing limitations shall not apply to payments made pursuant to the requirements of section 419(a)(7)(A) nor shall such payments be reduced by virtue of such provision: *Provided further,* That the provisions of this paragraph shall be effective only until modified by subsequent legislation.

49 USC 1376.

49 USC 1389.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, and not to exceed $1,500 for official reception and representation expenses, $74,150,000: *Provided,* That Joint Board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such.

49 USC 10344 note.

PAYMENTS FOR DIRECTED RAIL SERVICE

None of the funds provided under this Act shall be available for the execution of programs the obligations for which can reasonably be expected to be in excess of $10,000,000 for directed rail service under 49 U.S.C. 11125 or any other legislation.

PANAMA CANAL COMMISSION

OPERATING EXPENSES

For operating expenses necessary for the Panama Canal Commission, including hire of passenger motor vehicles and aircraft; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); operation of guide services; residence for the administrator; contingencies of the administrator; not to exceed $25,000 for official reception and representation expenses; and to employ services as authorized by law (5 U.S.C. 3109); maintaining, improving, and altering facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use; and for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that have accrued thereafter, including accounts payable for capital projects, $400,754,000, to be derived from the Panama Canal Commission Fund: *Provided,* That of the funds appropriated by this section: (1) not more than $450,000 shall be available for operation of guide services;

(2) not more than $60,000 shall be available for the maintenance of a residence for the Administrator; (3) not more than $25,000 shall be available for disbursement by the Administrator for employee recreation and community projects; (4) not more than $520,000 shall be available for procurement of expert and consultant services as provided by section 3109 of title 5, United States Code; (5) not more than $5,000,000 shall be available for maintenance and alteration of facilities of the Government of the Republic of Panama, used by the Commission, of which the United States retains use pursuant to the Panama Canal Treaty of 1977 and related agreements; and (6) not more than $76,000 shall be available for expenses of the supervisory Board established pursuant to section 1102 of Public Law 96-70 (93 Stat. 456), including travel and transportation expenses under section 5703 of title 5, United States Code: *Provided further,* That there may be credited to this appropriation, funds received from the Panama Canal Commission's capital outlay account for expenses incurred for supplies and services provided for capital projects and funds received from officers and employees of the Commission and/or commercial insurors of Commission employees for payment to other United States Government agencies for expenditures made for services provided to Commission employees and their dependents by such other agencies.

22 USC 3612.

CAPITAL OUTLAY

For acquisition, construction, and replacement of improvements, facilities, structures, and equipment required by the Panama Canal Commission, including the purchase of not to exceed forty passenger motor vehicles of which twenty-eight are for replacement only; to employ services authorized by law (5 U.S.C. 3109); for payment of liabilities of the Panama Canal Company and Canal Zone Government that were pending on September 30, 1979, or that have accrued thereafter; to improve facilities of other United States Government agencies in the Republic of Panama and facilities of the Government of the Republic of Panama for Panama Canal Commission use, $19,766,000: *Provided,* That of the sums referred to in this paragraph, not more than the following amounts shall be available for the following purposes: (1) for transit projects, $13,764,000; (2) for general support projects, $3,252,000; (3) for utilities projects, $1,870,000; and (4) for quarters improvement projects, $880,000: *Provided further,* That funds appropriated are to be derived from the Panama Canal Commission Fund and to remain available until expended.

DEPARTMENT OF THE TREASURY

OFFICE OF THE SECRETARY

INVESTMENT IN FUND ANTICIPATION NOTES

(INCLUDING TRANSFER OF FUNDS)

For the acquisition, in accordance with section 509 of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended, and section 803 of Public Law 95-620, of fund anticipation notes, $67,500,000, of which $25,000,000 shall be derived from the unobligated balances of "Payments for Purchase of Conrail Securities".

45 USC 829.
45 USC 821, 822 and note, 825.

UNITED STATES RAILWAY ASSOCIATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses to enable the United States Railway Association to carry out its functions under the Regional Rail Reorganization Act of 1973, as amended, $13,000,000, to remain available until expended, of which not to exceed $1,000 may be available for official reception and representation expenses.

45 USC 701 note.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $51,586,000: *Provided*, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

93 Stat. 1320.

TITLE III—GENERAL PROVISIONS

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official departmental business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

Airport planning grants.

SEC. 302. None of the funds provided in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $450,000,000 in fiscal year 1982 for grants-in-aid for airport planning, noise compatibility planning and programs, and development.

Highway-related safety grants.

SEC. 303. None of the funds provided under this Act shall be available for the planning or execution of programs, the obligations for which are in excess of $10,000,000 in fiscal year 1982 for "Highway-related safety grants".

State and community highway safety programs.

SEC. 304. None of the funds provided under this Act shall be available for the planning or execution of programs, the total obligations for which are in excess of $92,500,000 in fiscal year 1982 for "State and Community Highway Safety": *Provided*, That none of the funds under State and Community Highway Safety shall be used for construction, rehabilitation or remodeling costs or for office furnishings and fixtures for State, local, or private buildings or structures.

Panama Canal Commission, pay increases.

SEC. 305. Funds appropriated for the Panama Canal Commission may be apportioned notwithstanding section 3679 of the Revised Statutes, as amended (31 U.S.C. 665), to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law which are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

FAA personnel, dependents' school expenses.
20 USC 241 note.

SEC. 306. Funds appropriated under this Act for expenditure by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not

in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents and (2) for transportation of said dependents between schools serving the area which they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 307. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18.

5 USC 5332 note.

SEC. 308. None of the funds provided under this Act shall be made available under section 5 of the Urban Mass Transportation Act of 1964, as amended, to support mass transit facilities, equipment, or operating expenses unless the applicant for such assistance has given satisfactory assurances in such manner and forms as the Secretary may require, and in accordance with such terms and conditions as the Secretary may prescribe, that the rates charged elderly and handicapped persons during nonpeak hours shall not exceed one-half of the rates generally applicable to other persons at peak hours: *Provided,* That the Secretary, in prescribing the terms and conditions for the provision of such assistance shall (1) permit applicants to continue the use of preferential fare systems for elderly or handicapped persons where those systems were in effect on or prior to November 26, 1974, (2) allow applicants a reasonable time to expand the coverage of operating preferential fare systems as appropriate, (3) allow applicants to continue to use preferential fare systems incorporating the offering of a free return ride upon payment of the generally applicable full fare where any such applicant's existing fare collection system does not reasonably permit the collection of half fares, and (4) allow applicants to define the eligibility of "handicapped persons" for the purposes of preferential fares in conformity with other Federal laws and regulations governing eligibility for benefits for disabled persons.

Mass transit fare for elderly and handicapped.
49 USC 1604.

SEC. 309. None of the funds contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Fiscal year limitation.

SEC. 310. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1982 shall not exceed $8,000,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

Federal-aid highways.

23 USC 144 note.

(b) For fiscal year 1982, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for such fiscal year.

(c) During the period October 1 through December 31, 1981, no State shall obligate more than 35 per centum of the amount distrib-

uted to such State under subsection (b), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(d) Notwithstanding subsections (b) and (c), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1982, revise a distribution of the funds made available under subsection (b) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year; and

(3) not distribute amounts authorized for administrative expenses, forest highways and $15,000,000 for the Bismarck-Mandan Bridge, $4,000,000 for the Steubenville-Weirton Bridge, and necessary funds required during fiscal year 1982 for the Dickey Road Bridge in East Chicago, Indiana, and the U.S. 12 Bridge over Trail Creek in Michigan City, Indiana.

Railroad branchline abandonments.

SEC. 311. None of the funds provided in this Act shall be used by the Interstate Commerce Commission to approve railroad branchline abandonments in fiscal year 1982 in any State in excess of 3 per centum of a State's total mileage of railroad lines operated: *Provided,* That this limitation shall not apply to any abandonment of Conrail railroad lines: *Provided further,* That exceptions to this limitation shall be made only upon the specific approval of each of the appropriate committees of Congress.

Offshore Oil Pollution Compensation Fund.

SEC. 312. None of the funds provided in this Act shall be available for the implementation or execution of programs the obligations of which are in excess of $60,000,000 in fiscal year 1982 for the "Offshore Oil Pollution Compensation Fund".

Panama Canal Commission.

SEC. 313. None of the funds appropriated in this Act for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

Rail-highway crossings.

SEC. 314. None of the funds provided in this Act may be used for planning or construction of rail-highway crossings under section 322(a) of title 23, United States Code, or under section 701(a)(5) or section 703(1)(A) of the Railroad Revitalization and Regulatory Reform Act of 1976 at the—

45 USC 851, 853.

(1) School Street crossing in Groton, Connecticut; and

(2) Broadway Extension crossing in Stonington, Connecticut.

Regulatory or adjudicatory proceedings.

SEC. 315. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

Motor vehicles, State inspection fees or sticker requirements.

SEC. 316. None of the funds in this Act shall be used to assist, directly or indirectly, any State in imposing mandatory State inspection fees or sticker requirements on vehicles which are lawfully registered in another State, including vehicles engaged in interstate commercial transportation which are in compliance with Part 396—Inspection and Maintenance of the Federal Motor Carrier Safety Regulations of the U.S. Department of Transportation.

49 CFR Part 396.

Consulting service contracts.

SEC. 317. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the

obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within 24 months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

Consulting service estimates, submittal to congressional committees. 31 USC 28. 31 USC 2.

SEC. 318. (a) For fiscal year 1982 and thereafter, a department or establishment—as defined in section 2 of the Budget and Accounting Act, 1921—shall submit annually to the House and Senate Appropriations Committees, as part of its budget justification, the estimated amount of funds requested for consulting services; the appropriation accounts in which such funds are located; and a brief description of the need for consulting services, including a list of major programs that require consulting services.

Progress evaluation, submittal to Congress.

(b) For fiscal year 1982 and thereafter, the Inspector General of such department or establishment, or comparable official, or if there is no Inspector General or comparable official, the agency head or the agency head's designee, shall submit to the Congress along with the budget justification an evaluation of the agency's progress to institute effective management controls and improve the accuracy and completeness of the data provided to the Federal Procurement Data System regarding consultant service contractual arrangements.

SEC. 319. None of the funds in this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

Deepwater Port Liability Funds.

SEC. 320. None of the funds provided in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $50,000,000 in fiscal year 1982 for the "Deepwater Port Liability Funds".

National Clean-up and Flag-up America's Highways Weeks, designation.

SEC. 321. The weeks of June 13 through July 4, 1982, are designated as "National Clean-up and Flag-up America's Highways Weeks", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this period with appropriate ceremonies and activities.

Personal services.

SEC. 322. None of the funds provided in the Act to any Department or Agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such Department or Agency, excluding those positions from this provision which serve dual roles pertaining to a security or law enforcement function.

Passenger automobiles, procurement.

SEC. 323. Except for security mission automobiles, none of the funds provided in this Act to any Department or Agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

International Air Transport Association's North Atlantic Traffic Conference.

SEC. 324. None of the funds appropriated by this Act shall be used to implement, administer, or enforce Order 81-5-27 of the Civil Aeronautics Board or any other order of the Civil Aeronautics Board which prohibits or has the effect of prohibiting any United States air carrier from participating in the International Air Transport Association's North Atlantic Traffic Conference under its existing articles and provisions: *Provided,* That this limitation may be terminated by

an appropriate resolution adopted by the House Public Works and Transportation Committee or the Senate Commerce Committee.

Urban Discretionary Grant Program.

SEC. 325. Notwithstanding any other provision of law, the Secretary shall, with regard to the Urban Discretionary Grant Program of the Urban Mass Transportation Administration, promptly issue a letter of intent for the Dade County, Florida, Circulator System for $63,642,666, and, in addition, shall promptly issue a letter of intent for nonrail projects in the Portland, Oregon, Metropolitan region for $76,800,000 and also issue a letter of intent for the Southeast Michigan Central Automated Transit System for 110 million 1981 dollars.

Repeals.

SEC. 326. (a) The Act entitled "An Act authorizing the State of Maryland, by and through its State Roads Commission or the successors of said Commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State", approved April 7, 1938, and the Act of June 16, 1948 (62 Stat. 463, Public Law 654, 80th Congress), as amended by the Act of November 17, 1967 (81 Stat. 466, Public Law 144, 90th Congress) are hereby repealed.

52 Stat. 205.

Maryland Transportation Authority.

(b) The State of Maryland, by and through the Maryland Transportation Authority or the successors of such Authority, is authorized, subject to all applicable Federal laws, (1) to continue to collect tolls after the date of enactment of this Act from its existing transportation facilities projects, as defined on the date of enactment of this Act in the laws of the State of Maryland, and (2) to use the revenues from such tolls for transportation projects of the type which the State or the Maryland Transportation Authority is authorized to construct, operate, or maintain under the laws of the State of Maryland as such laws exist on the date of enactment of this Act.

Greater Rockford Airport Authority.
49 USC 1115 note.

SEC. 327. (a) Notwithstanding section 16 of the Federal Airport Act (as in effect on November 25, 1947), the Secretary of Transportation is authorized, subject to the provisions of section 13 of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)), and the provisions of subsection (b) of this section, to grant release from any of the terms, conditions, reservations, and restrictions contained in a deed of conveyance dated November 25, 1947, under which the United States conveyed certain property to the Greater Rockford Airport Authority for airport purposes and in deeds of conveyance dated May 28, 1948, and April 21, 1949, under which the United States conveyed certain property of the city of Liberal, Kansas for airport purposes.

(b) Any release granted by the Secretary of Transportation under subsection (a) shall be subject to the following conditions:

(1) the Greater Rockford Airport Authority or the city of Liberal, Kansas, as the case may be, shall agree that in conveying any interest in the property which the United States conveyed pursuant to the deeds described in subsection (a), the Greater Rockford Airport Authority or the city of Liberal, Kansas, as the case may be, will receive an amount which is equal to the fair market value; and

(2) any such amount so received shall be used for the development, improvement, operation, or maintenance of a public airport.

East Baton Rouge, La.
50 USC app. 1622c.

SEC. 328. (a) Notwithstanding section 13(g) of the Surplus Property Act of 1944 (50 App. U.S.C. 1622(g)) and section 4 of the Act of October 1, 1949 (50 App. U.S.C. 1622(c)), the Secretary of Transportation, if requested, shall, as to the property described in subsection (f), grant a release to the Parish of East Baton Rouge, Louisiana, from all of the terms, conditions, reservations, and restrictions contained in the deed

of conveyance dated August 13, 1948, under which the United States conveyed certain property to the Parish of East Baton Rouge, Louisiana, for airport purposes. This provision does not apply to the portion of the property, conveyed by that deed, that is not specified in subsection (f).

(b) In place of the terms, conditions, reservations, and restrictions released under subsection (a), the following conditions shall apply:

(1) The City of Baton Rouge and Parish of East Baton Rouge, Louisiana, shall submit all proposals, policies, and plans for further construction, other development, or changed operating practices (including, but not limited to, policies affecting the size and kind of the inmate population), at East Baton Rouge Parish Prison, to the Secretary for review of airport safety and security prior to such construction, other development, or changed operating practices.

(2) The City of Baton Rouge and Parish of East Baton Rouge, Louisiana, shall construct, develop, operate, and maintain the East Baton Rouge Parish Prison in accordance with proposals, policies, and plans submitted to, and approved by, the Secretary with respect to airport safety and security.

(3) The City of Baton Rouge and Parish of East Baton Rouge, Louisiana, shall construct, develop, operate, and maintain the East Baton Rouge Parish Prison in compliance with applicable Federal, State, and local laws.

(4) The City of Baton Rouge and Parish of East Baton Rouge, Louisiana, shall hold the United States harmless for damage or injury to persons or property, in flight or on the ground, caused by any inmate who has escaped from the East Baton Rouge Parish Prison, or caused by any event occurring at the prison.

(c) Within ninety days after the enactment of this provision, the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, shall demonstrate, to the satisfaction of the Secretary, that the current operating conditions at the East Baton Rouge Parish Prison meet acceptable levels of airport safety and security.

(d) Any action determined by the Secretary to be necessary to achieve acceptable levels of airport safety or security at the prison shall be accomplished by the City of Baton Rouge and Parish of East Baton Rouge, Louisiana, as soon as practicable. Such determinations are "orders" for the purpose of judicial review under section 1006 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1486).

(e) The opinion of the Secretary concerning the airport safety and security implications of any current or proposed conditions involving the prison shall be conclusive as to those matters.

(f) Subsection (a) applies to the following described area:

One certain lot or parcel of ground together with all the buildings and improvements thereon located in the Parish of East Baton Rouge, State of Louisiana and shown by reference to the following two maps:

1. A map entitled "Airport Boundary Maps showing Ryan Airport Property Owned by the Parish of East Baton Rouge, Louisiana, Compiled from Official Records and Maps" prepared by the Department of Public Works in and for the City of Baton Rouge and the Parish of East Baton Rouge and dated October 13, 1978, and signed by Mr. Charles W. Hair, Jr., Engineer (said map being hereinafter referred to as Map numbered 1); and

2. A map entitled "Map Showing Boundary and Topographic Survey of East Baton Rouge Parish Prison Site" dated March 6,

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1981, and signed by Mr. Henry K. Schott, Engineer (said map being hereinafter referred to as Map numbered 2).

Said property being more particularly described by starting at point "A" on Map numbered 1; thence proceeding north 00 degrees 27 minutes 37 seconds west a distance of 56.44 feet to a point and corner; thence proceeding east 90 degrees 00 minutes 00 seconds east a distance of 60.08 feet to the point of beginning and corner; thence proceed north 0 degrees 27 minutes 37 seconds west a distance of 549.61 feet to a point and corner; thence proceed north 88 degrees 44 minutes 42 seconds east a distance of 185.66 feet to a point and corner; thence proceed north 1 degree 01 minute 51 seconds west a distance of 222.05 feet to a point and corner; thence proceed north 88 degrees 44 minutes 42 seconds east a distance of 1,120.20 feet to a point and corner; thence proceed south 10 degrees 34 minutes 12 seconds west a distance of 816.23 feet to a point and corner; thence proceed south 89 degrees 24 minutes 21 seconds west a distance of 387.66 feet to a point; thence proceed north 70 degrees 37 minutes 59 seconds west a distance of 186.66 feet to a point; thence proceed south 86 degrees 36 minutes 21 seconds west a distance of 712.28 feet to the point of beginning; all of said measurements being more particularly shown on Map numbered 2.

"Amtrak Commuter."
45 USC 582 note.
Ante, p. 648.

SEC. 329. As used in section 502(a)(1)(B) of the Rail Passenger Service Act, the term "Amtrak Commuter" shall mean, with respect to the period prior to January 1, 1983, "Conrail".

TITLE IV

Appropriations reduction.

SEC. 401. Notwithstanding any other provision of this Act, appropriations made available for the projects or activities provided for in this Act are hereby reduced in the following amounts:

DEPARTMENT OF TRANSPORTATION

Office of the Secretary, salaries and expenses and transportation planning, research, and development, $4,500,000;

Coast Guard, operating expenses, $48,400,000, of which $5,000,000 shall be deducted from the amounts made available for recreational boating safety; acquisition, construction, and improvements, $16,000,000; alteration of bridges, $4,000,000; research, development, test, and evaluation, $4,000,000; offshore oil pollution compensation fund, $3,000,000; and deepwater port liability fund, $3,000,000;

Federal Aviation Administration, operations, $125,000,000; facilities, engineering and development, $9,000,000; facilities and equipment (Airport and Airway Trust Fund), $24,000,000; research, engineering and development (Airport and Airway Trust Fund), $16,000,000; and construction, Metropolitan Washington Airports, $5,000,000;

Federal Highway Administration, highway safety research and development, $2,000,000; highway beautification, $1,500,000; territorial highways, $1,000,000; and interstate transfer grants-highways, $37,000,000;

National Highway Traffic Safety Administration, operations and research, $7,000,000;

Federal Railroad Administration, office of the administrator, $500,000; railroad safety, $2,500,000; railroad research and development, $9,000,000; rail service assistance, $4,000,000, of which at least $2,000,000 shall be deducted from amounts made available for the

Minority Business Resource Center; Northeast corridor improvement program, $6,000,000; and redeemable preference shares, $7,000,000;

Urban Mass Transportation Administration, administrative expenses, $3,000,000; research, development, and demonstrations and university research and training, $10,000,000; urban discretionary grants, $29,500,000; nonurban formula grants, $4,000,000; urban formula grants, $64,750,000; and interstate transfer grants-transit, $22,000,000;

Research and Special Programs Administration, research and special programs, $9,000,000, of which $2,500,000 shall be deducted from the amounts made available for research and development and $750,000 shall be deducted from amounts made available for grants-in-aid as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968; 49 USC 1674.

RELATED AGENCIES

Architectural and Transportation Barriers Compliance Board, salaries and expenses, $100,000;

National Transportation Safety Board, salaries and expenses, $2,000,000;

Civil Aeronautics Board, salaries and expenses, $1,500,000;

Interstate Commerce Commission, salaries and expenses, $4,000,000;

Department of the Treasury, Office of the Secretary, investment in fund anticipation notes, ($7,000,000); and

United States Railway Association, administrative expenses, $4,000,000.

SEC. 402. Notwithstanding any other provison of law or of this Act, none of the funds provided in this or any other Act shall hereafter be used by the Interstate Commerce Commission to approve railroad branchline abandonments in the State of North Dakota by the entity generally known as the Burlington Northern Railroad, or its agents or assignees, in excees of a total of 350 miles: *Provided*, That this section shall be in lieu of section 311 (amendment numbered 93) as set forth in the conference report and the joint explanatory statement of the committee of conference on the Department of Transportation and Related Agencies Appropriations Act, 1982 (H.R. 4209), filed in the House of Representatives on November 13, 1981 (H. Rept. No. 97-331). North Dakota, railroad branchline abandonments. 49 USC 10903 note.

SEC. 403. Notwithstanding any other provision of law or of this Act, the funds provided for section 18 nonurban formula grants and section 5 urban formula grants in this Act shall be apportioned and allocated using data from the 1970 decennial census for one-half of the sums appropriated and the remainder shall be apportioned and allocated on the basis of data from the 1980 decennial census. Nonurban and urban formula grants.

SEC. 404. Notwithstanding any other provision of law or of this Act, of the fiscal year 1982 Highway Trust Funds available for emergency relief, $17,000,000 shall be made available for damaged highways or for the prevention of damage to highways in the area affected by eruptions of the Mount Saint Helens volcano. Mount Saint Helens volcano, highway damage.

SEC. 405. Notwithstanding any other provision of title 23, United States Code, or of this Act, the Secretary of Transportation shall approve, upon the request of the State of Indiana, the construction of an interchange to appropriate standards at I-94 and County Line Road at the Porter-La Porte County Line near Michigan City, Indiana, with the Federal share of such construction to be financed Michigan City, Ind.

out of funds apportioned to the State of Indiana under section 104(b)(5)(A) of title 23, United States Code.

Budget authority deferral proposals.

SEC. 406. Notwithstanding any other provision of law, or of this Act, any proposal for deferral of budget authority under section 1013 of the Impoundment Control Act of 1974 (31 U.S.C. 1403) with respect to budget authority for expenses related to the Northest Corridor Improvement Project authorized under title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), Acquisition, construction, and improvements, Railroad-highway crossings demonstration projects, Grants to the National Railroad Passenger Corporation, Urban discretionary grants, and Interstate transfer grants (highway and transit) shall, upon transmittal to the Congress, be referred to the House and Senate Committees on Appropriations and any amount of budget authority proposed to be deferred therein shall be made available for obligation unless, within a 45-day period which begins on the date of transmittal and which is equivalent to that described in section 1011 (3) and (5) of the Impoundment Control Act of 1974 (31 U.S.C. 1401 (3) and (5)), the Congress has completed action on a bill approving all or part of the proposed deferral.

45 USC 85.

Short title.

This Act may be cited as the "Department of Transportation and Related Agencies Appropriation Act, 1982".

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4209:

HOUSE REPORTS: No. 97-186 (Comm. on Appropriations) and No. 97-331 (Comm. of Conference).
SENATE REPORT No. 97-253 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 10, considered and passed House.
Nov. 3, considered and passed Senate, amended.
Dec. 14, House and Senate agreed to conference report.

Public Law 97-103
97th Congress

An Act

Making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 23, 1981
[H.R. 4119]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1982, and for other purposes; namely:

Agriculture, rural development and related agencies appropriations, fiscal year 1982.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING AND MARKETING

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including not to exceed $75,000 for employment under 5 U.S.C. 3109, $4,715,000: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558: *Provided further,* That not to exceed $8,000 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

DEPARTMENTAL ADMINISTRATION

For Budget and Program Analysis, and Public Participation, $3,825,000; for Operations and Finance, Personnel, Equal Opportunity, Safety and Health Management, and Small and Disadvantaged Business Utilization, $10,643,000; making a total of $14,468,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, of which not to exceed $10,000 is for employment under 5 U.S.C. 3109.

GOVERNMENTAL AND PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving governmental and public affairs and emergency preparedness; acting as liaison within the executive branch and with the Congress on legislative matters; and for the dissemination of agricultural information and the coordination of information work and programs authorized by Congress in the Department, $8,987,000; of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and, not to exceed

$2,748,000 may be used for farmers' bulletins and not less than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

OFFICE OF THE INSPECTOR GENERAL

Funds, transfer.

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), $27,562,000 including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and in addition, $13,266,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

5 USC app.

OFFICE OF THE GENERAL COUNSEL

Funds, transfer.

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, $12,822,000; and in addition, $508,000 shall be derived by transfer from the appropriation, "Food Stamp Program" and merged with this appropriation.

FEDERAL GRAIN INSPECTION SERVICE

7 USC 71.

7 USC 1621 note.

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 for employment under 5 U.S.C. 3109, $5,600,000: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further,* That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require non-export, non-terminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act.

7 USC 71 note.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $60,260,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to

production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, $442,410,000: *Provided,* That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That funds appropriated herein can be used to provide financial assistance to the organizers of international conferences, if such conferences are in support of agency programs: *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further,* That of the appropriations hereunder not less than $10,526,600 shall be available to conduct marketing research: *Provided further,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $100,000, except for headhouses connecting greenhouses which shall each be limited to $500,000, and except for ten buildings to be constructed or improved at a cost not to exceed $185,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or $100,000 whichever is greater: *Provided further,* That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further,* That the foregoing limitations shall not apply to purchase from Colorado State University Research Foundation of approximately 160 acres within the boundaries of the Central Plains Experimental Range, Nunn, Colorado, for not to exceed $115,000.

7 USC 2254.

Construction costs.
7 USC 2254.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, $2,000,000.

Special fund.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, $8,596,000.

SCIENTIFIC ACTIVITIES OVERSEAS
(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)(1), (3)), $5,000,000: *Provided,* That this appropriation shall be available, in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further,* That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed, and can

be used most effectively to carry out the purposes of this paragraph: *Provided further,* That not to exceed $25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $143,609,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $12,031,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $21,492,000 for payments to the 1890 land-grant colleges, including Tuskegee Institute, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee Institute; $22,811,000 for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); $17,000,000 for competitive research grants, including administrative expenses; $6,000,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; $540,000 for grants in accordance with section 1419 of Public Law 95-113, as amended; $702,000 for research authorized by the Native Latex Commercialization and Economic Development Act of 1978; and $1,363,000 for necessary expenses of Cooperative State Research Service activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 for employment under 5 U.S.C. 3109; in all, $225,548,000.

20 USC 1001 note.
D.C. Code 31-1701 note.
7 USC 361f.
7 USC 301 note.
20 USC 1001 note.
7 USC 301 note.
7 USC 3222.
7 USC 3195.
7 USC 3154.
7 USC 178 note.

EXTENSION SERVICE

Payments to States, Puerto Rico, Guam, the Virgin Islands, American Samoa, and Micronesia: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962 (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972, and the Act of September 29, 1977 (7 U.S.C. 341-349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and 3(c) of the Act, for retirement and employees' compensation costs for extension agents, and for costs of penalty mail for cooperative extension agents and State extension directors, $223,376,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $60,354,000;

86 Stat. 350.
7 USC 301 note.
7 USC 343.

payments for the urban gardening programs under section 3(d) of the Act, $3,000,000; payments for the pest management program under section 3(d) of the Act, $7,531,000; payments for the farm safety program under section 3(d) of the Act, $1,020,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $1,850,000; payments for the energy demonstration program under section 3(d) of the Act, $324,000; payments for the nonpoint source pollution program under section 3(d) of the Act, $702,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $3,000,000; payments for extension work under section 209(c) of Public Law 93-471, $983,000; payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee Institute under section 1444 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (Public Law 95-113), $12,241,000; in all, $314,381,000, of which not less than $79,400,000 is for Home Economics: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, American Samoa, and Micronesia prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

7 USC 343.

16 USC 1600 note.
D.C. Code 31-1719.

7 USC 3221.

7 USC 343, 86 Stat. 350.

Federal administration and coordination: For Administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension and higher education work of the Department and the several States and insular possessions, $6,321,000, of which not less than $2,300,000 is for Home Economics.

7 USC 341-349.
86 Stat. 350, D.C. Code 31-1719.
7 USC 301 note.

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, $8,750,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That not to exceed $375,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c) necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, $281,382,000 of which not to exceed $8,983,000 shall be available for the Mediterranean fruit fly program and $1,000,000 shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: *Provided,* That $1,000,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further,* That no funds shall be used

to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further,* That, in addition, in emergencies which threaten the food resources of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, including not less than $6,000,000 for the eradication of infestations of the Mediterranean fruit fly in the continental United States, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts.

Aircraft.

Funds, transfer. 21 USC 129.

21 USC 114b. 7 USC 147a.

BUILDINGS AND FACILITIES

For plans, construction, repair, extension, alterations, purchase and improvement of fixed equipment or facilities, $3,000,000 of which $1,565,000 shall remain available until expended: *Provided,* That this appropriation shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements: *Provided further,* That unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $100,000, except for three buildings to be constructed at a total cost of $1,265,000; four buildings to be constructed or improved at a cost not to exceed $200,000 each; and $300,000 for planning a plant quarantine facility: *Provided further,* That the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further,* That this appropriation shall be available for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100.

Construction costs.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services related to consumer protection and agricultural marketing and distribution, $328,250,000: *Provided,* That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the construction, alteration, and repair of buildings and improvements, but, unless otherwise provided, the cost of constructing any one building shall not exceed $90,000, except for two buildings to be constructed or improved at a cost not to exceed $150,000, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further,* That

Construction costs.

this appropriation shall be available for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, cost and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmers cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $41,000,000, of which not less than $200,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said administrator, other agencies or before the courts: *Provided,* That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, $53,787,000: *Provided,* That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

7 USC 411b.

AGRICULTURAL COOPERATIVE SERVICE

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the marketing aspects of cooperatives, including economic research and

analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), $4,639,000: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $15,000 shall be available for employment under 5 U.S.C. 3109.

World Agricultural Outlook Board

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), $1,422,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109.

7 USC 1622.

Agricultural Marketing Service

MARKETING SERVICES

For necessary expenses to carry on services related to agricultural marketing and distribution and regulatory programs as authorized by law, and for administration and coordination of payment to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 for employment under 5 U.S.C. 3109, $23,211,000; of which not less than $1,463,000 shall be available for the Wholesale Market Development Program and not less than $250,000 shall be available only for the Blytheville, Arkansas, Cotton Marketing Office: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $23,000,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

Funds, transfer.

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $5,670,000 for formulation and administration of marketing agreements and orders pursuant to

16 USC 742a note.

the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961. 7 USC 601 note. 7 USC 1911 note.

TRANSPORTATION OFFICE

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $2,400,000: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,000,000.

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 for employment under 5 U.S.C. 3109, $8,806,000.

FARM INCOME STABILIZATION

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g, 590o, 590p(a), and 590q); sections 1001 to 1008 and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1508 and 1510); the Water Bank Act (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); and laws pertaining to the Commodity Credit Corporation, $62,000,000: *Provided,* That, in addition, not to exceed $314,000,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund for a total of $376,000,000: *Provided further,* That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: Funds, transfer.

Provided further, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

16 USC 590h.

DAIRY INDEMNITY PROGRAM

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $176,000: *Provided,* That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.

CORPORATIONS

Contracts.
15 USC 713a-10.

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

31 USC 849.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, $120,000,000.

SUBSCRIPTION TO CAPITAL STOCK

To enable the Secretary of the Treasury to subscribe and pay for capital stock of the Federal Crop Insurance Corporation, as provided in section 504(a) of the Federal Crop Insurance Act (7 U.S.C. 1504), $250,000,000.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act of 1980, $57,456,000. 7 USC 1508.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To reimburse the Commodity Credit Corporation for net realized losses sustained in prior years, but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), $2,043,229,000.

LIMITATION ON DIRECT LOANS

Provided, That none of the funds in this Act may be used to carry out an Export Credit Sales direct loan program in excess of $2,200,000,000 in fiscal year 1982: *Provided further,* That none of the funds in this Act may be used to carry out a program of loan guarantees by the Corporation for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products. 15 USC 713a-10.

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

For direct loans and related advances pursuant to section 517(m) of the Housing Act of 1949, as amended, $24,000,000 shall be available from funds in the rural housing insurance fund, and for insured loans as authorized by title V of the Housing Act of 1949, as amended, $3,700,600,000, of which not less than $3,265,600,000 shall be available for subsidized interest loans to low-income borrowers as determined by the Secretary; and not to exceed $5,000,000 for advances as authorized by section 501(e) of such Act and not to exceed $2,000,000 for compensation of construction defects as authorized by section 509(c) of such Act. 42 USC 1487. 42 USC 1471. 42 USC 1471. 42 USC 1479.

During fiscal year 1982, no more than 14,280 units may be assisted under rental assistance agreements entered into during the year pursuant to authority under section 521(a)(2) of the Housing Act of 1949, as amended, and the total obligation incurred over the life of these agreements shall not exceed $398,000,000 to be added to and merged with the authority provided for this purpose in prior fiscal years. 42 USC 1490a.

For an additional amount to reimburse the rural housing insurance fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487e, and 1490a(c)), including $6,995,000, as authorized by section 521(c) of the Act, $653,967,000, and for an additional amount as authorized by section 521(c) of the Act as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended. 42 USC 1487.

AGRICULTURAL CREDIT INSURANCE FUND

For an additional amount to reimburse the agricultural credit insurance fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), $464,083,000.

Loans.

Loans may be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, or guaranteed, as follows: real estate loans, $904,600,000, including not less than $825,000,000 for farm ownership loans of which $125,000,000 shall be guaranteed loans; and not less than $60,500,000 for water development, use, and conservation loans of which $6,000,000 shall be guaranteed loans; operating loans, $1,375,000,000 of which $50,000,000 shall be guaranteed loans; and emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters.

RURAL DEVELOPMENT INSURANCE FUND

For an additional amount to reimburse the rural development insurance fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), $204,040,000.

Loans.

For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928 and 86 Stat. 661–664, as follows: insured water and sewer facility loans, $375,000,000; guaranteed industrial development loans, $300,000,000; and insured community facility loans, $130,000,000.

7 USC 1929a, 1931–1933.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), $125,000,000, to remain available until expended, pursuant to section 306(d) of the above Act.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $15,000,000.

42 USC 1474.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), $13,750,000.

MUTUAL AND SELF-HELP HOUSING

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1940(c)), $3,950,000.

42 USC 1490c.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

During 1982, and within the resources and authority available, gross obligations for the amount of direct loans shall not exceed $2,000,000.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), $3,250,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments. 16 USC 2106.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490h); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), for administering the loan program authorized by title IIIA of the Economic Opportunity Act of 1964 (Public Law 88-452, approved August 20, 1964), as amended, and such other programs for which Farmers Home Administration has the responsibility for administering, $282,418,000, including $1,916,000 for the coordination of rural development activities as authorized by section 603 of the Rural Development Act of 1972, together with not more than $3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: *Provided,* That, in addition, not to exceed $500,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: *Provided further,* That not to exceed $500,000 of this appropriation may be used for employment under 5 U.S.C. 3109.

42 USC 2841.
7 USC 2201, 2204, 2204a.
7 USC 1929.
42 USC 1487.
42 USC 1472.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), as follows:

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN AUTHORIZATIONS

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not less than $850,000,000, nor more than $1,100,000,000, and rural telephone loans, not less than $250,000,000 nor more than $325,000,000, to remain available until expended: *Provided,* That loans made pursuant to section 306 of that Act are in addition to these amounts but during 1982, total commitments to guarantee loans pursuant to section 306, shall not be less than $5,145,000,000, nor more than $6,400,000,000 of contingent liability for loan principal.

7 USC 936.

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RURAL TELEPHONE BANK

For the purchase of Class A stock of the Rural Telephone Bank, $30,000,000, to remain available until expended (7 U.S.C. 901-950(b)): *Provided,* That this appropriation shall be available only upon enactment into law of authorizing legislation.

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During 1982, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not less than $160,000,000 nor more than $220,000,000.

31 USC 849.

SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), including not to exceed $7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 for employment under 5 U.S.C. 3109, $29,673,000.

CONSERVATION

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant material centers; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, $314,809,000, of which not less than $3,443,000 is for snow survey and water forecasting and not less than $3,388,000 is for operation of the plant materials centers: *Provided,* That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $7,500, except for one building to be constructed at a cost not to exceed $75,000 and eight buildings to be constructed or improved at a cost not to exceed $45,000 per building and except that alterations or improvements to other existing permanent buildings costing $5,000 or more may be made in any fiscal year in an amount not to exceed $1,500 per building: *Provided further,* That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in

16 USC 590e-1.

demonstration projects: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service.

16 USC 590e-2.

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research, investigations, and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1006-1009), $15,500,000: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), $8,690,000: *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, $192,045,000 (of which $23,434,000 shall be available for the watersheds authorized under the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $10,000,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205) and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That $26,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further,* That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

33 USC 701a.

7 USC 1931, 1932.

16 USC 1531 note.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), $26,000,000: *Provided,* That $4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

7 USC 1931, 1932.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $21,500,000, to remain available until expended.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), and 590q), and sections 1001-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, $190,000,000, to remain available until expended for agreements, excluding administration but including technical assistance and related expenses, except that no participant in the Agricultural Conservation Program shall receive more than $3,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community: *Provided,* That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further,* That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits:

16 USC 590q.

Provided further, That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further,* That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. 53 Stat. 1147.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $12,500,000, to remain available until expended, as authorized by that Act.

WATER BANK PROGRAM

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311), $8,800,000, to remain available until expended.

EMERGENCY CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201-2205), $8,800,000, to remain available until expended, as authorized by 16 U.S.C. 2204.

TITLE III—DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751-1761, and 1766), and the applicable provisions other than section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1773-1785, Funds, transfer.

42 USC 1772.

and 1788); $2,846,838,000, of which $1,082,890,000 is hereby appropriated, and $1,763,948,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C.612c), including $80,000,000 for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act: *Provided,* That funds provided herein shall remain available until September 30, 1983: *Provided further,* That only claims for reimbursement for meals served after September 1, 1981, submitted to State agencies prior to January 1983, shall be eligible for reimbursement: *Provided further,* That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966 when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further,* That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated.

42 USC 1755.

42 USC 1776a.

42 USC 1776.

42 USC 1751 note, 1771 note.

42 USC 1776b.

42 USC 1776.

42 USC 1761.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), $28,100,000, to remain available until September 30, 1983: *Provided,* That only claims for reimbursement for milk served during fiscal year 1982 submitted to State agencies prior to January 1, 1983, shall be eligible for reimbursement.

SPECIAL SUPPLEMENTAL FOOD PROGRAMS (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C 1786), and the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), $973,000,000, of which not to exceed $500,000 shall be available for the pilot supplemental food program when authorized by law: *Provided,* That funds provided herein shall remain available until September 30, 1983.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011–2028), $10,001,384,000 for the period October 1, 1981, through August 15, 1982: *Provided,* That funds provided herein shall remain available until September 30, 1982, in accordance with section 18(a) of the Food Stamp Act: *Provided further,* That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry

7 USC 2027.

31 USC 665.

out program operations: *Provided further,* That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That not less than $65,000,000 of the amount provided herein shall be used for work registration and job search activities.

7 USC 2025.

For an additional amount to carry out the Food Stamp Act (7 U.S.C. 2011-2028), $292,000,000, for the period October 1, 1981, through August 15, 1982, should it become necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste and abuse in the program: *Provided,* That funds provided herein shall remain available until September 30, 1982: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law.

FOOD DONATIONS PROGRAMS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), $48,220,000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the Domestic Food Programs funded under this Act, $86,461,000; of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification and prosecution of fraud and other violations of law: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $100,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $67,694,000: *Provided,* That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

Not to exceed $5,436,000 may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of U.S. commodities (including those of the Corporation) in world markets pursuant to

Funds, transfer.
15 USC 713a-10.

existing authority (including that contained in the Corporation's charter), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in title I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

Report to congressional committees. 92 Stat. 1685, 1686.

Office of International Cooperation and Development

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan and direct activities involving international development, technical assistance and training, international scientific and technical cooperation in the Department of Agriculture, $3,627,000, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), and the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

Public Law 480

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, not more than $858,932,000, of which $381,032,000 is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales and carryover balances; and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than $722,496,000, of which $722,496,000 is hereby appropriated and the balance to be derived from Commodity Credit Corporation funds and from carryover balances: *Provided,* That not to exceed 10 percent of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph.

7 USC 1701, 1727.

7 USC 1721.

TITLE V—RELATED AGENCIES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Food and Drug Administration; for payment of salaries and expenses for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; for rental of special purpose space in the District of Columbia or elsewhere; $332,032,000.

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.) including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109, $19,924,000 to be available as authorized by law: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $16,113,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses including the hire of one passenger motor vehicle.

TITLE VI—GENERAL PROVISIONS

Consulting contracts.

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Passenger motor vehicles.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1982 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed seven hundred forty (740) passenger motor vehicles of which six hundred and eighty-five (685) shall be for replacement only, and for the hire of such vehicles.

Uniforms.

SEC. 603. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

7 USC 1623a.

SEC. 604. Not less than $1,500,000 of the appropriations of the Department of Agriculture for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

Marihuana.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a person, persons, or corporations who harvest or knowingly permit to be harvested for illegal use,

marihuana, or other such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 606. Advances of money from any appropriation for the Department of Agriculture may be made by authority of the Secretary of Agriculture to chiefs of field parties.

Working capital fund.

SEC. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $1,500,000: *Provided,* That no funds appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

7 USC 1691 note.

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Scientific Activities Overseas (Special Foreign Currency Program); Public Law 480; Mutual and Self-Help Housing; Rural Housing for Domestic Farm Labor; Watershed and Flood Prevention Operations; Resource Conservation and Development; and Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

7 USC 1762.

SEC. 610. Not to exceed $50,000 of the appropriations available to the Department of Agriculture shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

Part-time and intermittent assistance.

SEC. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agriculture Stabilization and Conservation County Committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise fully utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disasters, such as forest fires, drought, floods, and other acts of God: *Provided,* That notwithstanding any other provision of this Act, appropriations under this Act for the following agencies or activities shall not exceed:

Governmental and Public Affairs	$8,628,000
Agricultural Research Service:	
Salaries and Expenses	432,410,000
Scientific Activities Overseas (Special Foreign Currency Program)	.....
Cooperative State Research Service:	
Hatch Act payments	141,109,000
Animal Health and Disease programs	5,760,000
Special grants	21,899,000
Competitive grants	16,320,000
Extension Service:	
Smith-Lever payments	219,376,000
Renewable Resources	2,000,000
Animal and Plant Health Inspection Service:	
Salaries and Expenses	277,382,000
Food Safety and Inspection Service	323,250,000
Economic Research Service	39,360,000
Statistical Reporting Service	51,636,000
Agricultural Stabilization and Conservation Service:	
Salaries and Expenses (Transfer from Commodity Credit Corporation)	(309,000,000)
Federal Crop Insurance Corporation:	
Administrative and Operating Expenses	117,600,000

Farmers Home Administration:	
Rural Housing Insurance Fund Reimbursement	$707,967,000
Rural Development Insurance Fund Reimbursement	180,040,000
Salaries and Expenses	276,418,000
Soil Conservation Service:	
Conservation Operations	310,809,000
Special Supplemental Food Programs (WIC)	934,080,000
Public Law 480	1,000,000,000
Titles I and III	(325,127,000)
Title II	(674,873,000)
Food and Drug Administration:	
Salaries and Expenses	328,032,000

Provided further, That, where applicable, the reductions made by this provision shall be applied proportionally to each appropriation account and activity, unless justified in writing and concurred in by the House and Senate Appropriations Committees.

SEC. 612. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.

SEC. 613. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.

Disapproved regulations.

SEC. 614. None of the funds appropriated or otherwise made available by this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

Beneficial ownership certificates.

SEC. 615. Certificates of beneficial ownership sold by the Farmers Home Administration in connection with the Agricultural Credit Insurance Fund, Rural Housing Insurance Fund, and the Rural Development Insurance Fund shall be not less than 75 per centum of the value of the loans closed during the fiscal year.

SEC. 616. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of

indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 617. None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.

SEC. 618. None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

Watershed projects.
16 USC 1001 note.
42 USC 1962 note.
7 USC 612c note.

SEC. 619. Notwithstanding any other provision of law, watershed projects under Public Law 83-566 are hereby exempted from the requirements of Executive Orders 12113 and 12141.

SEC. 620. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4119:

HOUSE REPORTS: No. 97-172 (Comm. on Appropriations) and No. 97-313 (Comm. of Conference).
SENATE REPORT No. 97-248 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 27, considered and passed House.
Oct. 29, 30, considered and passed Senate, amended.
Dec. 15, House and Senate agreed to conference report.

Public Law 97-104
97th Congress

An Act

To provide for the minting of half dollars with a design emblematic of the two hundred and fiftieth anniversary of the birth of George Washington.

Dec. 23, 1981
[H.R. 3484]

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

George Washington Commemorative Coin Act.

SHORT TITLE

SECTION 1. This Act may be cited as the "George Washington Commemorative Coin Act".

31 USC 391 note.

HALF-DOLLAR COIN

SEC. 2. Title I of the Coinage Act of 1965 (31 U.S.C. 391 et seq.) is amended by adding at the end thereof the following:

"SEC. 109. (a) Notwithstanding any other provision of law, the Secretary shall mint and issue half-dollar coins pursuant to this section in such quantities as are necessary to meet the needs of the public, except that such quantity shall not exceed 10,000,000 coins.

Quantity.
31 USC 399.

"(b)(1) The half-dollar coins minted pursuant to this section shall weigh 12.50 grams, have a diameter of 30.61 millimeters, and be minted in accordance with the standard established in section 3514 of the Revised Statutes (31 U.S.C. 321).

"(2)(A) The Secretary shall determine the design which shall appear on each side of such half-dollar coin. Both such designs shall be emblematic of the two hundred and fiftieth anniversary of the birth of George Washington.

Design.

"(B) On each such half-dollar coin there shall be a designation of the value of the coin, an inscription of the year '1982', and inscriptions of the words 'Liberty', 'In God We Trust', 'United States of America', and 'E Pluribus Unum'.

Inscriptions.

"(3) All half-dollar coins minted pursuant to this section shall be legal tender as provided in section 102 of this title (31 U.S.C. 392).

"(c)(1) All half-dollar coins minted pursuant to this section shall be sold to the public by the Secretary under such regulations as he may prescribe and at a price equal to the cost of minting and distributing such half-dollar coins (including labor, materials, dies, use of machinery, promotion, and overhead expenses) plus a surcharge of not more than 20 percent of such cost.

Price determination.

"(2) An amount equal to the amount of all surcharges which are received by the Secretary from the sale of such half-dollar coins shall be deposited in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.

"(d) No half-dollar coins shall be minted pursuant to this section after December 31, 1983.

"(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

Appropriation authorization.

USE OF SILVER

SEC. 3. The last sentence of section 202 of Public Law 91-607 (31 U.S.C. 391 note) is hereby repealed.

EFFECTIVE DATE

31 USC 399 note.

SEC. 4. The amendment made by section 2 shall take effect on October 1, 1981.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 3484:

SENATE REPORT No. 97-277 (Comm. on Banking, Housing, and Urban Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 19, considered and passed House.
Dec. 9, considered and passed Senate.

Public Law 97-105
97th Congress

An Act

To amend the District of Columbia Self-Government and Governmental Reorganization Act and the charter of the District of Columbia with respect to the provisions allowing the District of Columbia to issue general obligation bonds and notes and revenue bonds, notes, and other obligations.

Dec. 23, 1981
[H.R. 4910]

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

District of Columbia Self-Government and Governmental Reorganization Act, amendment. "Capital project."

SECTION 1. Section 103(8) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 1-122(8)) is amended to read as follows:

"(8) The term 'capital project' means any physical public betterment or improvement, the acquisition of property of a permanent nature, or the purchase of equipment or furnishings, and includes (A) costs of any preliminary plans, studies, and surveys in connection with such betterment, improvement, acquisition, or purchase, (B) costs incidental to such betterment, improvement, acquisition, or purchase, and the financing thereof, including the cost of any election, professional fees, printing or engraving, production and reproduction of documents, publication of notices, taking of title, bond insurance, and interest during construction, and (C) the reimbursement of any fund or account for amounts expended for the payment of any such costs".

SEC. 2. Section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-224) is amended in the fourth sentence by striking out "No" and inserting in lieu thereof "Except as provided in section 467(d), section 471(c), section 472(d)(2), section 483(d), and subsections (f) and (g)(3) of section 490, no".

Post, pp. 1496, 1497.
Post, pp. 1497, 1498.
Post, p. 1499.

SEC. 3. Section 448 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-226) is amended—

D.C. Code 47-254.

(1) by inserting "(a)" after "SEC. 448."; and

(2) by adding at the end the following new subsection:

"(b) Notwithstanding subsection (a), the Mayor may make any payments required by subsection (b) or subsection (c) of section 483 and take any actions authorized by an act of the Council under section 467(b) or under subsection (a)(4)(A), or subsection (e), of section 490.".

SEC. 4. Section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241(a)) is amended in the second sentence by striking out "payable annually or semi-annually, at such rate" and inserting in lieu thereof "payable on such dates, at such rate or rates".

SEC. 5. Section 462 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-242) is amended—

(1) by striking out the title of such section and inserting in lieu thereof the following new title:

"CONTENTS OF BORROWING LEGISLATION AND ELECTIONS ON ISSUING GENERAL OBLIGATION BONDS";

(2) by inserting "(a)" after "SEC. 462.";

(3) in paragraph (6)—

(A) by striking out the comma which appears after "discretion"; and

(B) by inserting "the date of such election," after "holding such election,"; and

(4) by adding after paragraph (6) the following new subsections:

"(b) Any election held on the question of issuing general obligation bonds must be held before the act authorizing the issuance of such bonds is transmitted to the Speaker of the House of Representatives and the President of the Senate pursuant to section 602(c).

D.C. Code 1-147.

"(c) Notwithstanding section 602(c)(1), the provisions required by paragraph (6) of subsection (a) to be included in any act authorizing the issuance of general obligation bonds shall take effect on the date of the enactment of such act.".

SEC. 6. Section 463 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-243) is amended to read as follows:

"PUBLICATION OF BORROWING LEGISLATION

D.C. Code 47-242.

"SEC. 463. (a) After each act of the Council of the District under section 462(a) authorizing the issuance of general obligation bonds has taken effect, the Mayor shall publish such act at least once in at least one newspaper of general circulation within the District together with a notice that such act has taken effect. Each such notice shall be in substantially the following form:

"'NOTICE

"'The following act of the Council of the District of Columbia (published with this notice) authorizing the issuance of general obligation bonds has taken effect. As provided in the District of Columbia Self-Government and Governmental Reorganization Act, the time within which a suit, action, or proceeding questioning the validity of such bonds may be commenced expires at the end of the twenty-day period beginning on the date of the first publication of this notice.

"'_____ _____,

"'Mayor.'

"(b) Neither the failure to publish the notice provided for in subsection (a) nor any error in any publication of such notice shall impair the effectiveness of the act of the Council authorizing the issuance of such bonds or the validity of any bond issued pursuant to such act.".

SEC. 7. Section 464 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-244) is amended to read as follows:

"SHORT PERIOD OF LIMITATION

Supra.

"SEC. 464. (a) At the end of the twenty-day period beginning on the date of the first publication pursuant to section 463(a) of the notice that an act authorizing the issuance of general obligation bonds has taken effect—

"(1) any recital or statement of fact contained in such act or in the preamble or title of such act shall be deemed to be true for the purpose of determining the validity of the bonds authorized by such act, and the District and all others interested shall be estopped from denying any such recital or statement of fact; and

"(2) such act, and all proceedings in connection with the authorization of the issuance of such bonds including any election held on the question of issuing such bonds, shall be deemed to have been duly and regularly taken, passed, and done by the District, in compliance with this Act and all other applicable laws, for the purpose of determining the validity of such act and proceedings; and no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of such act or proceedings except in a suit, action, or proceeding commenced before the end of such twenty-day period.

"(b) At the end of the twenty-day period beginning on the date of the first publication pursuant to section 463(a) of the notice that an act authorizing the issuance of general obligation bonds has taken effect, no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of any general obligation bond issued pursuant to such act if—

Ante, p. 1494.

"(1) such general obligation bond was purchased in good faith and for fair value; and

"(2) such general obligation bond contains substantially the following statement which shall bind the District of Columbia: 'It is hereby certified and recited that all conditions, acts, and things required by the District of Columbia Self-Government and Governmental Reorganization Act and other applicable laws to exist, to have happened, and to have been performed precedent to and in the issuance of this bond exist, have happened, and have been performed and that the issue of bonds, of which this is one, together with all other indebtedness of the District of Columbia, is within every debt and other limit prescribed by law.'".

D.C. Code 1-121 note.

SEC. 8. Section 465 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-245) is amended to read as follows:

"ISSUANCE OF GENERAL OBLIGATION BONDS

"SEC. 465. (a) After an act of the Council authorizing the issuance of general obligation bonds under section 461(a) takes effect, the Mayor may issue such general obligation bonds as authorized by such act of the Council. An issue of general obligation bonds may be all or any part of the aggregate principal amount of bonds authorized by such act.

D.C. Code 47-241.

"(b) The principal amount of the general obligation bonds of each issue shall be payable in annual installments beginning not more than three years after the date of such bonds and ending not more than thirty years after such date.

"(c) The general obligation bonds of each issue shall be executed by the manual or facsimile signature of such officials as may be designated to sign such bonds by the act of the Council authorizing the issuance of the bonds, except that at least one such signature shall be manual. Coupons attached to the bonds shall be authenticated by the facsimile signature of the Mayor unless the Council provides otherwise.".

89-194 O—82——96 : QL3

SEC. 9. Section 466 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-246) is amended—

(1) by striking out the title of the section and inserting in lieu thereof "PUBLIC OR PRIVATE SALE";

(2) by striking out "SEC. 466. All" in the first sentence and inserting in lieu thereof "SEC. 466. (a) Except as provided in subsection (b),"; and

(3) by adding at the end the following new subsection:

"(b) Any issue of general obligation bonds which is sold before October 1, 1984, and which is additionally secured by a security interest created in District revenues under section 467(a) may be sold at either a public sale under subsection (a) or at a private sale on a negotiated basis in such manner as the Mayor may determine to be in the public interest.".

Infra.

SEC. 10. Subpart 1 of part E of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 et seq.) is amended by inserting after section 466 the following new section:

"AUTHORITY TO CREATE SECURITY INTERESTS IN DISTRICT REVENUES

D.C. Code 47-241.

"SEC. 467. (a) An act of the Council authorizing the issuance of general obligation bonds under section 461(a) may create a security interest in any District revenues as additional security for the payment of the bonds authorized by such act.

"(b) Any such act creating a security interest in District revenues may contain provisions (which may be part of the contract with the holders of such bonds)—

"(1) describing the particular District revenues which are subject to such security interest;

"(2) creating a reasonably required debt service reserve fund or any other special fund;

"(3) authorizing the Mayor of the District to execute a trust indenture securing the bonds;

"(4) vesting in the trustee under such a trust indenture such properties, rights, powers, and duties in trust as may be necessary, convenient, or desirable;

"(5) authorizing the Mayor of the District to enter into and amend agreements concerning (A) the custody, collection, use, disposition, security, investment, and payment of the proceeds of the bonds and the District revenues which are subject to such security interest, and (B) the doing of any act (or the refraining from doing any act) that the District would have the right to do in the absence of such an agreement;

"(6) prescribing the remedies of the holders of the bonds in the event of a default; and

"(7) authorizing the Mayor of the District to take any other actions in connection with the issuance, sale, delivery, security, and payment of the bonds.

"(c) Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest in District revenues created under subsection (a) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such

security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such lien.

"(d) The fourth sentence of section 446 shall not apply to any obligation or expenditure of any District revenues to secure any general obligation bond under subsection (a).". D.C. Code 47-224.

SEC. 11. Section 471 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-247) is amended to read as follows:

"BORROWING TO MEET APPROPRIATIONS

"SEC. 471. (a) In the absence of unappropriated revenues available to meet appropriations made pursuant to section 446, the Council may by act authorize the issuance of general obligation notes. The total amount of all such general obligation notes originally issued during a fiscal year shall not exceed 2 per centum of the total appropriations for the District for such fiscal year.

"(b) Any general obligation note issued under subsection (a), as authorized by an act of the Council, may be renewed. Any such note, including any renewal of such note, shall be due and payable not later than the last day of the fiscal year occurring immediately after the fiscal year during which the act authorizing the original issuance of such note takes effect.

"(c) The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any general obligation note issued under subsection (a).".

SEC. 12. Section 472 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-248) is amended to read as follows:

"BORROWING IN ANTICIPATION OF REVENUES

"SEC. 472. (a) In anticipation of the collection or receipt of revenues for a fiscal year, the Council may by act authorize the issuance of general obligation notes for such fiscal year, to be known as revenue anticipation notes.

"(b) The total amount of all revenue anticipation notes issued under subsection (a) outstanding at any time during a fiscal year shall not exceed 20 per centum of the total anticipated revenue of the District for such fiscal year, as certified by the Mayor under this subsection. The Mayor shall certify, as of a date which occurs not more than fifteen days before each original issuance of such revenue anticipation notes, the total anticipated revenue of the District for such fiscal year.

"(c) Any revenue anticipation note issued under subsection (a) may be renewed. Any such note, including any renewal of such note, shall be due and payable not later than the last day of the fiscal year during which the note was originally issued.

"(d)(1) Notwithstanding section 602(c)(1), any act of the Council authorizing the issuance of revenue anticipation notes under subsection (a) may take effect on the date of the enactment of such act. D.C. Code 1-147.

"(2) The fourth sentence of section 446 shall not apply to any amount obligated or expended by the District for the payment of the principal of, interest on, or redemption premium for any revenue anticipation note issued under subsection (a).".

SEC. 13. Section 481 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-251) is amended to read as follows:

"SPECIAL TAX

D.C. Code 47-241.

"SEC. 481. (a) Any act of the Council authorizing the issuance of general obligation bonds under section 461(a) shall provide for the annual levy of a special tax or charge, if the Council determines that such tax or charge is necessary. Such tax or charge shall be levied, without limitation as to rate or amount, in amounts which together with other District revenues available and applicable will be sufficient to pay the principal of and interest on such general obligation bonds as they become due and payable. Such tax or charge shall be levied and collected at the same time and in the same manner as other District taxes are levied and collected, and when collected shall be set aside in a separate debt service fund and irrevocably dedicated to the payment of such principal and interest.

"(b) The Comptroller General of the United States shall make annual audits of the amounts set aside and deposited in each debt service fund pursuant to subsection (a).".

SEC. 14. Subpart 3 of part E of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-251) is amended by adding after section 481 the following new sections:

"FULL FAITH AND CREDIT OF THE DISTRICT

D.C. Code 47-241.
Ante, p. 1497.
Ante, p. 1497.

"SEC. 482. The full faith and credit of the District is pledged for the payment of the principal of and interest on any general obligation bond or note issued under section 461(a), section 471(a), or section 472(a), whether or not such pledge is stated in such bond or note or in the act authorizing the issuance of such bond or note.

"PAYMENT OF THE GENERAL OBLIGATION BONDS AND NOTES

D.C. Code 47-224.

"SEC. 483. (a) The Council shall provide in each annual budget for the District of Columbia government for a fiscal year adopted by the Council pursuant to section 446 sufficient funds to pay the principal of and interest on all general obligation bonds or notes issued under section 461(a), section 471(a), or section 472(a) becoming due and payable during such fiscal year.

"(b) The Mayor shall insure that the principal of and interest on all general obligation bonds and notes issued under section 461(a), section 471(a), or section 472(a) are paid when due, including by paying such principal and interest from funds not otherwise legally committed.

"(c) If the Mayor determines that no other funds are available to pay the principal and interest due and payable during any fiscal year on any general obligation bond or note issued under section 461(a), section 471(a), or section 472(a), the annual Federal payment appropriated for such fiscal year under the authorization contained in section 502 shall first be used to pay such principal or interest.

D.C. Code 47-2501d.

"(d) The fourth sentence of section 446 shall not apply to—

Supra.

"(1) any amount set aside in a debt service fund under section 481(a);

"(2) any amount obligated or expended for the payment of the principal of, interest on, or redemption premium for any general

obligation bond or note issued under section 461(a), section 471(a), or section 472(a);

D.C. Code 47-241.
Ante, p. 1497.
Ante, p. 1497.

"(3) any amount obligated or expended as provided by the Council in any annual budget for the District of Columbia government pursuant to subsection (a) or as provided by any amendment or supplement to such budget; or

"(4) any amount obligated or expended by the Mayor pursuant to subsection (b) or (c).".

SEC. 15. Part E of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-241 et seq.) is amended—

(1) by redesignating subpart 4 as subpart 5; and

(2) by inserting after section 481 the following new subpart:

"Subpart 4—Full Faith and Credit of the United States

"FULL FAITH AND CREDIT OF THE UNITED STATES NOT PLEDGED

"SEC. 484. The full faith and credit of the United States is not pledged for the payment of any principal of or interest on any bond, note, or other obligation issued by the District under this part. The United States is not responsible or liable for the payment of any principal of or interest on any bond, note, or other obligation issued by the District under this part.".

SEC. 16. Section 490 of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-254) is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following new subsection:

Revenue bonds and notes.

"(a)(1) The Council may by act authorize the issuance of revenue bonds, notes, or other obligations (including refunding bonds, notes, or other obligations) to borrow money to finance, to refinance, or to assist in the financing or refinancing of, undertakings in the areas of housing, health facilities, transit and utility facilities, recreational facilities, college and university facilities, pollution control facilities, and industrial and commercial development. Any such financing or refinancing may be effected by loans made directly or indirectly to any individual or legal entity, by the purchase of any mortgage, note, or other security, or by the purchase, lease, or sale of any property.

"(2) Any revenue bond, note, or other obligation issued under paragraph (1) shall be a special obligation of the District and shall be a negotiable instrument, whether or not such bond, note, or other obligation is a security as defined in section 28:8-102(1)(a) of title 28 of the District of Columbia Code.

"(3) Any revenue bond, note, or other obligation issued under paragraph (1) shall be paid and secured (as to principal, interest, and any premium) as provided by the act of the Council authorizing the issuance of such bond, note, or other obligation. Subject to subsection (c), any act of the Council authorizing the issuance of such bond, note, or other obligation may provide for (A) the payment of such bond, note, or other obligation from any available revenues, assets, or property, and (B) the securing of such bond, note, or other obligation by the mortgage of real property or the creation of any security interest in available revenues, assets, or other property.

Security interests.

"(4)(A) In authorizing the issuance of any revenue bond, note, or other obligation under paragraph (1), the Council may enter into, or authorize the Mayor to enter into, any agreement concerning the acquisition, use, or disposition of any funds or property. Any such

agreement may create any security interest in any funds or property, may provide for the custody, collection, security, investment, and payment of any funds (including any funds held in trust) for the payment of such bond, note, or other obligation, may mortgage any property, may provide for the acquisition, construction, maintenance, and disposition of the undertaking financed or refinanced using the proceeds of such bond, note, or other obligation, and may provide for the doing of any act (or the refraining from doing of any act) which the District has the right to do in the absence of such agreement. Any such agreement may be assigned for the benefit of, or made a part of any contract with, any holder of such revenue bond, note, or other obligation issued under paragraph (1).

"(B) Notwithstanding article 9 of title 28 of the District of Columbia Code, any security interest created under subparagraph (A) shall be valid, binding, and perfected from the time such security interest is created, with or without the physical delivery of any funds or any other property and with or without any further action. Such security interest shall be valid, binding, and perfected whether or not any statement, document, or instrument relating to such security interest is recorded or filed. The lien created by such security interest is valid, binding, and perfected with respect to any individual or legal entity having claims against the District, whether or not such individual or legal entity has notice of such lien.

"(C) Any funds of the District held for the payment or security of any revenue bond, note, or other obligation issued under paragraph (1), whether or not such funds are held in trust, may be secured in the manner agreed to by the District and any depository of such funds. Any depository of such funds may give security for the deposit of such funds.";

U.S. property.

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) No property owned by the United States may be mortgaged or made subject to any security interest to secure any revenue bond, note, or other obligation issued under subsection (a)(1).";

(3) by striking out subsection (e) and inserting in lieu thereof the following new subsection:

"(e) Any act of the Council authorizing the issuance of revenue bonds, notes, or other obligations under subsection (a)(1) may—

"(1) briefly describe the purpose for which such bonds, notes, or other obligations are to be issued;

"(2) identify the Act authorizing such purpose;

"(3) prescribe the form, terms, provisions, manner, and method of issuing and selling (including sale by negotiation or by competitive bid) such bonds, notes, or other obligations;

"(4) provide for the rights and remedies of the holders of such bonds, notes, or other obligations upon default;

"(5) prescribe any other details with respect to the issuance, sale, or securing of such bonds, notes, or other obligations; and

"(6) authorize the Mayor to take any actions in connection with the issuance, sale, delivery, security, and payment of such bonds, notes, or other obligations, including the prescribing of any terms or conditions not contained in such act of the Council.";

District of Columbia government expenditures. D.C. Code 47-224.

(4) by striking out subsection (f) and inserting in lieu thereof the following new subsection:

"(f) The fourth sentence of section 446 shall not apply to—

"(1) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale

of any revenue bond, note, or other obligation issued under subsection (a)(1);

"(2) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (a)(1); and

"(3) any amount obligated or expended to secure any revenue bond, note, or other obligation issued under subsection (a)(1)."; and

(5) by striking out paragraph (3) of subsection (g) and inserting in lieu thereof the following new paragraph:

"(3) The fourth sentence of section 446 shall not apply to—

"(A) any amount (including the amount of any accrued interest or premium) obligated or expended from the proceeds of the sale of any revenue bond, note, or other obligation issued under subsection (g)(1);

"(B) any amount obligated or expended for the payment of the principal of, interest on, or any premium for any revenue bond, note, or other obligation issued under subsection (g)(1); and

"(C) any amount obligated or expended to secure any revenue bond, note, or other obligation issued under subsection (g)(1).".

SEC. 17. Section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 1-147(c)(1)) is amended in the first sentence by inserting "and except as provided in section 462(c) and section 472(d)(1)" after "title IV of this Act". *Ante*, p. 1494, 1497.

SEC. 18. The table of contents of the District of Columbia Self-Government and Governmental Reorganization Act is amended— D.C. Code 1-121.

(1) by striking out the item relating to section 462 and inserting in lieu thereof the following new item:

"Sec. 462. Contents of borrowing legislation and elections on issuing general obligation bonds.";

(2) by striking out the item relating to section 465 and inserting in lieu thereof the following new item:

"Sec. 465. Issuance of general obligation bonds.";

(3) by striking out the item relating to section 466 and inserting in lieu thereof the following new item:

"Sec. 466. Public or private sale.";

(4) by inserting after the item relating to section 466 the following new item:

"Sec. 467. Authority to create security interests in District revenues.";

(5) by inserting after the item relating to section 481 the following new items:

"Sec. 482. Full faith and credit of the District.
"Sec. 483. Payment of general obligation bonds and notes.";

(6) by redesignating subpart 4 of part E as subpart 5; and

(7) by inserting after the item relating to section 483 the following new item:

"Subpart 4—Full Faith and Credit of the United States

"Sec. 484. Full faith and credit of the United States not pledged.".

SEC. 19. (a) Except as provided in subsection (b), this Act shall take effect on the date of the enactment of this Act. Effective date.

(b) Any revenue bonds, notes, or other obligations authorized by an act of the Council of the District of Columbia enacted subsequent to August 1, 1981, pursuant to section 490(a) of the District of Columbia Self-Government and Governmental Reorganization Act (D.C. Code, sec. 47-254(a)) may be secured by a mortgage of real property or a security interest in any revenues, assets, or other property, notwithstanding that such mortgage or other security interest may not have been authorized by such section 490(a) as of the effective date of such act.

Ante, p. 1499.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4910:

HOUSE REPORT No. 97-361 (Comm. on the District of Columbia).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 14, considered and passed House.
Dec. 15, considered and passed Senate.

Public Law 97-106
97th Congress

An Act

Making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 23, 1981
[H.R. 4241]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1982, for military construction functions administered by the Department of Defense, and for other purposes, namely:

Military Construction Appropriation Act, 1982.

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Army as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, and for construction and operation of facilities in support of the functions of the Commander-in-Chief, $943,701,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $139,700,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *And provided further,* That $1,000,000 of the funds available for planning and design shall be available only for the design of a headquarters facility for the U.S. Army Forces Command at Fort McPherson, Georgia.

Notification to congressional committees.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,451,393,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $88,100,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

Notification to congressional committees.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, and facilities for the Air Force as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, $1,545,751,000, to remain available until September 30, 1986: *Provided,* That of this amount, not to exceed $91,100,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor: *Provided further,* That $500,000 of the funds available for planning and design shall be available only to design facilities at Goodfellow Air Force Base, Texas.

Notification to congressional committees.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

(INCLUDING TRANSFER OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, and facilities for activities and agencies of the Department of Defense (other than the military departments), as currently authorized in military public works or military construction Acts, and in sections 2673, 2674, and 2675 of title 10, United States Code, $306,490,000, to remain available until September 30, 1986; and, in addition, not to exceed $20,000,000 to be derived by transfer from the appropriation "Research, development, test, and evaluation, Defense Agencies" as determined by the Secretary of Defense: *Provided,* That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate: *Provided further,* That of the amount appropriated, not to exceed $28,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

Notification to congressional committees.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations (including international military headquarters) for the collective defense of the North Atlantic Treaty Area as authorized in military construction Acts, $345,000,000, to remain available until expended.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $67,658,000, to remain available until September 30, 1986.

10 USC 2231 *et seq.*

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $105,140,000, to remain available until September 30, 1986.

10 USC 2231 *et seq.*

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $64,703,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $36,000,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, as amended, and the Reserve Forces Facilities Acts, $37,400,000, to remain available until September 30, 1986.

MILITARY CONSTRUCTION, RESERVE COMPONENTS GENERALLY

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Reserve components of the Armed Forces, $470,000, to be allocated by the Secretary of Defense for the Army Reserve, and to remain available until September 30, 1985.

FAMILY HOUSING, DEFENSE

For expenses of family housing for the Army, Navy, Marine Corps, Air Force, and Defense agencies, for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation, maintenance, and debt payment, including leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $2,282,442,000, to be obligated and expended in the Family Housing Management Account established pursuant to section 501(a) of Public Law 87-554, in not to exceed the following amounts:

42 USC 1594a-1.

for Construction: $280,235,000;
for Debt payment: $148,111,000;
for Operation, maintenance: $1,854,096,000:

Provided, That the amounts provided under this head for construction, and for debt payment, shall remain available until September 30, 1986: *Provided further,* That funds previously appropriated under

this head in fiscal year 1980 for debt payment in the amount of $1,992,000 for the Department of Defense shall be transferred and merged in the Family Housing Management Account with, and be available for the same period as, the funds appropriated in this Act for debt service for such departments and agencies, and such funds may be obligated and expended for such purposes.

HOMEOWNERS ASSISTANCE FUND, DEFENSE

For use in the Homeowners Assistance Fund established pursuant to section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754, as amended), $2,000,000.

42 USC 3374.

GENERAL PROVISIONS

Prior appropriations.

SEC. 101. Funds appropriated to the Department of Defense for construction in prior years are hereby made available for construction authorized for each such department by the authorizations enacted into law during the first session of the Ninety-seventh Congress.

Contracts.

SEC. 102. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

Construction costs.

SEC. 103. None of the funds appropriated in this Act shall be expended for additional costs involved in expediting construction unless the Secretary of Defense certifies such costs to be necessary to protect the national interest and establishes a reasonable completion date for each project, taking into consideration the urgency of the requirement, the type and location of the project, the climatic and seasonal conditions affecting the construction, and the application of economical construction practices.

Service facilities.

SEC. 104. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or drycleaning facility in the United States, its territories, or possessions, as to which the Secretary of Defense does not certify, in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

Motor vehicles. 31 USC 638f.

SEC. 105. Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

Access roads, construction. 31 USC 700b.

SEC. 106. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

New bases.

SEC. 107. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental United States for which specific appropriations have not been made.

Land purchases or easements.

SEC. 108. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Naval Facilities Engineering Command, except: (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than

$25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

Foreign projects.

SEC. 109. None of the funds appropriated in this Act may be used to make payments under contracts for any project in a foreign country unless the Secretary of Defense or his designee, after consultation with the Secretary of the Treasury or his designee, certifies to the Congress that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law is not feasible for the purpose, stating the reason therefor.

Family housing.

SEC. 110. None of the funds appropriated in this Act shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual military construction appropriation Acts.

Notification to Committee on Appropriations.

SEC. 111. None of the funds appropriated in this Act for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committee on Appropriations.

Base realignment or closure activities.

SEC. 112. None of the funds appropriated or otherwise made available under this Act shall be obligated or expended in connection with any base realignment or closure activity, until all terms, conditions and requirements of the National Environmental Policy Act have been complied with, with respect to each such activity.

42 USC 4321 note.

Steel procurement.

SEC. 113. No part of the funds appropriated in this Act may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

Notification to congressional committees.

SEC. 114. None of the funds available to the Department of Defense for military construction during the current fiscal year may be obligated for projects under the authority of section 402 of the Military Construction Authorization Act, 1981, or similar provisions in prior-year military construction authorization Acts until twenty-one days have passed after the Secretary of Defense has notified the Committees on Appropriations of the Senate and the House of Representatives of the purpose and estimated cost of construction for which these funds are to be used under such authorities.

94 Stat. 1760.

Indian Ocean dredging.

SEC. 115. No part of the funds appropriated in this Act for dredging in the Indian Ocean may be used for the performance of the work by foreign contractors: *Provided*, That the low responsive bid of a United States contractor does not exceed the lowest responsive bid of a foreign contractor by greater than 20 per centum.

Solar energy systems, installation.

SEC. 116. During the current fiscal year none of the funds available to the Department of Defense for military construction or family housing shall be available to furnish or install solar energy systems in new facilities (including family housing) unless such systems can be shown to be cost effective using the sum of all capital and operating expenses associated with the energy system of the building involved over the expected life of such system or during a period of twenty-five years, whichever is shorter, and using marginal fuel costs as determined by the Secretary of Defense and at a discount rate of 7 per centum per year.

MX missile facilities, design.

SEC. 117. No part of the funds appropriated in this Act may be obligated for design of any site-specific facilities for the MX missile system until all terms, conditions, and requirements of the National Environmental Policy Act (42 U.S.C. 4332) are met.

Foreign real property taxes.

SEC. 118. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

Illegal alien employment.

SEC. 119. No part of the funds appropriated in this Act may be used to pay the compensation of an officer of the Government of the United States or to reimburse a contractor for the employment of a person for work in the continental United States by any such person if such person is an alien who has not been lawfully admitted to the United States.

Consulting service contracts.

SEC. 120. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 121. Notwithstanding any other provision of law, any funds appropriated to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were appropriated if the funds obligated for such project (1) are obligated from funds available for military construction projects, and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 122. It is the sense of the Congress that the administration should call on the pertinent member nations of the North Atlantic Treaty Organization and on Japan to meet or exceed their pledges for at least a 3 per centum real increase in defense spending in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

Short title.

This Act may be cited as the "Military Construction Appropriation Act, 1982".

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 4241:

HOUSE REPORTS: No. 97-193 (Comm. on Appropriations) and No. 97-400 (Comm. of Conference).

SENATE REPORT No. 97-271 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Sept. 16, considered and passed House.

Dec. 4, considered and passed Senate, amended.

Dec. 15, House and Senate agreed to conference report.

Public Law 97-107
97th Congress

An Act

To allow the George Washington University Higher Education Facilities Revenue Bond Act of 1981 of the District of Columbia to take effect immediately.

Dec. 23, 1981
[H.R. 5273]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act shall not apply to the George Washington University Higher Education Facilities Revenue Bond Act of 1981 (District of Columbia act 4-104) passed by the Council of the District of Columbia on October 27, 1981, and signed by the Mayor of the District of Columbia on October 30, 1981, and such District of Columbia act shall become law on the date of the enactment of this Act, notwithstanding section 404(e) of the District of Columbia Self-Government and Governmental Reorganization Act and any provision to the contrary in such District of Columbia act.

George Washington University higher education facilities revenue bond.
87 Stat. 813.

87 Stat. 787.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 5273:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 16, considered and passed House and Senate.

Public Law 97-108
97th Congress

An Act

Dec. 23, 1981
[H.R. 1465]

To amend the Congressional Budget Act of 1974 to require the Congressional Budget Office, for every significant bill or resolution reported in the House or the Senate, to prepare and submit an estimate of the cost which would be incurred by State and local governments in carrying out or complying with such bill or resolution.

State and Local Government Cost Estimate Act of 1981.
31 USC 1301 note.
31 USC 1353.

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 "State and Local Government Cost Estimate Act of 1981".

SEC. 2. (a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by inserting "(a)" before "The";

(2) by striking out "and" after the semicolon in clause (1) of subsection (a) (as redesignated by clause (1) of this subsection);

(3) by inserting after clause (1) the following new clause:

"(2) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with any significant bill or resolution in the fiscal year in which it is to become effective and in each of the four fiscal years following such fiscal year, together with the basis for each such estimate; and";

(4) by redesignating clause (2) of such subsection as clause (3);

(5) by striking out "(1)" in clause (3) of subsection (a) (as designated by clauses (1) and (4) of this subsection) and inserting in lieu thereof "(1) and (2)";

(6) by striking out "estimate" each place it appears in clause (3) of subsection (a) and in the last sentence of such subsection, and inserting in lieu thereof "estimates"; and

(7) by inserting at the end thereof the following new subsections:

"Local government."
42 USC 4201.

"(b) For purposes of subsection (a)(2), the term 'local government' has the same meaning as in section 103 of the Intergovernmental Cooperation Act of 1968.

"Significant bill or resolution."

"(c) For purposes of subsection (a)(2), the term 'significant bill or resolution' is defined as any bill or resolution which in the judgment of the Director of the Congressional Budget Office is likely to result in an annual cost to State and local governments of $200,000,000 or more, or is likely to have exceptional fiscal consequences for a geographic region or a particular level of government.".

(b) The amendments made by subsection (a) shall apply with respect to bills or resolutions reported by committees of the House of Representatives and the Senate after September 30, 1982.

31 USC 1353 note.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

Appropriation authorization. 31 USC 1353 note.

SEC. 4. The authorization granted under the terms of this Act shall expire on September 30, 1987.

Expiration date. 31 USC 1353 note.

Approved December 23, 1981.

LEGISLATIVE HISTORY—H.R. 1465 (S. 43):

HOUSE REPORT No. 97-353 (Comm. on Rules).
SENATE REPORTS: No. 97-142 (Comm. on Governmental Affairs) and No. 97-174 (Comm. on the Budget) accompanying S. 43.
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 8, considered and passed House.
Dec. 16, considered and passed Senate, in lieu of S. 43.

89-194 O—82——97 : QL3

Public Law 97-109
97th Congress

An Act

Dec. 26, 1981
[S. 1003]

To amend title III of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to authorize appropriations for such title for fiscal years 1982 and 1983, and for other purposes.

Marine Protection, Research, and Sanctuaries Act of 1972, amendment. Appropriation authorization.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972 (16 U.S.C. 1434) is amended—

(1) by striking out "and" immediately after "fiscal year 1978" and inserting a comma; and

(2) by adding immediately after "fiscal year 1981" the following: ", not to exceed $2,235,000 for fiscal year 1982, and not to exceed $2,235,000 for fiscal year 1983,".

Approved December 26, 1981.

LEGISLATIVE HISTORY—S. 1003 (H.R. 2449):

HOUSE REPORT No. 97-52 accompanying H.R. 2449 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. 97-44 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
May 4, considered and passed Senate.
July 13, H.R. 2449 considered and passed House; proceedings vacated and S. 1003 amended, passed in lieu.
Dec. 11, Senate concurred in House amendment with an amendment.
Dec. 14, House concurred in Senate amendment.

Public Law 97-110
97th Congress

An Act

To clarify the treatment of international banking facility deposits for purposes of deposit insurance assessments and to remove certain limitations on the mortgage loan purchase authority of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

Dec. 26, 1981
[H.R. 4879]

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

International Banking Facility Deposit Insurance Act.

TITLE I—INTERNATIONAL BANKING FACILITY DEPOSIT INSURANCE ACT

SHORT TITLE

SEC. 101. This title may be cited as the "International Banking Facility Deposit Insurance Act".

12 USC 1811 note.

INTERNATIONAL BANKING FACILITY DEPOSITS

SEC. 102. Section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended to read as follows:

"(5) such other obligations of a bank as the Board of Directors, after consultation with the Comptroller of the Currency and the Board of Governors of the Federal Reserve System, shall find and prescribe by regulation to be deposit liabilities by general usage, except that the following shall not be a deposit for any of the purposes of this Act or be included as part of the total deposits or of an insured deposit:

"(A) any obligation of a bank which is payable only at an office of such bank located outside of the States of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands; and

"(B) any international banking facility deposit, including an international banking facility time deposit, as such term is from time to time defined by the Board of Governors of the Federal Reserve System in regulation D or any successor regulation issued by the Board of Governors of the Federal Reserve System.".

BRANCHES OF INSURED BANKS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 103. (a) Section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813) is amended—

(1) in subsection (a), by inserting "the Trust Territory of the Pacific Islands," after "American Samoa," each place it appears therein;

(2) in subsection (m)(1), by inserting "of the Trust Territory of the Pacific Islands," after "American Samoa,"; and

(3) in subsection (o), by inserting "the Trust Territory of the Pacific Islands," after "American Samoa," each place it appears therein.

(b) Section 7 of such Act (12 U.S.C. 1817) is amended—

(1) in subsection (a)(4), by inserting "the Trust Territory of the Pacific Islands," after "American Samoa,"; and

(2) in subsection (b)(5)(B), by inserting "the Trust Territory of the Pacific Islands," after "American Samoa,".

(c) Section 11(a)(2)(A)(iv) of such Act (12 U.S.C. 1821(a)(2)(A)(iv)) is amended—

(1) by inserting "of the Trust Territory of the Pacific Islands," after "of American Samoa,"; and

(2) by inserting "the Trust Territory of the Pacific Islands," after "Virgin Islands, American Samoa,".

Mortgage Purchase Amendments of 1981.

TITLE II—MORTGAGE PURCHASE AMENDMENTS OF 1981

SHORT TITLE

12 USC 1451 note.

SEC. 201. This title may be cited as the "Mortgage Purchase Amendments of 1981".

PURCHASES OF MORTGAGES MORE THAN ONE YEAR OLD

SEC. 202. (a) The third sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended to read as follows: "The Corporation may purchase a conventional mortgage which was originated more than one year prior to the purchase date only if the seller is the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, or any other seller currently engaged in mortgage lending or investing activities.".

(b)(1) Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) is amended by inserting after the third sentence thereof the following: "With respect to any transaction in which a seller contemporaneously sells mortgages originated more than one year old prior to the date of sale to the Corporation and receives in payment for such mortgages securities representing undivided interests only in those mortgages, the Corporation shall not impose any fee or charge upon an eligible seller which is not a member of a Federal Home Loan Bank which differs from that imposed upon an eligible seller which is such a member.".

12 USC 1454 note.

(2) The amendment made by paragraph (1) shall take effect on January 1, 1982, and shall apply to commitments entered into on or after such date.

(c) The fourth sentence of section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)) is amended to read as follows: "The Corporation may purchase a conventional mortgage which was originated more than one year prior to the purchase date only if the seller is the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, or any other seller currently engaged in mortgage lending or investing activities.".

MORTGAGE LOAN PURCHASES FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION AND THE NATIONAL CREDIT UNION ADMINISTRATION

SEC. 203. Subsections (a)(1) and (b) of section 305 of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454) are amended by inserting "the Federal Deposit Insurance Corporation, the National Credit Union Administration," after "Federal Savings and Loan Insurance Corporation," each place it appears.

TITLE III—MISCELLANEOUS

SEC. 301. Section 625(a) of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended to read as follows: 15 USC 1602 note.

"SEC. 625. (a) Except as provided in section 608(b), the amendments made by this title shall take effect upon the expiration of two years and six months after the date of enactment of this title.". 15 USC 1607 note.

SEC. 302. Section 206 of the Depository Institution Management Interlocks Act is amended to read as follows: 12 USC 3205.

"SEC. 206. (a) A person whose service in a position as a management official began prior to the date of enactment of this title and who was not immediately prior to the date of enactment of this title in violation of section 8 of the Clayton Act is not prohibited by section 203 or section 204 of this title from continuing to serve in that position for a period of ten years after the date of enactment of this title. The appropriate Federal banking agency (as set forth in section 209) may provide a reasonable period of time for compliance with this title, not exceeding fifteen months, after any change in circumstances which makes service described in the preceding sentence prohibited by this title, except that a merger, acquisition, increase in total assets, establishment of one or more offices, or change in management responsibilities shall not constitute changes in circumstances which would make such service prohibited by section 203 or section 204 of this title. 15 USC 19. 12 USC 3202, 3203. 12 USC 3207.

"(b) Effective on the date of enactment of this title, a person who serves as a management official of a company which is not a depository institution or a depository holding company and as a management official of a depository institution or a depository holding company is not prohibited from continuing to serve as a management official of that depository institution or depository holding company as a result of that company which is not a depository institution or depository holding company becoming a diversified savings and loan holding company as that term is defined in section 408(a) of the National Housing Act. This subsection shall expire ten years after the date of enactment of this title.". 12 USC 1730a. Expiration.

SEC. 303. Section 313 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended to read as follows: 94 Stat. 151.

"ALASKA USA FEDERAL CREDIT UNION

"SEC. 313. The provisions of section 5 of the charter of the Alaska USA Federal Credit Union which would terminate the eligibility for membership in the Credit Union of the enrollees and employees of certain corporations shall not be effective.".

SEC. 304. The fourth sentence of section 235(h)(1) of the National Housing Act is amended— *Ante*, p. 407.

(1) by inserting "(i)" after "except";

(2) by striking out "or" after "March 31, 1982," the second place it appears and inserting in lieu thereof "(ii)"; and

(3) by inserting before the period after "1974" the following: ", or (iii) pursuant to other commitments issued on or before September 30, 1981, where housing under this section is to be developed on land which was municipally owned on September 30, 1981, and where a local government contributes at least $1,000 per unit of funds obtained under title I of the Housing and Community Development Act of 1974 and at least $2,000 per unit of additional funds to assist housing under this section".

42 USC 5301.

Approved December 26, 1981.

LEGISLATIVE HISTORY—H.R. 4879:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 17, considered and passed House.
Dec. 15, considered and passed Senate, amended.
Dec. 16, House concurred in Senate amendments.

Public Law 97-111
97th Congress

An Act

To permit to become effective certain Farm Credit Administration regulations which expand the authority of financing institutions, other than farm credit system institutions, to borrow from and discount with Federal intermediate credit banks.

Dec. 26, 1981
[S. 1948]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, notwithstanding any other provision of law, the final regulations issued by the Farm Credit Administration amending subpart P, part 614, title 12 of the Code of Federal Regulations, published in the Federal Register of October 22, 1981 (46 F.R. 51886-51889), together with an amendment thereto published in the Federal Register of December 8, 1981 (46 F.R. 59959), which implement the provisions of section 2.3 of the Farm Credit Act of 1971, as amended by the Farm Credit Act Amendments of 1980, shall become effective on the date of enactment of this Act.**

Farm Credit Administration regulations. Effective date.

12 USC 2074.

SEC. 2. The provisions of the first section of this Act shall not be deemed an expression of congressional approval of such regulations and the amendment thereto.

12 USC 2001 note.

Approved December 26, 1981.

LEGISLATIVE HISTORY—S. 1948:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 11, considered and passed Senate.
Dec. 14, considered and passed House.

Public Law 97-112
97th Congress

An Act

Dec. 29, 1981
[H.R. 4894]

To authorize the Secretary of the Interior to disburse certain trust funds of the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, and for other purposes.

Lac Courte Oreilles Indians. Trust fund disbursement.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall, at the request of the governing body of the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, pay to the State Bank of Drummond, Drummond, Wisconsin, a portion (not to exceed 20 per centum) of the funds of such tribe derived from awards of the Indian Claims Commission in dockets numbered 18-C and 18-T which are deposited in the United States Treasury to the credit of such tribe in trust accounts numbered 14x9228 and 14x9728. Such payments shall be used for the sole purpose of covering or reducing an overdraft on an account (designated "general fund") maintained by such tribe in such bank which was incurred by such tribe in support of the administration of Federal contracts.

SEC. 2. In the event that the United States acts to adjust the accounts of Indian tribes or organizations administering Federal contracts for the overrecovery or underrecovery of indirect costs, the Secretary of the Interior, at his discretion, may reimburse the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, in whole or in part, for any disbursement made under the first section of this Act.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4894 (S. 1890):

HOUSE REPORT No. 97-348 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-296 accompanying S. 1890 (Select Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House; considered and passed Senate, amended, in lieu of S. 1890.
Dec. 16, House concurred in Senate amendment.

Public Law 97-113
97th Congress

An Act

To authorize appropriations for the fiscal years 1982 and 1983 for international security and development assistance and for the Peace Corps, to establish the Peace Corps as an autonomous agency, and for other purposes.

Dec. 29, 1981
[S.1196]

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

International Security and Development Cooperation Act of 1981.
22 USC 2151 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1981".

TITLE I—MILITARY SALES AND RELATED PROGRAMS

REPORTS TO THE CONGRESS

SEC. 101. (a)(1) Section 3(d)(1) of the Arms Export Control Act is amended— 22 USC 2753.

(A) in the text preceding subparagraph (A) by striking out "to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent to such a transfer under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961" and inserting in lieu thereof ", or under section 505(a)(1) or 505(a)(4) of the Foreign Assistance Act of 1961, to a transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or any defense article or related training or other defense service valued (in terms of its original acquisition cost) at $50,000,000 or more,"; 22 USC 2314.

(B) by amending subparagraph (B) to read as follows:

"(B) a description of the article or service proposed to be transferred, including its acquisition cost,";

(C) in subparagraph (C) by striking out "defense article or related training or other defense service" and inserting in lieu thereof "article or service"; and

(D) in the last sentence by striking out "defense articles, or related training or other defense services," and inserting in lieu thereof "articles or services".

(2) Section 3(d)(3) of such Act is amended by striking out all that follows "The President may not give his consent" through "section 38 of this Act," and inserting in lieu thereof "to the transfer of any major defense equipment valued (in terms of its original acquisition cost) at $14,000,000 or more, or of any defense article or defense service valued (in terms of its original acquisition cost) at $50,000,000 or more, the export of which has been licensed or approved under section 38 of this Act,". 22 USC 2778.

(3) Section 3(d)(4) of such Act is amended—

(A) by inserting "or" at the end of subparagraph (B);

(B) by striking out "; or" at the end of subparagraph (C) and inserting in lieu thereof a period; and

(C) by striking out subparagraph (D).

22 USC 2768.

(b)(1) Section 28(a) of such Act is amended by striking out "five" and inserting in lieu thereof "fifteen".

(2) Section 28(b) of such Act is amended by striking out "the issuance of a letter of offer in accordance with such request would be subject to the requirements of section 36(b) of this Act" and inserting in lieu thereof "the request involves a proposed sale of major defense equipment for $7,000,000 or more or of any other defense articles or defense services for $25,000,000 or more".

22 USC 2776.

(c) The first sentence of section 36(b)(1) of such Act is amended—

(1) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000"; and

(2) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000".

(d) Section 36(c) of such Act is amended in the first sentence of paragraph (1)—

(1) by striking out "$7,000,000" and inserting in lieu thereof "$14,000,000"; and

(2) by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

(e) Section 36(d) of such Act is amended by striking out "(c)" and inserting in lieu thereof "(c)(1)".

PROPOSED TRANSFERS OR SALES TO THE NORTH ATLANTIC TREATY ORGANIZATION, JAPAN, AUSTRALIA, OR NEW ZEALAND

22 USC 2753.

SEC. 102. (a) Section 3(d)(2) of the Arms Export Control Act is amended—

(1) by striking out "(2) Unless" and inserting in lieu thereof "(2)(A) Except as provided in subparagraph (B), unless"; and

(2) by adding at the end thereof the following:

"(B) In the case of a proposed transfer to the North Atlantic Treaty Organization, or any member country of such Organization, Japan, Australia, or New Zealand, unless the President states in the certification submitted pursuant to paragraph (1) of this subsection that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, such consent shall not become effective until fifteen calendar days after the date of such submission and such consent shall become effective then only if the Congress does not adopt, within such fifteen-day period, a concurrent resolution disapproving the proposed transfer.".

(b)(1) Section 36(b)(1) of such Act is amended in the fifth sentence by striking out "if the Congress, within thirty calendar days after receiving such certification," and inserting in lieu thereof the following: ", with respect to a proposed sale to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, if the Congress, within fifteen calendar days after receiving such certification, or with respect to a proposed sale to any other country or organization, if the Congress within thirty calendar days after receiving such certification,".

(2) Section 36(b)(2) of such Act is amended by inserting before the period at the end thereof a comma and the following: "except that for purposes of consideration of any resolution with respect to the North Atlantic Treaty Organization, any member country of such Organization, Japan, Australia, or New Zealand, it shall be in order in the Senate to move to discharge a committee to which such resolution

was referred if such committee has not reported such resolution at the end of five calendar days after its introduction".

PERSONNEL PERFORMING DEFENSE SERVICES

SEC. 103. Section 21(c)(2) of the Arms Export Control Act is amended to read as follows:

Report to Congress.
22 USC 2761.

"(2) Within forty-eight hours of the existence of, or a change in status of significant hostilities or terrorist acts or a series of such acts, which may endanger American lives or property, involving a country in which United States personnel are performing defense services pursuant to this Act or the Foreign Assistance Act of 1961, the President shall submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, classified if necessary, setting forth—

22 USC 2151 note.

"(A) the identity of such country;

"(B) a description of such hostilities or terrorist acts; and

"(C) the number of members of the United States Armed Forces and the number of United States civilian personnel that may be endangered by such hostilities or terrorist acts.".

CHARGES FOR USE AND NONRECURRING RESEARCH, DEVELOPMENT, AND PRODUCTION COSTS

SEC. 104. Section 21(e)(2) of the Arms Export Control Act is amended by inserting "standardization with the Armed Forces of Japan, Australia, or New Zealand in furtherance of the mutual defense treaties between the United States and those countries," immediately after "standardization,".

FOREIGN MILITARY SALES AUTHORIZATION AND AGGREGATE CEILINGS

SEC. 105. (a) Section 31(a) of the Arms Export Control Act is amended by striking out "$500,000,000 for the fiscal year 1981" and inserting in lieu thereof "$800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983".

22 USC 2771.

(b) Section 31(b) of such Act is amended to read as follows:

"(b)(1) The total amount of credits (or participations in credits) extended under section 23 of this Act shall not exceed $800,000,000 for the fiscal year 1982 and $800,000,000 for the fiscal year 1983.

22 USC 2763.

"(2) The total principal amount of loans guaranteed under section 24(a) of this Act shall not exceed $3,269,525,000 for the fiscal year 1982 and $3,269,525,000 for the fiscal year 1983.

22 USC 2764.

"(3) Of the aggregate total of credits (or participations in credits) under section 23 of this Act, and of the total principal amount of loans guaranteed under section 24(a) of this Act, not less than $1,400,000,000 for the fiscal year 1982 and not less than $1,400,000,000 for the fiscal year 1983 shall be available only for Israel, of which not less than $550,000,000 for each such year shall be available as credits under section 23 of this Act.

"(4) Of the amount available under paragraph (2) of this subsection for loan guaranties under section 24(a) of this Act, not less than $280,000,000 for fiscal year 1982 and not less than $280,000,000 for the fiscal year 1983 shall be available only for Greece.

"(5) The principal amount of loans guaranteed under section 24(a) of this Act for the fiscal year 1982, and for the fiscal year 1983 with respect to Egypt, Greece, Sudan, Somalia, and Turkey shall (if and to the extent each such country so desires) be repaid in not more than

twenty years, following a grace period of ten years on repayment of principal.

22 USC 2763.

"(6) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $200,000,000 for each such year shall be available only for Egypt, and Egypt shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.

"(7) Of the total amount of credits (or participations in credits) extended under section 23 of this Act for the fiscal years 1982 and 1983, not less than $50,000,000 for each such year shall be available only for the Sudan, and the Sudan shall be released from its contractual liability to repay the United States Government with respect to such credits and participations in credits.".

22 USC 2771.

(c) Section 31(c) of such Act is amended—

(1) in the first sentence by striking out "fiscal year 1981" and inserting in lieu thereof "fiscal year 1982 and for the fiscal year 1983";

(2) in the last sentence by striking out "$500,000,000" and inserting in lieu thereof "$550,000,000"; and

(3) in the last sentence by inserting "each" immediately before "such year".

REPEAL OF CEILING ON COMMERCIAL SALES

22 USC 2778.

SEC. 106. Section 38(b)(3) of the Arms Export Control Act is repealed.

PERIODIC REVIEW OF ITEMS ON THE MUNITIONS LIST

SEC. 107. Section 38 of the Arms Export Control Act is amended by adding at the end thereof the following new subsection:

Report to Congress.

"(f) The President shall periodically review the items on the United States Munitions List to determine what items, if any, no longer warrant export controls under this section. The results of such reviews shall be reported to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate. Such a report shall be submitted at least 30 days before any item is removed from the Munitions List and shall describe the nature of any controls to be imposed on that item under the Export Administration Act of 1979.".

50 USC app. 2401 note.

SPECIAL DEFENSE ACQUISITION FUND

SEC. 108. (a) The Arms Export Control Act is amended by adding at the end thereof the following new chapter:

"CHAPTER 5—SPECIAL DEFENSE ACQUISITION FUND

Establishment. 22 USC 2795.

"SEC. 51. SPECIAL DEFENSE ACQUISITION FUND.—(a)(1) Under the direction of the President and in consultation with the Secretary of State, the Secretary of Defense shall establish a Special Defense Acquisition Fund (hereafter in this chapter referred to as the 'Fund'), to be used as a revolving fund separate from other accounts, under the control of the Department of Defense, to finance the acquisition of defense articles and defense service in anticipation of their transfer pursuant to this Act, the Foreign Assistance Act of 1961, or as otherwise authorized by law, to eligible foreign countries and international organizations, and may acquire such articles and services with

22 USC 2151 note.

the funds in the Fund as he may determine. Acquisition under this chapter of items for which the initial issue quantity requirements for United States Armed Forces have not been fulfilled and are not under current procurement contract shall be emphasized when compatible with security assistance requirements for the transfer of such items.

"(2) Nothing in this chapter may be construed to limit or impair any responsibilities conferred upon the Secretary of State or the Secretary of Defense under this Act or the Foreign Assistance Act of 1961.

22 USC 2151 note.

"(b) The Fund shall consist of—

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1) of this Act representing the actual value of defense articles not intended to be replaced in stock,

22 USC 2761.

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with paragraph (2) or (3) of section 21(a) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

22 USC 2761, 2762. 22 USC 2403.

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.

"(c)(1) The size of the Fund may not exceed such dollar amount as is prescribed in section 138(g) of title 10, United States Code. For purposes of this limitation, the size of the Fund is the amounts in the Fund plus the value (in terms of acquisition cost) of the defense articles acquired under this chapter which have not been transferred from the Fund in accordance with this chapter.

"(2) Amounts in the Fund shall be available for obligation in any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

"SEC. 52. USE AND TRANSFER OF ITEMS PROCURED BY THE FUND.—(a) No defense article or defense service acquired by the Secretary of Defense under this chapter may be transferred to any foreign country or international organization unless such transfer is authorized by this Act, the Foreign Assistance Act of 1961, or other law.

22 USC 2795a.

22 USC 2151 note.

"(b) The President may authorize the temporary use by the United States Armed Forces of defense articles and defense services acquired under this chapter prior to their transfer to a foreign country or international organization, if such is necessary to meet national defense requirements and the United States Armed Forces bear the costs of operation and maintenance of such articles or services while in their use and the costs of restoration or replacement upon the termination of such use.

"(c) Except as provided in subsection (b) of this section, the Fund may be used to pay for storage, maintenance, and other costs related to the preservation and preparation for transfer of defense articles and defense services acquired under this chapter prior to their transfer, as well as the administrative costs of the Department of Defense incurred in the acquisition of such items to the extent not reimbursed pursuant to section 43(b) of this Act.

22 USC 2792.

22 USC 2795b.

"SEC. 53. ANNUAL REPORTS TO CONGRESS.—(a) Not later than December 31 of each year, the President shall submit to the Congress a comprehensive report on acquisitions of defense articles and defense services under this chapter. Each such report shall include—

"(1) a description of each contract for the acquisition of defense articles or defense services under this chapter which was entered into during the preceding fiscal year;

"(2) a description of each contract for the acquisition of defense articles or defense services under this chapter which the President anticipates will be entered into during the current fiscal year;

"(3) a description of each defense article or defense service acquired under this chapter which was transferred to a foreign country or international organization during the preceding fiscal year; and

"(4) an evaluation of the impact of the utilization of the authority of this chapter on United States defense production and the readiness of the United States Armed Forces.

"(b) As part of the annual written report to the Congress required by section 139(a) of title 10, United States Code, regarding procurement schedules for each weapon system for which funding authorization is required, the President shall provide a report estimating the likely procurements to be made through the Fund.".

(b) Section 138 of title 10, United States Code, is amended by adding immediately following subsection (f) the following new subsection:

"(g) The size of the Special Defense Acquisition Fund established pursuant to chapter 5 of the Arms Export Control Act may not exceed $300,000,000 in fiscal year 1982 and may not exceed $600,000,000 in fiscal year 1983 or any fiscal year thereafter.".

Ante, p. 1522.

LEASING OF DEFENSE ARTICLES

SEC. 109. (a) The Arms Export Control Act, as amended by section 108 of this Act, is further amended by adding at the end thereof the following new chapter:

"CHAPTER 6—LEASES OF DEFENSE ARTICLES

22 USC 2796.

"SEC. 61. LEASING AUTHORITY.—(a) The President may lease defense articles in the stocks of the Department of Defense to an eligible foreign country or international organization if—

"(1) he determines that there are compelling foreign policy and national security reasons for providing such articles on a lease basis rather than on a sales basis under this Act;

"(2) he determines that the articles are not for the time needed for public use; and

"(3) the country or international organization has agreed to pay in United States dollars all costs incurred by the United States Government in leasing such articles, including reimbursement for depreciation of such articles while leased, the costs of restoration or replacement if the articles are damaged while leased, and the replacement cost (less any depreciation in the value) of the articles if the articles are lost or destroyed while leased.

The requirement of paragraph (3) shall not apply to leases entered into for purposes of cooperative research or development, military exercises, or communications or electronics interface projects, or to

any defense article which has passed three-quarters of its normal service life.

"(b) Each lease agreement under this section shall be for a fixed duration of not to exceed five years and shall provide that, at any time during the duration of the lease, the President may terminate the lease and require the immediate return of the leased articles.

"(c) Defense articles in the stocks of the Department of Defense may be leased or loaned to a foreign country or international organization only under the authority of this chapter or chapter 2 of part II of the Foreign Assistance Act of 1961, and may not be leased to a foreign country or international organization under the authority of section 2667 of title 10, United States Code. 22 USC 2311.

"SEC. 62. REPORTS TO THE CONGRESS.—(a) Not less than 30 days before entering into or renewing any agreement with a foreign country or international organization to lease any defense article under this chapter, or to loan any defense article under chapter 2 of part II of the Foreign Assistance Act of 1961, for a period of one year or longer, the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Armed Services of the Senate, a written certification which specifies— 22 USC 2796a.

"(1) the country or international organization to which the defense article is to be leased or loaned;

"(2) the type, quantity, and value (in terms of replacement cost) of the defense article to be leased or loaned;

"(3) the terms and duration of the lease or loan; and

"(4) a justification for the lease or loan, including an explanation of why the defense article is being leased or loaned rather than sold under this Act.

"(b) The President may waive the requirements of this section (and in the case of an agreement described in section 63, may waive the provisions of that section) if he determines, and immediately reports to the Congress, that an emergency exists which requires that the lease or loan be entered into immediately in the national security interests of the United States. Waiver.

"SEC. 63. LEGISLATIVE REVIEW.—(a)(1) In the case of any agreement involving the lease under this chapter, or the loan under chapter 2 of part II of the Foreign Assistance Act of 1961, to any foreign country or international organization for a period of one year or longer of any defense articles which are either (i) major defense equipment valued (in terms of its replacement cost less any depreciation in its value) at $14,000,000 or more, or (ii) defense articles valued (in terms of their replacement cost less any depreciation in their value) at $50,000,000 or more, the agreement may not be entered into or renewed if the Congress, within 30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a), adopts a concurrent resolution stating that it objects to the proposed lease or loan. 22 USC 2796b.

"(2) This section shall not apply with respect to a loan or lease to the North Atlantic Treaty Organization, any member country of that Organization, Japan, Australia, or New Zealand.

"(b) Any resolution under subsection (a) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976. 90 Stat. 765.

"(c) For the purpose of expediting the consideration and adoption of concurrent resolutions under subsection (a), a motion to proceed to

the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

22 USC 2796c.

"SEC. 64. APPLICATION OF OTHER PROVISIONS OF LAW.—Any reference to sales of defense articles under this Act in any provision of law restricting the countries or organizations to which such sales may be made shall be deemed to include a reference to leases of defense articles under this chapter.".

(b) Such Act is further amended—

22 USC 2752.

(1) in section 2(b)—

(A) by inserting ", leases," immediately after "sales" both places it appears,

(B) by inserting "whether there shall be a lease to a country," immediately after "thereof,", and

(C) by inserting ", lease," immediately after "sale" the second place it appears;

22 USC 2753.

(2) in section 3(a)—

(A) in the text preceding paragraph (1) by inserting "or leased" immediately after "sold", and

(B) in paragraph (4) by inserting "or lease" immediately after "purchase"; and

22 USC 2754.

(3) in section 4 by inserting "or leased" immediately after "sold" in the first sentence.

Loan terms and conditions.
22 USC 2311.

(c) Paragraph (5) of section 503(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(5) the loan agreement provides that (A) if the defense article is damaged while on loan, the country or international organization to which it was loaned will reimburse the United States for the cost of restoring or replacing the defense article, and (B) if the defense article is lost or destroyed while on loan, the country or international organization to which it was loaned will pay to the United States an amount equal to the replacement cost (less any depreciation in the value) of the defense article.".

Repeal.
10 USC 2667 note.

(d)(1) Section 109 of the International Security and Development Cooperation Act of 1980 is repealed.

22 USC 2776.

(2) Section 36(a) of the Arms Export Control Act is amended—

(A) by inserting "and" at the end of paragraph (8);

(B) by striking out "; and" at the end of paragraph (9) and inserting in lieu thereof a period; and

(C) by striking out paragraph (10).

MILITARY ASSISTANCE

Appropriation authorization.
22 USC 2312.

SEC. 110. (a) Section 504(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter not to exceed $238,500,000 for the fiscal year 1982 and not to exceed $238,500,000 for the fiscal year 1983.

"(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

22 USC 2318.

(b) Section 506(a) of such Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

22 USC 2311.

(c) Section 503(a)(3) of such Act is amended by striking out "specified in section 504(a)(1) of this Act, within the dollar limitations of that section," and inserting in lieu thereof "country,".

Repeal
22 USC 2321j.

(d) Section 516 of such Act is repealed.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 111. Section 514(b)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$85,000,000 for the fiscal year 1981" and inserting in lieu thereof "$130,000,000 for the fiscal year 1982 and $125,000,000 for the fiscal year 1983". 22 USC 2321h.

INTERNATIONAL MILITARY ASSISTANCE AND SALES PROGRAM MANAGEMENT

SEC. 112. Section 515 of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2321i.

"SEC. 515. OVERSEAS MANAGEMENT OF ASSISTANCE AND SALES PROGRAMS.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to a foreign country to perform one or more of the following functions: 22 USC 2347. 22 USC 2751 note.

"(1) equipment and services case management;

"(2) training management;

"(3) program monitoring;

"(4) evaluation and planning of the host government's military capabilities and requirements;

"(5) administrative support;

"(6) promoting rationalization, standardization, interoperability, and other defense cooperation measures among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand; and

"(7) liaison functions exclusive of advisory and training assistance.

"(b) Advisory and training assistance conducted by military personnel assigned under this section shall be kept to an absolute minimum. It is the sense of the Congress that advising and training assistance in countries to which military personnel are assigned under this section shall be provided primarily by other personnel who are not assigned under this section and who are detailed for limited periods to perform specific tasks. Advisory and training assistance.

"(c)(1) The number of members of the Armed Forces assigned to a foreign country under this section may not exceed six unless specifically authorized by the Congress. The President may waive this limitation if he determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that United States national interests require that more than six members of the Armed Forces be assigned under this section to carry out international security assistance programs in a country not specified in this paragraph. For the fiscal year 1982 and the fiscal year 1983, Indonesia, the Republic of Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey are authorized to have military personnel strengths larger than six under this section to carry out international security assistance programs. Military personnel strengths.

"(2) The total number of members of the Armed Forces assigned under this section to a foreign country in a fiscal year may not exceed the number justified to the Congress for that country in the congressional presentation materials for that fiscal year, unless the Committee on Foreign Relations of the Senate and the Committee on Foreign

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Affairs of the House of Representatives are notified 30 days in advance of the introduction of the additional military personnel.

"(d) Effective October 1, 1982, the entire costs (including salaries of United States military personnel) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter, other than any such costs which are either paid directly for such defense services under section 21(a) of the Arms Export Control Act or reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of that Act.

22 USC 2761.

"(e) Members of the Armed Forces assigned to a foreign country under this section shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

"(f) The President shall continue to instruct United States diplomatic and military personnel in the United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.".

INTERNATIONAL MILITARY EDUCATION AND TRAINING

22 USC 2347a.

SEC. 113. Section 542 of the Foreign Assistance Act of 1961 is amended by striking out "$34,000,000 for the fiscal year 1981" and inserting in lieu thereof "$42,000,000 for the fiscal year 1982 and $42,000,000 for the fiscal year 1983".

PEACEKEEPING OPERATIONS

22 USC 2348a.

SEC. 114. (a) Section 552(a) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1981" and inserting in lieu thereof "$19,000,000 for the fiscal year 1982 and $19,000,000 for the fiscal year 1983".

(b) Section 552(c) of such Act is amended by striking out "(1)" and all that follows through "may not be transferred" and inserting in lieu thereof "the total amount so transferred in any fiscal year may not exceed $15,000,000".

FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES

SEC. 115. Chapter 1 of the Arms Export Control Act is amended by adding at the end thereof the following new section:

22 USC 2756.

"SEC. 6. FOREIGN INTIMIDATION AND HARASSMENT OF INDIVIDUALS IN THE UNITED STATES.—No letters of offer may be issued, no credits or guarantees may be extended, and no export licenses may be issued under this Act with respect to any country determined by the President to be engaged in a consistent pattern of acts of intimidation or harassment directed against individuals in the United States. The President shall report any such determination promptly to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate.".

Report to Congress.

TITLE II—ECONOMIC SUPPORT FUND

AUTHORIZATION OF APPROPRIATIONS

22 USC 2346.

SEC. 201. Section 531(b)(1) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1981, $2,065,300,000" and

inserting in lieu thereof "$2,623,500,000 for the fiscal year 1982 and $2,723,500,000 for the fiscal year 1983".

PROVISIONS RELATING TO USE OF FUNDS

SEC. 202. Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by striking out sections 532 and 533 and inserting in lieu thereof the following new sections:

"SEC. 532. MIDDLE EAST PROGRAMS.—(a)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, not less than $785,000,000 for each such year shall be available only for Israel and not less than $750,000,000 for each such year shall be available only for Egypt. Amounts made available for Israel and Egypt for the fiscal year 1982 pursuant to this paragraph shall be in addition to the amounts made available to those countries pursuant to paragraph (4) of this subsection. 22 USC 2346a.

"(2) All of the funds made available to Israel and to Egypt under this chapter for the fiscal years 1982 and 1983 shall be provided on a grant basis.

"(3) The total amount of funds allocated for Israel under this chapter for the fiscal year 1982 and for the fiscal year 1983 may be made available as a cash transfer. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfers made to Israel does not cause an adverse impact on the total amount of nonmilitary exports from the United States to Israel.

"(4) In addition to the amounts requested for Israel and Egypt under this chapter for the fiscal year 1982, $21,000,000 shall be made available for Israel for the fiscal year 1982 and $21,000,000 shall be made available for Egypt for the fiscal year 1982 in order to replace the funds which were authorized and appropriated for those countries in the fiscal year 1981 but which were reprogrammed in order to provide assistance for Liberia and El Salvador.

"(5) Of the amounts provided to Egypt under this chapter for the fiscal year 1982 and for the fiscal year 1983, up to $50,000,000 for each such year may be used under title XII of chapter 2 of part I of this Act in building agricultural extension services in Egypt for the small farmer in order to upgrade the skills of the agricultural faculty in provincial universities, improve the agricultural curriculum offered and the equipment available in provincial universities, and establish a provincial university extension service with an outreach program which can directly reach the Egyptian small farmer. 22 USC 2220a.

"(b)(1) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $11,000,000 for each such year may be used for special requirements in the Middle East, including regional cooperative projects of a scientific and technological nature in accordance with paragraph (2) of this subsection, other regional programs, development programs on the West Bank and in Gaza, population programs, project development and support, and programs of participant training.

"(2) It is the sense of the Congress that, in order to continue to build the structure of peace in the Middle East, the United States should finance, and where appropriate participate in, cooperative projects of a scientific and technological nature involving Israel and Egypt and other Middle East countries wishing to participate. These cooperative projects should include projects in the fields of agriculture, health, energy, the environment, education, water resources, and the social sciences. Of the funds available under paragraph (1) of this subsection for the fiscal year 1982 and for the fiscal year 1983, $4,000,000 for each

such year may be used in accordance with this paragraph for scientific and technological projects which will promote regional cooperation among Israel and Egypt and other Middle East countries.

Report to congressional committees. 22 USC 2394-1.

"(3) The President may obligate funds under paragraph (1) of this subsection only if, in accordance with the established prenotification procedures under section 634A of this Act, he transmits a report to the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate, at least 15 days prior to such obligation. This report shall set forth—

"(A) the name of the proposed recipient of such funds,

"(B) the amount of funds to be made available to such recipient, and

"(C) the purpose for which such funds are to be made available.

Report to Congress.

"(4) At the end of the fiscal year 1981, at the end of the fiscal year 1982, and at the end of the fiscal year 1983, the President shall report to the Congress on the use of funds under this chapter during that fiscal year for special requirements in the Middle East.

Syria, fund restrictions.

"(c) None of the funds appropriated to carry out this chapter for the fiscal year 1982 or the fiscal year 1983 may be made available to Syria.

Lebanon, relief and rehabilitation programs.

"(d) It is the sense of the Congress that, of the funds authorized to be appropriated to carry out this chapter, $7,000,000 for the fiscal year 1982 and $7,000,000 or more for the fiscal year 1983 should be made available for Lebanon for relief and rehabilitation programs of international and private voluntary agencies and other not-for-profit United States organizations operating in Lebanon.

22 USC 2346b.

"SEC. 533. EASTERN MEDITERRANEAN PROGRAMS.—(a) Not less than two-thirds of the funds made available to Turkey under this chapter for each of the fiscal years 1982 and 1983 shall be provided on a grant basis.

"(b) Of the funds authorized to be appropriated to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983, $15,000,000 for each such year shall be available only for Cyprus. Of that amount, $5,000,000 for the fiscal year 1982 and $10,000,000 for the fiscal year 1983 shall be for scholarship programs to bring Cypriots to the United States for education.

22 USC 2346c.

"SEC. 534. PROHIBITION ON USE OF FUNDS FOR NUCLEAR FACILITIES.—Funds available to carry out this chapter for the fiscal year 1982 and for the fiscal year 1983 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that use of funds for such purpose is indispensable to the achievement of nonproliferation objectives which are uniquely significant and of paramount importance to the United States.

22 USC 2346d.

"SEC. 535. EMERGENCY ASSISTANCE.—(a) Of the funds appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 and up to $75,000,000 for the fiscal year 1983 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

"(b) Notwithstanding any provision of this chapter or of an appropriations Act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.

"SEC. 536. SPECIAL REQUIREMENTS FUND.—Of the amounts appropriated to carry out this chapter, up to $75,000,000 for the fiscal year 1982 may be made available as a special requirements fund, except that such funds may not be obligated unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation.

Notification of congressional committees.
22 USC 2346e.

"SEC. 537. TUNISIA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $5,000,000 for each such year shall be available for Tunisia.

22 USC 2346f.

"SEC. 538. COSTA RICA.—Of the funds authorized to be appropriated to carry out this chapter for the fiscal years 1982 and 1983, not less than $15,000,000 for each such year shall be available only for Costa Rica for the purposes of economic assistance.

22 USC 2346g.

"SEC. 539. NICARAGUA.—Of the funds authorized to be appropriated to carry out this chapter, $20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983 shall be available only for Nicaragua.".

22 USC 2346h.

ACQUISITION OF AGRICULTURAL COMMODITIES AND RELATED PRODUCTS UNDER COMMODITY IMPORT PROGRAMS

SEC. 203. The Congress directs the President to allocate at least 15 percent of the funds which are made available each fiscal year under this title for commodity import programs for use in financing the purchase of agricultural commodities and agricultural-related products which are of United States-origin.

22 USC 2346 note.

TITLE III—DEVELOPMENT ASSISTANCE

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 301. (a) The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended by striking out "$713,500,000 for the fiscal year 1981" and inserting in lieu thereof "$700,000,000 for the fiscal year 1982 and $700,000,000 for the fiscal year 1983, of which up to $1,000,000 for each such fiscal year shall be available only to carry out section 316 of the International Security and Development Cooperation Act of 1980".

22 USC 2151a.

94 Stat. 3149.

(b)(1) It is the sense of the Congress that the United States should strongly support the efforts of developing countries to improve infant feeding practices, in particular through the promotion of breast feeding. As a demonstration of that support, the President is authorized to use up to $5,000,000 of the funds made available for the fiscal year 1982 to carry out the purposes of sections 103 and 104(c) of the Foreign Assistance Act of 1961 in order to assist developing countries establish or improve programs to encourage improved infant feeding practices. In carrying out this paragraph, the Agency for International Development should provide funds for necessary research to obtain better information on the precise nature and magnitude of problems relating to infant feeding practices, including the use of infant formula, in developing countries.

Infant feeding practices.

22 USC 2151a, 2151b.

(2) The President shall, as part of the congressional presentation documentation for the fiscal years 1983 and 1984, include information relevant to the implementation of this subsection, including—

(A) a description of actions taken by the Agency for International Development to promote breast feeding and to improve

supplemental infant feeding practices in developing countries through funds made available in this subsection and through its regular programs in the fields of health, nutrition, and population activities;

(B) a summary of the results of studies authorized by this subsection on the nature and magnitude of problems in developing countries related to infant feeding practices; and

(C) a summary of reports by member countries of the World Health Organization on their actions to implement the International Code of Marketing of Breast Milk Substitutes.

22 USC 2151a.

(c) Section 103 of such Act is amended by adding at the end thereof the following new subsection:

"(g) In order to carry out the purposes of this section, the President may continue to participate in and may provide, on such terms and conditions as he may determine, up to $180,000,000 to the International Fund for Agricultural Development. There are authorized to be appropriated to the President for the purposes of this subsection $180,000,000, except that not more than $40,500,000 may be appropriated under this subsection for the fiscal year 1982. Amounts appropriated under this subsection are authorized to remain available until expended.".

Appropriation authorization.

POPULATION AND HEALTH

Appropriation authorization. 22 USC 2151b.

SEC. 302. (a) Section 104(g) of the Foreign Assistance Act of 1961 is amended by striking out the first sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $211,000,000 for the fiscal year 1982 and $211,000,000 for the fiscal year 1983 to carry out subsection (b) of this section; and

"(2) $133,405,000 for the fiscal year 1982 and $133,405,000 for the fiscal year 1983 to carry out subsection (c) of this section.

Of the funds appropriated for each of the fiscal years 1982 and 1983 to carry out subsection (b) of this section, not less than 16 percent or $38,000,000, whichever amount is less, shall be available only for the United Nations Fund for Population Activities.".

Abortions and involuntary sterilization, biomedical research.

(b) Section 104(f) of such Act is amended by adding at the end thereof the following:

"(3) None of the funds made available to carry out this part may be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

South African students, scholarships. 22 USC 2151c.

SEC. 303. (a) The second sentence of section 105(a) of the Foreign Assistance Act of 1961 is amended by striking out "$101,000,000 for the fiscal year 1981" and inserting in lieu thereof "$103,600,000 for the fiscal year 1982 and $103,600,000 for the fiscal year 1983".

(b) Such section is further amended by adding at the end thereof the following: "For each of the fiscal years 1982 and 1983, the President shall use not less than $4,000,000 of the funds made available for the purposes of this section to finance scholarships for undergraduate or professional education in the United States for South African students who are disadvantaged by virtue of legal restrictions on their ability to get an adequate undergraduate or professional education, except that up to $1,000,000 of the funds made available for each such fiscal year under chapter 4 of part II of this

Act for southern African regional programs may be used to finance such scholarships in lieu of an equal amount under this section.". 22 USC 2346.

ENERGY, PRIVATE VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES

SEC. 304. (a) Section 106(d)(3) of the Foreign Assistance Act of 1961 is amended by inserting immediately before the semicolon at the end thereof the following: "and programs of disaster preparedness, including the prediction of and contingency planning for natural disasters abroad". 22 USC 2151d.

(b) Section 106(e)(1) of such Act is amended by striking out "$140,000,000 for the fiscal year 1981" and inserting in lieu thereof "$147,200,000 for the fiscal year 1982 and $147,200,000 for the fiscal year 1983".

UNITED NATIONS DECADE FOR WOMEN

SEC. 305. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection: 22 USC 2151k.

"(c) Not less than $500,000 of the funds made available under this chapter for the fiscal year 1982 shall be expended on international programs which support the original goals of the United Nations Decade for Women.".

HUMAN RIGHTS

SEC. 306. The first sentence of section 116(e) of the Foreign Assistance Act of 1961 is amended by striking out "the fiscal year 1981" and inserting in lieu thereof "each of the fiscal years 1982 and 1983". 22 USC 2151n.

ENVIRONMENT AND NATURAL RESOURCES

SEC. 307. Section 118 of the Foreign Assistance Act of 1961 is amended to read as follows: 22 USC 2151p.

"SEC. 118. ENVIRONMENT AND NATURAL RESOURCES.—(a) The Congress finds that if current trends in the degradation of natural resources in developing countries continue, they will severely undermine the best efforts to meet basic human needs, to achieve sustained economic growth, and to prevent international tension and conflict. The Congress also finds that the world faces enormous, urgent, and complex problems, with respect to natural resources, which require new forms of cooperation between the United States and developing countries to prevent such problems from becoming unmanageable. It is, therefore, in the economic and security interests of the United States to provide leadership both in thoroughly reassessing policies relating to natural resources and the environment, and in cooperating extensively with developing countries in order to achieve environmentally sound development.

"(b) In order to address the serious problems described in subsection (a), the President is authorized to furnish assistance under this part for developing and strengthening the capacity of developing countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible to restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially of the poor.

"(c)(1) The President, in implementing programs and projects under this chapter, shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President

considers appropriate, the President shall require all agencies and officials responsible for programs or projects under this chapter—

"(A) to prepare and take fully into account an environmental impact statement for any program or project under this chapter significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

"(B) to prepare and take fully into account an environmental assessment of any proposed program or project under this chapter significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this subsection.

"(2) The President may establish exceptions from the requirements of this subsection for emergency conditions and for cases in which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

22 USC 2151a.

"(d)(1) In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries. Tropical forests constitute a major world resource. Their destruction and loss pose a serious threat to development and the environment in developing countries. Tropical forest destruction and loss result in shortages of wood, especially wood for fuel; siltation of lakes, reservoirs and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and can result in desertification and in destabilization of the earth's climate. Properly managed tropical forests provide a sustained source of fiber and other commodities essential to the economic growth of developing countries.

"(2) The concerns expressed in paragraph (1) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be considered by the President—

"(A) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities, and

"(B) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

"(3) It is the sense of the Congress that the President should instruct the representatives of the United States to the United Nations and to other appropriate international organizations to urge—

"(A) that higher priority be given in the programs of these organizations to the problems of tropical forest alteration and loss, and

"(B) that there be improved cooperation and coordination among these organizations with respect to tropical forest activities.".

SAHEL DEVELOPMENT PROGRAM—IMPLEMENTATION

SEC. 308. (a) Section 121(c) of the Foreign Assistance Act of 1961 is amended in the third sentence by striking out "$88,442,000 for the fiscal year 1981" and inserting in lieu thereof "$86,558,000 for the fiscal year 1982 and $86,558,000 for the fiscal year 1983". 22 USC 2151s.

(b) Section 121 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Funds available to carry out this section (including foreign currencies acquired with funds appropriated to carry out this section) may not be made available to any foreign government for disbursement unless the Administrator of the Agency for International Development determines that the foreign government will maintain a system of accounts with respect to those funds which will provide adequate identification of and control over the receipt and expenditure of those funds.".

PRIVATE AND VOLUNTARY ORGANIZATIONS

SEC. 309. Section 123 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsections: 22 USC 2151u.

"(f) For each of the fiscal years 1982, 1983, and 1984, funds in an amount not less than 12 percent of the aggregate amount appropriated for that fiscal year to carry out sections 103(a), 104(b), 104(c), 105, 106, 121, and 491 of this Act shall be made available for the activities of private and voluntary organizations, and the President shall seek to channel funds in an amount not less than 16 percent of such aggregate amount for the activities of private and voluntary organizations. 22 USC 2151a, 2151b, 2151c, 2151d, 2151s, 2292.

"(g) After December 31, 1984, funds made available to carry out section 103(a), 104(b), 104(c), 105, 106, 121, or 491 of this Act may not be made available for programs of any United States private and voluntary organization which does not obtain at least 20 percent of its total annual financial support for its international activities from sources other than the United States Government, except that this restriction does not apply with respect to programs which, as of that date, are receiving financial support from the agency primarily responsible for administering this part. The Administrator of the agency primarily responsible for administering this part may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.". Funding restrictions.

HOUSING GUARANTY PROGRAMS

SEC. 310. (a) Section 222(a) of the Foreign Assistance Act of 1961 is amended— 22 USC 2182.

(1) in the second sentence by striking out "$1,555,000,000" and inserting in lieu thereof "$1,718,000,000"; and

(2) in the third sentence by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

(b) Section 223(b) of such Act is amended by adding at the end thereof the following: "All of the foregoing fees referred to in this section together with earnings thereon and other income arising from guaranty operations under this title shall be held in a revolving 22 USC 2183.

fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments shall be credited to such account and may be used for the purposes cited in this section.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

22 USC 2221.

SEC. 311. (a) Section 301 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(h) The President is authorized to permit the United States to participate in and to use any of the funds made available under this part after the date of enactment of this subsection for the purpose of furnishing assistance (on such terms and conditions as the President may determine) to the International Food Policy Research Institute.".

22 USC 2222.

(b) Section 302(a)(1) of such Act is amended by striking out "$233,350,000 for the fiscal year 1981" and inserting in lieu thereof "$218,600,000 for the fiscal year 1982 and $218,600,000 for the fiscal year 1983. Of the funds appropriated under this paragraph for each of the fiscal years 1982 and 1983, (A) not less than 19.6 percent or $45,000,000, whichever amount is less, shall be available only for the United States Children's Fund, (B) not less than 59.5 percent or $134,500,000, whichever amount is less, shall be available only for the United Nations Development Fund, (C) not less than 4.4 percent or $10,000,000, whichever amount is less, shall be available only for the United Nations Environment Fund, (D) not less than 0.159 percent or $400,000, whichever amount is less, shall be available only for the United Nations Trust Fund for Southern Africa, and (E) not less than 0.196 percent or $500,000, whichever amount is less, shall be available only for the United Nations Institute for Training and Research".

TRADE AND DEVELOPMENT PROGRAM

22 USC 2421.

SEC. 312. (a) The section caption of section 661 of the Foreign Assistance Act of 1961 is amended by striking out "REIMBURSABLE DEVELOPMENT PROGRAMS" and inserting in lieu thereof "TRADE AND DEVELOPMENT PROGRAM".

(b) Such section 661 is further amended—

(1) by inserting "(a)" immediately before "The President";

(2) in the first sentence by striking out "to use $4,000,000 of the funds made available for the fiscal year 1981 for the purposes of this Act"; and

Appropriation authorization.

(3) by adding at the end thereof the following new subsection:

"(b) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $6,907,000 for the fiscal year 1982 and $6,907,000 for the fiscal year 1983. Amounts appropriated under this subsection are authorized to remain available until expended.".

AFRICAN DEVELOPMENT FOUNDATION

22 USC 290h-8.

SEC. 313. Section 510 of the International Security and Development Cooperation Act of 1980 is amended—

(1) by striking out "for the fiscal year 1981"; and

(2) by striking out "$2,000,000" and inserting in lieu thereof "not less than $2,000,000 for the fiscal year 1982 and up to $2,000,000 for the fiscal year 1983".

TITLE IV—FOOD FOR PEACE PROGRAMS

REPEAL OF OBSOLETE FOREIGN CURRENCY PROVISIONS

SEC. 401. The Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in section 101, by striking out "for foreign currencies" and inserting in lieu thereof ", to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement"; 7 USC 1701.

(2) by amending section 103(b) to read as follows: 7 USC 1703.

"(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities; and such payment may be considered as an advance payment of the earliest installments;"; 7 USC 1704, 1727.

(3) in section 103(d), by striking out "(1)" and by striking out ", or (2) for the purpose only of sales of agricultural commodities for foreign currencies under title I of this Act, any country or area dominated by a Communist government";

(4) in section 103(l), by striking out "obtain commitments from friendly" and all that follows through "United States of America, and";

(5) in section 104— 7 USC 1704.

(A) in the text preceding subsection (a), by striking out "this title" and inserting in lieu thereof "agreements for such sales entered into prior to January 1, 1972,"; and

(B) in paragraph (3) of the proviso following subsection (k), by striking out "(except as provided in subsection (c) of this section),";

(6) in section 106(a)— 7 USC 1706.

(A) by inserting "(1)" after "(a)"; and

(B) by adding at the end thereof the following:

"(2) Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1961.";

(7) by repealing section 108; and 7 USC 1708.

(8) by repealing section 109(b). 7 USC 1709.

EMERGENCY OR EXTRAORDINARY RELIEF REQUIREMENTS

SEC. 402. Section 104(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

SELF-HELP MEASURES TO INCREASE AGRICULTURAL PRODUCTION; VERIFICATION OF SELF-HELP PROVISIONS

SEC. 403. (a) Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting in paragraph (3) immediately before the semicolon ", and reducing illiteracy among the rural poor";

(2) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(3) by inserting the following new paragraph immediately after paragraph (10);

"(11) carrying out programs to improve the health of the rural poor.".

7 USC 1709.

(b) Section 109 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new subsection as follows:

"(d)(1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extent feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) the President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures that the recipient country otherwise would have undertaken irrespective of that agreement or amendment.

"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out.".

7 USC 1709 note.
Ante, p. 1213.

(c) The amendments made by this section shall not be effective if the Agriculture and Food Act of 1981 is enacted (either before or after the enactment of this Act) and contains the same amendments.

TITLE II MINIMUM

7 USC 1721.

SEC. 404. Section 201(b)(3) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "1,400,000 metric tons" and inserting in lieu thereof "1,200,000 metric tons for nonemergency programs".

TITLE V—OTHER ASSISTANCE PROGRAMS

AMERICAN SCHOOLS AND HOSPITALS ABROAD

22 USC 2174.

SEC. 501. Section 214(c) of the Foreign Assistance Act of 1961 is amended by striking out "$30,000,000 for the fiscal year 1981" and inserting in lieu thereof "$20,000,000 for the fiscal year 1982 and $20,000,000 for the fiscal year 1983".

INTERNATIONAL NARCOTICS CONTROL

Marihuana eradication, herbicides.
22 USC 2291.

SEC. 502. (a)(1) Section 481(d) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter.

Report to Congress.

"(2) The Secretary of Health and Human Services shall monitor the impact on the health of persons who may use or consume marihuana

of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

"(3) Of the funds authorized to be appropriated for the fiscal year 1982 under section 482, the President is urged to use not less than $100,000 to develop a substance that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons. 22 USC 2291a.

"(4) If the Secretary of Agriculture determines that a substance has been developed that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons, such substance shall be used in conjunction with the spraying of paraquat or such other herbicide in any program receiving assistance under this chapter.".

(2) Assistance provided from funds appropriated, before the enactment of this Act, to carry out section 481 of the Foreign Assistance Act of 1961 may be made available for purposes prohibited by subsection (d) of such section as in effect immediately before the enactment of this subsection. 22 USC 2291 note. 22 USC 2291.

(3) Funds appropriated for the fiscal year 1980 to carry out section 481 of the Foreign Assistance Act of 1961 which were obligated for assistance for the Republic of Colombia may be used for purposes other than those set forth in section 482(a)(2) of that Act as in effect immediately before the enactment of the International Security and Development Cooperation Act of 1980. 22 USC 2291 note. 94 Stat. 3131.

(4) Paragraphs (2) and (3) of this subsection shall apply only to the extent provided in advance in an appropriations Act. For such purpose, the funds described in those paragraphs are authorized to be made available for the purposes specified in those paragraphs. 22 USC 2291 note.

(b) Section 481 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection: Report to Congress. 22 USC 2291.

"(e) Not later than February 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report on the status of the United States policy to establish and encourage an international strategy to prevent the illicit production of and to interdict and intercept trafficking in narcotics.".

(c) Section 482(a) of such Act is amended to read as follows: Appropriation authorization. 22 USC 2291a.

"(a)(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $37,700,000 for the fiscal year 1982 and $37,700,000 for the fiscal year 1983.

"(2) Amounts appropriated under this subsection are authorized to remain available until expended.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 503. Section 492(a) of the Foreign Assistance Act of 1961 is amended by striking out "$25,000,000 for the fiscal year 1981" and inserting in lieu thereof "$27,000,000 for the fiscal year 1982 and $27,000,000 for the fiscal year 1983". 22 USC 2292a.

ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA

SEC. 504. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

22 USC 2292o.

"SEC. 495I. ASSISTANCE FOR DISPLACED PERSONS IN CENTRAL AMERICA.—(a)(1) The Congress recognizes that prompt United States assistance is necessary to help meet the basic human needs of persons displaced by strife in El Salvador. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to help alleviate the suffering of these displaced persons. Assistance provided under this section shall be for humanitarian purposes, with emphasis on the provision of food, medicine, medical care, and shelter and, where possible, implementation of other relief and rehabilitation activities. The Congress encourages the use, where appropriate, of the services of private and voluntary organizations and international relief agencies in the provision of assistance under this section.

"(2) The Congress understands that the country of Belize has expressed interest and willingness in the resettlement in its territory of Haitian nationals who desire to settle in Belize. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to assist the Government of Belize in the resettlement of Haitian nationals in the national territory of Belize.

Appropriation authorization.

"(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $5,000,000 for the fiscal year 1982 and $5,000,000 for the fiscal year 1983. Amounts appropriated under this section are authorized to remain available until expended.

"(c) Assistance under this section shall be provided in accordance with the policies and utilizing the general authorities provided in section 491.".

22 USC 2292.

TITLE VI—PEACE CORPS

ESTABLISHMENT AS AN INDEPENDENT AGENCY

SEC. 601. (a) The Peace Corps Act (22 U.S.C. 2501 et seq.) is amended by inserting the following new section 2A immediately after section 2:

"PEACE CORPS AS AN INDEPENDENT AGENCY

22 USC 2501-1.

"SEC. 2A. Effective on the date of the enactment of the International Security and Development Cooperation Act of 1981, the Peace Corps shall be an independent agency within the executive branch and shall not be an agency within the ACTION Agency or any other department or agency of the United States.".

22 USC 2501-1 note.

(b) There are transferred to the Director of the Peace Corps all functions relating to the Peace Corps which were vested in the Director of the ACTION Agency on the day before the date of the enactment of this Act.

22 USC 2501-1 note.

(c)(1) All personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds as are determined by the Director of the Office of Management and Budget, after consultation with the Comptroller General of the United States, the Director of the Peace Corps, and the Director of the ACTION Agency, to be employed, held, used, or assumed primarily in connection with any function relating to the Peace Corps before the date of the enactment of this Act are

transferred to the Peace Corps. The transfer of unexpended balances pursuant to the preceding sentence shall be subject to section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c).

(2)(A) The transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any employee to be separated or reduced in rank, class, grade, or compensation, or otherwise suffer a loss of employment benefits for one year after—

(i) the date on which the Director of the Office of Management and Budget submits the report required by subsection (f)(1) of this section, or

(ii) the effective date of the transfer of such employee,

whichever occurs later.

(B) The personnel transferred pursuant to this subsection shall, to the maximum extent feasible, be assigned to such related functions and organizational units in the Peace Corps as such personnel were assigned to immediately before the date of the enactment of this Act.

Collective-bargaining agreements.

(C) Collective-bargaining agreements in effect on the date of the enactment of this Act covering personnel transferred pursuant to this subsection or employed on such date of enactment by the Peace Corps shall continue to be recognized by the Peace Corps until the termination date of such agreements or until such agreements are modified in accordance with applicable procedures.

Foreign Service appointments.

22 USC 2506.

(3) Under such regulations as the President may prescribe, each person who, immediately before the date of the enactment of this Act, does not hold an appointment under section 7(a)(2) of the Peace Corps Act and who is determined under paragraph (1) of this subsection to be employed primarily in connection with any function relating to the Peace Corps shall, effective on the date of the enactment of this Act, and notwithstanding subparagraph (B) of section 7(a)(2) of the Peace Corps Act, be appointed a member of the Foreign Service under section 7(a)(2) of the Peace Corps Act, and be appointed or assigned to an appropriate class of the Foreign Service, except that—

(A) any person who, immediately before such date of enactment, holds a career or career-conditional appointment shall not, without the consent of such person, be so appointed until three years after such date of enactment, during which period any such person not consenting to be so appointed may continue to hold such career or career-conditional appointment; and

(B) each person so appointed who, immediately before such date of enactment, held a career or career-conditional appointment at grade GS-8 or lower of the General Schedule established by section 5332 of title 5, United States Code, shall be appointed a member of the Foreign Service for the duration of operations under the Peace Corps Act.

Each person appointed under this paragraph shall receive basic compensation at the rate of such person's class determined by the President to be appropriate, except that the rate of basic compensation received by such person immediately before the effective date of such person's appointment under this paragraph shall not be reduced as a result of the provisions of this paragraph.

(d)(1) Section 4(b) of the Peace Corps Act (22 U.S.C. 2503(b)) is amended by striking out "such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer" and inserting in lieu thereof "the Director of the Peace Corps. The Director of the Peace Corps".

22 USC 2503 note.
22 USC 2501 note.

(2) The Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act or any other law or authority which the Director was performing on December 14, 1981.

(e)(1) Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by repealing subsections (d), (e), and (f) and by redesignating subsection (g) as subsection (d).

22 USC 2502 note.

(2) The amendment made by paragraph (1) of this subsection shall not alter or affect (A) the validity of any action taken before the date of the enactment of this Act under those provisions of law repealed by that amendment, or (B) the liability of any person for any payment described in section 3(f) of the Peace Corps Act as in effect immediately before the date of the enactment of this Act.

Report to congressional committees and Comptroller General.

(f)(1) Not later than the thirtieth day after the date of the enactment of this Act, or February 15, 1982, whichever occurs later, the Director of the Office of Management and Budget, after consultation with the Director of the Peace Corps and the Director of the ACTION Agency, shall submit to the appropriate committees of the Congress and to the Comptroller General a report on the steps taken to implement the provisions of this title, including descriptions of the dispositions of administrative matters, including matters relating to personnel, assets, liabilities, contracts, property, records, and unexpended balances or appropriations, authorizations, allocations, and other funds employed, used, held, available, or to be made available in connection with functions or activities relating to the Peace Corps.

(2) Not later than the forty-fifth day after the date of the enactment of this Act, or March 1, 1982, whichever occurs later, the Comptroller General shall submit to the appropriate committees of the Congress a report stating whether, in the judgment of the Comptroller General, determinations made by the Director of the Office of Management and Budget under subsection (c)(1) of this section were equitable.

22 USC 2501-1 note.

(g) References in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding to the ACTION Agency or the Director of the ACTION Agency with respect to functions or activities relating to the Peace Corps shall be deemed to refer to the Peace Corps or the Director of the Peace Corps, respectively.

AUTHORIZATION OF APPROPRIATIONS

SEC. 602. (a) Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended by striking out "fiscal year 1981 not to exceed $118,000,000" and inserting in lieu thereof "the fiscal year 1982 not to exceed $105,000,000 and for the fiscal year 1983 not to exceed $105,000,000".

(b) Section 3(c) of such Act is amended by striking out "fiscal year 1981" and inserting in lieu thereof "each fiscal year".

INTEGRATION OF DISABLED PEOPLE

SEC. 603. Section 3 of the Peace Corps Act (22 U.S.C. 2502) is amended by adding at the end thereof the following new subsection:

"(h) In recognition of the fact that there are over 400,000,000 disabled people in the world, 95 percent of whom are among the poorest of the poor, the Peace Corps shall be administered so as to give particular attention to programs, projects, and activities which tend to integrate disabled people into the national economies of developing countries, thus improving their status and assisting the total development effort.".

RESTORATION OF CERTAIN AUTHORITIES FORMERLY CONTAINED IN THE FOREIGN SERVICE ACT

SEC. 604. (a) Section 10 of the Peace Corps Act (22 U.S.C. 2509) is amended by adding at the end thereof the following new subsections:

"(i) The Director of the Peace Corps shall have the same authority as is available to the Secretary of State under section 26(a) of the State Department Basic Authorities Act of 1956. For purposes of this subsection, the reference in such section 26(a) to a principal officer of the Foreign Service shall be deemed to be a reference to a Peace Corps representative and the reference in such section to a member of the Foreign Service shall be deemed to be a reference to a person employed, appointed, or assigned under this Act. 94 Stat. 2154. 22 USC 2698.

"(j) The provisions of section 30 of the State Department Basic Authorities Act of 1956 shall apply to volunteers and persons employed, appointed, or assigned under this Act. For purposes of this subsection, references to the Secretary in subsection (b) of such section shall be deemed to be references to the Director of the Peace Corps, references to the Secretary in subsection (f) of such section shall be deemed to be references to the President, and the reference in subsection (g) of such section to a principal representative of the United States shall be deemed to be a reference to a Peace Corps representative.". 94 Stat. 2155. 22 USC 2702.

(b) Section 5(h) of such Act is amended by striking out the last two sentences. 22 USC 2504.

(c) To the extent that the authorities provided by the amendments made by subsection (a) are authorities which are not applicable with respect to the Peace Corps immediately before the enactment of this Act and which require the expenditure of funds, those authorities may not be exercised using any funds appropriated after February 15, 1981, and before the date of the enactment of this Act. 22 USC 2509 note.

MISCELLANEOUS—CONFORMING AMENDMENTS

SEC. 605. (a) Section 9 of the Peace Corps Act (22 U.S.C. 2508) is amended by striking out "section 10(a)(4)" in the second sentence and inserting in lieu thereof "section 10(a)(5)".

(b) Section 18 of such Act (22 U.S.C. 2517) is repealed. Repeal.

READJUSTMENT ALLOWANCE

SEC. 606. The first sentence of section 5(c) of the Peace Corps Act (22 U.S.C. 2504(c)) is amended by striking out "not to exceed $125" and inserting in lieu thereof "not less than $125".

TITLE VII—MISCELLANEOUS PROVISIONS

ADVANCE ACQUISITION OF PROPERTY

SEC. 701. Section 608(a) of the Foreign Assistance Act of 1961 is amended— 22 USC 2358.

(1) in the first sentence—

(A) by inserting ", or (if a substantial savings would occur) other property already owned by an agency of the United States Government," immediately after "excess personal property", and

(B) by inserting "or supplementary to" immediately after "in lieu of"; and

(2) in the second sentence by inserting "any property available from an agency of the United States Government," immediately before "or other property".

CONSTRUCTION OF PRODUCTIVE ENTERPRISES IN EGYPT

22 USC 2370.

SEC. 702. The first sentence of section 620(k) of the Foreign Assistance Act of 1961 is amended by striking out "for fiscal year 1977, fiscal year 1980, or fiscal year 1981".

COMPENSATION FOR PARTICIPATING AGENCY EMPLOYEES

22 USC 2385.

SEC. 703. The first sentence of section 625(d) of the Foreign Assistance Act of 1961 is amended by striking out "together with allowances and benefits under that Act" and inserting in lieu thereof "or under chapter 53 of title 5, United States Code, or at any other rate authorized by law, together with allowances and benefits under the Foreign Service Act of 1980".

94 Stat. 2071.

NOTIFICATION OF PROGRAM CHANGES

22 USC 2394-1.

SEC. 704. Section 634A of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following: "Whenever a proposed reprograming exceeds $1,000,000 and the total amount proposed for obligation for a country under this Act in a fiscal year exceeds by more than $5,000,000 the amount specified for that country in the report required by section 653(a) of this Act, notifications of such proposed reprogramings shall specify—

22 USC 2413.

"(1) the nature and purpose of such proposed obligation, and

"(2) to the extent possible at the time of the proposed obligation, the country for which such funds would otherwise have been obligated.".

INSPECTOR GENERAL

5 USC app.

SEC. 705. (a) The Inspector General Act of 1978 is amended—

(1) in paragraph (1) of section 2, by inserting "the Agency for International Development," immediately after "Department of Transportation,";

5 USC app.

(2) in section 11—

(A) in paragraph (1), by inserting "the Agency for International Development," immediately after "Administrator of"; and

(B) in paragraph (2), by inserting "the Agency for International Development," immediately after "Transportation or"; and

(3) by inserting immediately after section 8 the following new section 8A:

"SPECIAL PROVISIONS RELATING TO THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Security activities.
5 USC app.

"SEC. 8A. (a) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Agency for International Development—

"(1) shall supervise, direct, and control all security activities relating to the programs and operations of that Agency, subject to the supervision of the Administrator of that Agency; and

"(2) to the extent requested by the Director of the United States International Development Cooperation Agency (after

consultation with the Administrator of the Agency for International Development), shall supervise, direct, and control all audit, investigative, and security activities relating to programs and operations within the United States International Development Cooperation Agency.

"(b) In addition to the Assistant Inspector Generals provided for in section 3(d) of this Act, the Inspector General of the Agency for International Development shall, in accordance with applicable laws and regulations governing the civil service, appoint an Assistant Inspector General for Security who shall have the responsibility for supervising the performance of security activities relating to programs and operations of the Agency for International Development.

Assistant Inspector General for Security, appointment. 5 USC app.

"(c) The semiannual reports required to be submitted to the Administrator of the Agency for International Development pursuant to section 5(b) of this Act shall also be submitted to the Director of the United States International Development Cooperation Agency.

Semiannual reports. 5 USC app.

"(d) In addition to the officers and employees provided for in section 6(a)(6) of this Act, members of the Foreign Service may, at the request of the Inspector General of the Agency for International Development, be assigned as employees of the Inspector General. Members of the Foreign Service so assigned shall be responsible solely to the Inspector General, and the Inspector General (or his or her designee) shall prepare the performance evaluation reports for such members.

5 USC app.

"(e) In establishing and staffing field offices pursuant to section 6(c) of this Act, the Administrator of the Agency for International Development shall not be bound by overseas personnel ceilings established under the Monitoring Overseas Direct Employment policy.

Field offices, staffing.

"(f) The reference in section 7(a) of this Act to an employee of the establishment shall, with respect to the Inspector General of the Agency for International Development, be construed to include an employee of or under the United States International Development Cooperation Agency.

5 USC app.

"(g) The Inspector General of the Agency for International Development shall be in addition to the officers provided for in section 624(a) of the Foreign Assistance Act of 1961.

22 USC 2384.

"(h) As used in this Act, the term 'Agency for International Development' includes any successor agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.".

"Agency for International Development." 22 USC 2151.

(b)(1) Section 624(g) of the Foreign Assistance Act of 1961 is repealed.

(2) Section 239(e) of such Act is amended by striking out "Auditor General" each of the three places it appears and inserting in lieu thereof "Inspector General".

22 USC 2199.

(3) Section 5316 of title 5, United States Code, is amended by striking out "Auditor General of the Agency for International Development" and inserting in lieu thereof "Inspector General, Agency for International Development".

(c) The individual holding the position of Inspector General of the Agency for International Development on the date of enactment of this section shall not be required to be reappointed by reason of the enactment of this section.

OPERATING EXPENSES

SEC. 706. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

22 USC 2427.

(1) by striking out ", for the fiscal year 1981"; and

(2) in paragraph (1) by striking out "$293,800,000" and inserting in lieu thereof "$335,600,000 for the fiscal year 1982 and $335,600,000 for the fiscal year 1983".

TECHNICAL AMENDMENT

"Communist country."
22 USC 2370.

SEC. 707. The last sentence of section 620(f) of the Foreign Assistance Act of 1961 is amended to read as follows: "For the purposes of this subsection, the phrase 'Communist country' includes specifically, but is not limited to, the following countries:

"Czechoslovak Socialist Republic,
"Democratic People's Republic of Korea,
"Estonia,
"German Democratic Republic,
"Hungarian People's Republic,
"Latvia,
"Lithuania,
"Mongolian People's Republic,
"People's Republic of Albania,
"People's Republic of Bulgaria,
"People's Republic of China,
"Polish People's Republic,
"Republic of Cuba,
"Socialist Federal Republic of Yugoslavia,
"Socialist Republic of Romania,
"Socialist Republic of Vietnam,
"Tibet,
"Union of Soviet Socialist Republics (including its captive constituent republics).".

EMERGENCY HUMANITARIAN HELP FOR THE PEOPLE OF POLAND

SEC. 708. (a) The people of Poland, with whom the people of the United States have a longstanding friendship, now face serious domestic food shortages which will be worsened by large-scale loss of their livestock this winter if feed supplies do not arrive quickly. Therefore, the President is urged, for urgent humanitarian reasons, to use existing authorities promptly in order to provide to the people of Poland, under as favorable terms as possible, feed grains from Commodity Credit Corporation stocks or other appropriate commodities.

(b) For the longer term, the President is encouraged to pursue discussions with other Western countries about a multilateral effort to help the people of Poland achieve self-sustaining economic recovery in the years ahead.

(c) Chapter 4 of part II of the Foreign Assistance Act of 1961, as amended by section 202 of this Act, is further amended by adding at the end thereof the following new section:

22 USC 2346i.

"SEC. 540. POLAND.—Notwithstanding any other provision of law, $5,000,000 of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1982 shall be available only for Poland for the purchase, transportation, and distribution of food and medical supplies through private and voluntary agencies where appropriate.".

USE OF CERTAIN POLISH CURRENCIES

31 USC 724.

SEC. 709. (a) Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, section 508 of the General Government Matters, Department of Commerce, and Related Agencies Appropri-

ation Act, 1962, or any other provision of law, the currencies or credits received by the United States from the April 1981 sale and from the October 1981 sale of United States Government-held surplus dairy products to Poland shall, to such extent as may be provided in advance in an appropriation Act, be used by the President in Poland to serve United States interests, including use for activities of common benefit to the people of the United States and the people of Poland, such as joint programs in energy, agriculture, education, science, health, and culture, or for humanitarian activities. 75 Stat. 283.

(b) Notwithstanding any other provision of law, the availability or expenditure of such foreign currencies or credits shall not affect or reduce appropriations otherwise available for the purposes described in subsection (a).

FINDINGS REGARDING GLOBAL SECURITY

SEC. 710. (a) The Congress finds that the security of the United States and other countries is increasingly affected by a broad range of global problems including shortages or potential shortages of food, oil, water, wood, and other basic mineral and natural resources; desperate poverty; sickness; population pressures; environmental deterioration, including soil erosion and water pollution; and large-scale and destabilizing refugee problems.

(b) The Congress finds that hunger, disease, and extreme poverty are among the most critical of these global problems. As ever greater numbers of people perceive the disparity between their own continuing deprivation and the prosperity of others, and judge their predicament to be neither just nor inevitable, it becomes increasingly likely that there will be unrest and violence with consequent disruption of the flow of essential materials, adverse effects on the world economy, decreased likelihood of cooperative efforts toward meeting the other critical problems threatening national and global security, and increased likelihood of confrontation between nations which possess nuclear arms.

(c) Therefore, the Congress finds that the Nation's understanding of global and national security must be broad enough to include the problems cited in this section, and that adequate protection of the security of the United States requires effective action on these global problems, and in particular on the problems of hunger, disease, and extreme poverty.

WORLD FOOD SECURITY RESERVES

SEC. 711. (a) The Congress finds that—

(1) the Congress recently passed and the President signed into law an Act which provides for establishment of a United States food security reserve of up to four million metric tons of wheat to be used for emergency food assistance;

(2) the food import needs of developing countries will increase over the next ten years; and

(3) other grain exporting countries could take additional steps to assure continuity of food assistance during food crisis years.

(b) The President shall encourage other grain exporting countries to establish their own food security reserves or take other measures that complement the United States food security reserve.

(c) The President shall report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Report to Congress.

Senate within one year after the enactment of this Act on the actions he has taken and the response of other countries to these proposals.

FINDINGS AND DECLARATION OF POLICY REGARDING WORLD HUNGER

SEC. 712. The Congress, affirming the value of human life, finds and declares that the elimination of hunger and its causes is of fundamental moral significance and, further, that it is in the political, economic, and security interests of the United States. Therefore, the Congress declares that the elimination of hunger and its causes shall be a primary objective of United States relations with the developing countries.

REAFFIRMATION OF SUPPORT FOR HUMAN RIGHTS PROVISIONS

SEC. 713. (a) The Congress reaffirms its support for the various statutory provisions which have been enacted in order to promote internationally recognized human rights.

(b) It is the sense of the Congress that a strong commitment to the defense of human rights should continue to be a central feature of United States foreign policy.

IMMIGRANT VISAS FOR TAIWAN

8 USC 1152 note.
8 USC 1152.

SEC. 714. The approval referred to in the first sentence of section 202(b) of the Immigration and Nationality Act shall be considered to have been granted with respect to Taiwan (China).

LEBANON

SEC. 715. It is the sense of the Congress that the Government of the United States should continue to support diplomatic efforts to resolve the current crisis in Lebanon, and to pursue a comprehensive and coordinated policy in Lebanon guided by the following principles:

(1) maintenance of an effective cease-fire throughout Lebanon;

(2) resolution of the issue of the Syrian missiles deployed in Lebanon;

(3) freedom, security, and opportunity for the Christian and all other Lebanese communities, including the Moslem, Druze, Armenian, and Jewish communities in Lebanon;

(4) reaffirmation of the historic United States-Lebanon relationship and strengthening the longstanding commitment of the United States to the independence, sovereignty, and territorial integrity of Lebanon, without partition, free from terrorism and violence, and free to determine its future without Soviet or other outside interference;

(5) generous international support for relief, rehabilitation, and humanitarian assistance for Lebanon, particularly for those Lebanese citizens who have suffered from the terrorism and violence of recent events;

(6) restoration of Lebanon's sovereignty free from outside domination or occupation; and

(7) support for a free and open national election.

USE OF CHEMICAL AND TOXIN WEAPONS

SEC. 716. (a) The Congress condemns the use of, and the provision for use of, chemical agents and toxin weapons against the peoples of Laos, Kampuchea, or Afghanistan.

(b) It is the sense of the Congress that the President should, acting through the Permanent Representative of the United States to the United Nations and all other appropriate diplomatic agents, seek definite measures to bring to an end actions by any party or government in using, and providing for use, chemical agents or toxin weapons against the peoples of Laos, Kampuchea, and Afghanistan, in violation of the spirit and the provisions of—

(1) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow on April 10, 1972); 26 UST 583.

(2) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (signed at Geneva on June 17, 1925); and 26 UST 571.

(3) customary international law.

(c) It is further the sense of Congress that the President should—

(1) allocate the highest possible priority to the development of further evidence clarifying the nature and origins of the chemical agents and toxin weapons being used against the peoples of Laos, Kampuchea, and Afghanistan; and

(2) vigorously seek a satisfactory explanation from the Government of the Soviet Union regarding the strong circumstantial and presumptive evidence of its role in the use, or provision for use, of such weapons.

(d) The Congress reiterates the concern expressed in House Resolution 644 (96th Congress), adopted by the House of Representatives on May 19, 1980, regarding the outbreak of pulmonary anthrax near Sverdlosk on April 3, 1979, and expresses its disappointment that the Soviet Union has failed adequately to respond to requests for data explaining this incident as provided in the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

(e) It is further the sense of Congress that the negotiation of a treaty prohibiting the development, production, and stockpiling of chemical weapons, with reliable verification provisions, should be given a high priority by the United States Government and by all foreign governments.

FINANCIAL OBLIGATIONS OF THE SOVIET UNION TO THE UNITED NATIONS

SEC. 717. (a) The Congress finds and declares that—

(1) the financing of the United Nations is the collective responsibility of all member nations;

(2) the International Court of Justice has determined that the expenses of the United Nations incurred in its peacekeeping operations are properly included as a part of the regular expenses of the United Nations;

(3) peacekeeping operations are vital to the mission of the United Nations and must be adequately financed if such operations are to continue; and

(4) the Government of the Union of Soviet Socialist Republics is currently $180,000,000 in arrears on its payments to the United Nations, primarily as a result of its refusal to pay for the peacekeeping operations of the United Nations.

(b) It is the sense of the Congress that the President, acting through the Permanent Representative of the United States to the United Nations, should undertake a diplomatic initiative to obtain payment

by the Government of the Union of Soviet Socialist Republics of all its outstanding financial obligations to the United Nations, including its assessments with repect to the peacekeeping operations of the United Nations.

CONDEMNATION OF LIBYA FOR ITS SUPPORT OF INTERNATIONAL TERRORIST MOVEMENTS

SEC. 718. (a) The Congress condemns the Libyan Government for its support of international terrorist movements, its efforts to obstruct positive movement toward the peaceful resolution of problems in the Middle East region, and its actions to destabilize and control governments of neighboring states in Africa.

Report to Congress.

(b) The Congress believes that the President should conduct an immediate review of concrete steps the United States could take, individually and in concert with its allies, to bring economic and political pressure on Libya to cease such activities, and should submit a report on that review to the Congress within one hundred and eighty days after the date of enactment of this Act. Such a review should include the possibility of tariffs on or prohibitions against the import of crude oil from Libya.

UNITED STATES CITIZENS ACTING IN THE SERVICE OF INTERNATIONAL TERRORISM

SEC. 719. (a) It is the sense of the Congress that the spread of international terrorism poses a grave and growing danger for world peace and for the national security of the United States. As a part of its vigorous opposition to the activities of international terrorist leaders and the increase of international terrorism, the United States should take all steps necessary to ensure that no United States citizen is acting in the service of terrorism or of the proponents of terrorism.

Report to Congress.

(b) Not later than six months after the enactment of this Act, the President shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report which includes—

(1) a description of all legislation, currently in force, and of all administrative remedies, presently available, which can be employed to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders;

(2) an assessment of the adequacy of such legislation and remedies, and of the enforcement resources available to carry out such measures, to prevent the involvement, service, or participation by United States citizens in activities in support of international terrorism or terrorist leaders; and

(3) a description of available legislative and administrative alternatives, together with an assessment of their potential impact and effectiveness, which could be enacted or employed to put an end to the participation by United States citizens in activities in support of international terrorism or terrorist leaders.

NONALIGNED COUNTRIES

SEC. 720. (a) In considering whether to provide assistance, make sales, extend credits, or guarantee loans under the provisions of the Foreign Assistance Act of 1961, as amended, or the Arms Export Control Act, to any country represented at the Meeting of the

22 USC 2151 note.
22 USC 2751 note.

Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Session of the General Assembly of the United Nations on September 25 and 28, 1981, the President shall take into account whether such country has dissociated itself from the communique issued following the meeting.

(b) Within thirty days after the date of enactment of this section, the President shall submit a report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the countries which have dissociated themselves from the nonaligned countries communique and on their methods of dissociation.

Report to Congress.

PROMOTING THE DEVELOPMENT OF THE HAITIAN PEOPLE AND PROVIDING FOR ORDERLY EMIGRATION FROM HAITI

SEC. 721. (a)(1) It is the sense of the Congress that up to $15,000,000 of the funds available for the fiscal year 1982 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 should be made available for development assistance for Haiti, subject to the limitation in subsection (b) of this section.

22 USC 2151 note.
22 USC 2151.

(2) To the maximum extent practicable, assistance for Haiti for the fiscal year 1982 under chapter 1 of part I of the Foreign Assistance Act of 1961 should be provided through private and voluntary organizations.

(b) Funds available for the fiscal year 1982 to carry out chapter 1 of part I or chapter 2 or chapter 5 of part II of the Foreign Assistance Act of 1961 may be expended for Haiti, and credits and guarantees extended for the fiscal year 1982 under the Arms Export Control Act may be approved for use for Haiti, only if the President determines that the Government of Haiti—

22 USC 2151, 2311, 2347.
22 USC 2751 note.

(1) is cooperating with the United States in halting illegal emigration from Haiti;

(2) is not aiding, abetting, or otherwise supporting illegal emigration from Haiti;

(3) has provided assurances that it will cooperate fully in implementing United States development assistance programs in Haiti (including programs for prior fiscal years); and

(4) is not engaged in a consistent pattern of gross violations of internationally recognized human rights.

(c) Six months after the date of enactment of this Act, the President shall prepare and transmit to the Congress a report on the extent to which the actions of the Government of Haiti are consistent with paragraphs (1), (2), (3), and (4) of subsection (b) of this section.

Report to Congress.

(d) Notwithstanding the limitations of section 660 of the Foreign Assistance Act of 1961, funds made available under such Act for the fiscal year 1982 and for the fiscal year 1983 may be used for programs with Haiti to assist in halting significant illegal emigration from Haiti to the United States.

22 USC 2420.

COMPREHENSIVE ANALYSIS OF FOREIGN ASSISTANCE

SEC. 722. (a) It is the sense of Congress that at a time when major retrenchments and reappraisals are being made in domestic programs, it is also logical that, while maintaining past international commitments, the magnitude and direction of future foreign assistance programs should also be reviewed. As part of such a review process, the President is requested to provide a comprehensive report to the Congress on his approach to foreign assistance. Such report

Reports to Congress.

shall include an analysis and recommendations on the following issues:

(1) the relationship between foreign assistance and defense expenditures as means of conducting foreign policy;

(2) the appropriate mix between military and economic assistance;

(3) the strengths and weaknesses, and appropriate mix, of bilateral and multilateral assistance programs;

(4) the relevance of the basic human needs approach to current aid policy;

(5) the performance of other aid donors, and the benefits they derive from their programs;

(6) criteria for determining the appropriate size and composition of country programs;

(7) the appropriateness of the current mix of grants and loans, and the possibility of combining them with new or existing guarantee, insurance, and export credit programs;

(8) specific means to more actively engage the private sector in assistance programs; and

(9) the usefulness of current functional categories in constructing the development assistance budget.

(b) The Congress requests that the President provide to the Congress a preliminary report by March 31, 1982, and a final report by June 30, 1982, with respect to the issues referred to in subsection (a).

EXTERNAL DEBT BURDENS OF EGYPT, ISRAEL, AND TURKEY

Reports to Congress.

SEC. 723. The Congress finds that the Governments of Egypt, Israel, and Turkey each have an enormous external debt burden which may be made more difficult by virtue of financing provided for those governments under various United States assistance programs. In order to assist the Congress in examining United States assistance for these countries, the President shall report to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate, not later than one hundred and twenty days after the date of enactment of this Act and not later than one year after the date of enactment of this Act, regarding economic conditions prevailing in Egypt, Israel, and Turkey which may affect their respective ability to meet their international debt obligations and to stabilize their economies. These reports shall also analyze the impact on Egypt's economy of Arab sanctions against Egypt.

NICARAGUA

SEC. 724. (a) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has engaged in violations of internationally recognized human rights (including the right to organize and operate labor unions free from political oppression, the right to freedom of the press, and the right to freedom of religion) and shall encourage the Government of Nicaragua to respect those rights.

(b) In furnishing assistance under this Act to the Government of Nicaragua, the President shall take into account the extent to which that Government has fulfilled its pledge of July 1979 to the member states of the Organization of American States—

(1) to establish full respect for human rights in Nicaragua in accordance with the United Nations Universal Declaration of the

Rights and Duties of Man and the Charter on Human Rights of the Organization of American States;

(2) to allow the free movement in Nicaragua of the Inter-American Commission on Human Rights; and

(3) to establish the framework for free and democratic elections so that the people of Nicaragua may elect their representatives to city councils, to constitutional assembly, and to Nicaragua's highest-ranking authorities, with such framework to include, but not be limited to, the full and complete opportunity for political activity of the Nicaraguan people.

Assistance, termination.

(c) Assistance to the Government of Nicaragua under this Act shall be terminated if the President determines and reports to the Congress that the Government of Nicaragua cooperates with or harbors any international terrorist organization or is aiding, abetting, or supporting acts of violence or terrorism in other countries, or that Soviet, Cuban, or other foreign combat military forces are stationed or situated within the borders of Nicaragua and the presence of such forces constitutes a threat to the national security of the United States or to any Latin American ally of the United States.

Loans.

(d) Any agreement between the United States and the Government of Nicaragua regarding the use of funds appropriated to carry out this Act, which are to be made available in the form of loans, shall specifically require that to the maximum extent possible such loan funds, and any local currency generated in conjunction therewith, shall be used for assistance to the private sector. Local currency loan programs in Nicaragua shall be monitored and audited in accordance with section 624(g) of the Foreign Assistance Act of 1961.

22 USC 2384.

Reports to Congress.

(e) For each six-month period in which any funds are expended under this Act for Nicaragua, the President shall submit to the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, a report accounting fully and in itemized detail for the amounts obligated and actually expended in Nicaragua.

ASSISTANCE AND SALES FOR ARGENTINA

Repeal.
22 USC 2372.

SEC. 725. (a) Section 620B of the Foreign Assistance Act of 1961 is repealed.

Report to Congress.
22 USC 2370 note.
22 USC 2311, 2346, 2347, 2348.
22 USC 2751 note.

(b) Notwithstanding any other provision of law, assistance may be provided to Argentina under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961, credits (including participations in credits) may be extended and loans may be guaranteed with respect to Argentina under the Arms Export Control Act, defense articles and defense services may be sold to Argentina under the Arms Export Control Act, and export licenses may be issued to or for the Government of Argentina under section 38 of the Arms Export Control Act, only if the President has submitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report certifying that—

22 USC 2778.

(1) the Government of Argentina has made significant progress in complying with internationally recognized principles of human rights; and

(2) the provision of such assistance, credits, loan guarantees, defense articles, defense services, or export licenses is in the national interests of the United States.

(c) The Congress welcomes the actions of the Government of Argentina to adjudicate numerous cases of those detained under the national executive power of the Argentine Government, and the

Congress hopes that progress will continue, especially with regard to providing information on citizens listed as "disappeared" and prisoners remaining at the disposition of the national executive power. In the process of making the determination required in paragraph (1) of subsection (b), among other things, the President shall consider—

(1) efforts by the Government of Argentina to provide information on citizens identified as "disappeared"; and

(2) efforts by the Government of Argentina to release or bring to justice those prisoners held at the disposition of the national executive power (PEN).

REPEAL OF LIMITATIONS ON ASSISTANCE, SALES, AND SALES CREDITS FOR CHILE

Report to Congress.

22 USC 2370 note.

22 USC 2311, 2346-2348.

22 USC 2751 note.

22 USC 2778.

SEC. 726. (a) Section 406 of the International Security Assistance and Arms Export Control Act of 1976 (22 U.S.C. 2370 note) is repealed.

(b) Notwithstanding any other provision of law—

(1) no assistance may be furnished under chapter 2, 4, 5, or 6 of part II of the Foreign Assistance Act of 1961 to Chile;

(2) no sale of defense articles or services may be made under the Arms Export Control Act to Chile;

(3) no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile; and

(4) no export licenses may be issued under section 38 of the Arms Export Control Act to or for the Government of Chile;

unless and until the President submits to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a detailed report certifying—

(A) that the Government of Chile has made significant progress in complying with internationally recognized principles of human rights;

(B) that the provision of such assistance, articles or services is in the national interest of the United States; and

(C) that the Government of Chile is not aiding or abetting international terrorism and has taken appropriate steps to cooperate to bring to justice by all legal means available in the United States or Chile those indicted by a United States grand jury in connection with the murders of Orlando Letelier and Ronni Moffitt.

ASSISTANCE FOR EL SALVADOR

22 USC 2151n, 2304.

SEC. 727. (a) It is the sense of the Congress that assistance furnished to the Government of El Salvador, both economic and military, should be used to encourage—

(1) full observance of internationally recognized human rights in accordance with sections 116 and 502B of the Foreign Assistance Act of 1961;

(2) full respect for all other fundamental human rights, including the right of freedom of speech and of the press, the right to organize and operate free labor unions, and the right to freedom of religion;

(3) continued progress in implementing essential economic and political reforms, including land reform and support for the private sector;

(4) a complete and timely investigation of the deaths of all United States citizens killed in El Salvador since October 1979;

(5) an end to extremist violence and the establishment of a unified command and control of all government security forces in this effort;

(6) free, fair, and open elections at the earliest date; and

(7) increased professional capability of the Salvadoran Armed Forces in order to establish a peaceful and secure environment in which economic development and reform and the democratic processes can be fully implemented, thereby permitting a phased withdrawal of United States military training and advisory personnel at the earliest possible date.

(b) It is the sense of the Congress that the United States economic assistance to El Salvador should put emphasis on revitalizing the private sector and supporting the free market system. The Congress recognizes that the lack of foreign exchange to buy imported raw materials and intermediate goods is a major impediment to the ability of the Salvadoran economy to provide jobs. The Congress also recognizes that the funds budgeted for economic assistance are only a fraction of the foreign exchange needed, and United States economic aid should be used, wherever possible, to stimulate private sector lending. Therefore, the Congress urges the President to set aside a portion of the economic support funds to provide guarantees to private United States banks willing to give credits to the Salvadoran private sector.

RESTRICTIONS ON MILITARY ASSISTANCE AND SALES TO EL SALVADOR

SEC. 728. (a)(1) The Congress finds that peaceful and democratic development in Central America is in the interest of the United States and of the community of American States generally, that the recent civil strife in El Salvador has caused great human suffering and disruption to the economy of that country, and that substantial assistance to El Salvador is necessary to help alleviate that suffering and to promote economic recovery within a peaceful and democratic process. Moreover, the Congress recognizes that the efforts of the Government of El Salvador to achieve these goals are affected by the activities of forces beyond its control. 22 USC 2370 note.

(2) Taking note of the substantial progress made by the Government of El Salvador in land and banking reforms, the Congress declares it should be the policy of the United States to encourage and support the Government of El Salvador in the implementation of these reforms.

(3) The United States also welcomes the continuing efforts of President Duarte and his supporters in the Government of El Salvador to establish greater control over the activities of members of the armed forces and government security forces. The Congress finds that it is in the interest of the United States to cooperate with the Duarte government in putting an end to violence in El Salvador by extremist elements among both the insurgents and the security forces, and in establishing a unified command and control of all government forces.

(4) The United States supports the holding of free, fair, and open elections in El Salvador at the earliest date. The Congress notes the progress being made by the Duarte government in this area, as evidenced by the appointment of an electoral commission.

(b) In fiscal year 1982 and 1983, funds may be obligated for assistance for El Salvador under chapter 2 or 5 of part II of the Foreign Assistance Act of 1961, letters of offer may be issued and credits and guarantees may be extended for El Salvador under the Presidential certification to Congress. 22 USC 2311, 2347.

22 USC 2751 note.

22 USC 2151 note, 2751 note.

Arms Export Control Act, and members of the Armed Forces may be assigned or detailed to El Salvador to carry out functions under the Foreign Assistance Act of 1961 or the Arms Export Control Act, only if not later than thirty days after the date of enactment of this Act and every one hundred and eighty days thereafter, the President makes a certification in accordance with subsection (d).

(c) If the President does not make such such a certification at any of the specified times then the President shall immediately—

22 USC 2311, 2347.

(1) suspend all expenditures of funds and other deliveries of assistance for El Salvador which were obligated under chapters 2 and 5 of part II of the Foreign Assistance Act of 1961 after the date of enactment of this Act;

(2) withhold all approvals for use of credits and guarantees for El Salvador which were extended under the Arms Export Control Act after the date of enactment of this Act;

(3) suspend all deliveries of defense articles, defense services, and design and construction services to El Salvador which were sold under the Arms Export Control Act after the date of enactment of this Act; and

22 USC 2321i.

(4) order the prompt withdrawal from El Salvador of all members of the Armed Forces performing defense services, conducting international military education and training activities, or performing management functions under section 515 of the Foreign Assistance Act of 1961.

Any suspension of assistance pursuant to paragraphs (1) through (4) of this subsection shall remain in effect during fiscal year 1982 and during fiscal year 1983 until such time as the President makes a certification in accordance with subsection (d).

(d) The certification required by subsection (b) is a certification by the President to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate of a determination that the Government of El Salvador—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by these forces:

(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to—

(A) a renouncement of further military or paramilitary activity; and

(B) the electoral process with internationally recognized observers.

Each such certification shall discuss fully and completely the justification for making each of the determinations required by paragraphs (1) through (4).

(e) On making the first certification under subsection (b) of this section, the President shall also certify to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that he has determined that the Government of El Salvador has made good faith efforts both to investigate the

murders of the six United States citizens in El Salvador in December 1980 and January 1981 and to bring to justice those responsible for those murders.

REPORTING REQUIREMENT RELATING TO EL SALVADOR

SEC. 729. (a) Not later than ninety days after the date of enactment of this section, the President shall prepare and transmit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth— Report to Congress.

(1) the viewpoints of all major parties to the conflict in El Salvador and of the influential actors in the Salvadoran political system regarding the potential for and interest in negotiations, elections, and a settlement of the conflict; and

(2) the views of democratic Latin American nations, Canada, the Organization of American States, and European allies of the United States regarding a negotiated settlement to such conflict.

(b) It is the sense of the Congress that the President shall, as soon as possible, send a special envoy or use other appropriate means to consult with and gather information from appropriate representatives of the parties to the Salvadoran conflict, democratic governments of Latin America, Canada, and European allies of the United States regarding the attainment of a negotiated settlement in El Salvador. Special envoy, consultation on El Salvador.

RESTRICTIONS ON AID TO EL SALVADOR

SEC. 730. None of the funds authorized to be appropriated by this Act may be made available for the provision of assistance to El Salvador for the purpose of planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition, or expropriation of any agricultural or banking enterprise, or of the properties or stock shares which may be pertaining thereto.

EL SALVADORAN REFUGEES

SEC. 731. It is the sense of the Congress that the administration should continue to review, on a case-by-case basis, petitions for extended voluntary departure made by citizens of El Salvador who claim that they are subject to persecution in their homeland, and should take full account of the civil strife in El Salvador in making decisions on such petitions. 8 USC 1157 note.

CONSOLIDATED REPORTS: ARMS EXPORT CONTROL ACT

SEC. 732. Section 25 of the Arms Export Control Act is amended to read as follows: 22 USC 2765.

"SEC. 25. ANNUAL ESTIMATE AND JUSTIFICATION FOR SALES PROGRAM.—(a) No later than February 1 of each year, the President shall transmit to the Congress, as a part of the annual presentation materials for security assistance programs proposed for the next fiscal year, a report which sets forth— Report to Congress.

"(1) an arms sales proposal covering all sales and licensed commercial exports under this Act of major weapons or weapons-related defense equipment for $7,000,000 or more, or of any other weapons or weapons-related defense equipment for $25,000,000 or more, which are considered eligible for approval during the current calendar year, together with an indication of which sales and licensed commercial exports are deemed most likely actually

to result in the issuance of a letter of offer or of an export license during such year;

"(2) an estimate of the total amount of sales and licensed commercial exports expected to be made to each foreign nation from the United States;

"(3) the United States national security considerations involved in expected sales or licensed commercial exports to each country, an analysis of the relationship between anticipated sales to each country and arms control efforts concerning such country and an analysis of the impact of such anticipated sales on the stability of the region that includes such country;

"(4) an estimate with regard to the international volume of arms traffic to and from nations purchasing arms as set forth in paragraphs (1) and (2) of this subsection, together with best estimates of the sale and delivery of weapons and weapons-related defense equipment by all major arms suppliers to all major recipient countries during the preceding fiscal year;

"(5) an estimate of the aggregate dollar value and quantity of defense articles and defense services, military education and training, grant military assistance, and credits and guarantees, to be furnished by the United States to each foreign country and international organization in the next fiscal year;

"(6) an analysis and description of the services performed during the preceding fiscal year by officers and employees of the United States Government carrying out functions on a full-time basis under this Act for which reimbursement is provided under section 43(b) or section 21(a) of this Act, including the number of personnel involved in performing such services;

22 USC 2792, 2761.

22 USC 2764.

"(7) the total amount of funds in the reserve under section 24(c) at the end of the fiscal year immediately preceding the fiscal year in which a report under this section is made, together with an assessment of the adequacy of such total amount of funds as a reserve for the payment of claims under guarantees issued pursuant to section 24 in view of the current debt servicing capacity of borrowing countries, as reported to the Congress pursuant to section 634(a)(5) of the Foreign Assistance Act of 1961;

22 USC 2394.

"(8) a list of all countries with respect to which findings made by the President pursuant to section 3(a)(1) of this Act are in effect on the date of such transmission;

22 USC 2753.

"(9) the progress made under the program of the Republic of Korea to modernize its armed forces, the role of the United States in mutual security efforts in the Republic of Korea and the military balance between the People's Republic of Korea and the Republic of Korea;

"(10) the amount and nature of Soviet military assistance to the armed forces of Cuba during the preceding fiscal year and the military capabilities of those armed forces;

"(11) the status of each loan and each contract of guaranty or insurance theretofore made under the Foreign Assistance Act of 1961, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guaranty in connection with any such procurement, theretofore made under the Arms Export Control Act with respect to which there remains outstanding any unpaid obligation or potential liability; and

22 USC 2151 note.

22 USC 2751 note.

"(12) such other information as the President may deem necessary.

"(b) Not later than thirty days following the receipt of a request made by the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives for additional information with respect to any information submitted pursuant to subsection (a), the President shall submit such information to such committee.

Submittal of information to Congress.

"(c) The President shall make every effort to submit all of the information required by subsection (a) or (b) wholly in unclassified form. Whenever the President submits any such information in classified form, he shall submit such classified information in an addendum and shall also submit simultaneously a detailed summary, in unclassified form, of such classified information.".

CONSOLIDATED REPORTS: FOREIGN ASSISTANCE ACT OF 1961

SEC. 733. Section 634(a) of the Foreign Assistance Act of 1961 is amended—

Reports to Congress.
22 USC 2394.

(1) by amending the first sentence to read as follows: "In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—";

(2) in paragraph (1)(B), by striking out "the progressive developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to";

(3) in paragraph (2)—

(A) by striking out "and" at the end of subparagraph (D);

(B) by adding "and" at the end of subparagraph (E); and

(C) by adding at the end thereof the following:

"(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;";

(4) by amending paragraph (4) to read as follows:

"(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;";

7 USC 1691 note.

12 USC 635 note.

(5) In paragraph (7), by striking out "and" after the semicolon; and

(6) by striking out paragraph (8) and inserting in lieu thereof the following new paragraphs:

"(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

22 USC 2399c.

"(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

"(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by the United States to each foreign country and international organization for the preceding fiscal year;

"(11) information concerning the activities of the Minority Resource Center during the preceding fiscal year; and

"(12) other information appropriate to the conduct of the foreign assistance program of the United States Government.".

REPEALS

SEC. 734. (a) The following provisions of the following Acts are repealed:

22 USC 2151w, 2221, 2222, 2261, 2291, 2292j, 2292n, 2321f, 2351, 2363, 2370, 2399c, 2417, 2419, 2428, 2347. 22 USC 2370 note. 94 Stat. 3137, 3148, 3156, 3160-3163. 93 Stat. 367; 22 USC 2151n note, 2151 note, 3201 note, 2151y note, 2151 note. 22 USC 3402, 3405-3407. 22 USC 2222 note, 2151u note, 7 USC 1711 note, 22 USC 2151 note, 2395a. 22 USC 2151 note, 7 USC 1708 note. 7 USC 1691a note. 22 USC 2175a, 2370 note, 2406 note, 2166 note, 2551 note. 22 USC 1942 note, 2151 note. 22 USC 2792, 2751. 22 USC 2321h note, 2776 note, 2151 note. 22 USC 2751 note, 2428b, 2151 note, 287c note. 22 USC 2406 note, 2370, 2751 note, 2370 note. 22 USC 2151 note. 22 USC 2370.

(1) The Foreign Assistance Act of 1961: Sections 125(b), 301(b), 301(e)(3), 302(a)(3), 451(b), 481(c)(2), 495D(e), 495H(c)(2), 513, 601(e)(2), 613(c), 620(b), 620(i), 620(m), 640B(g), 657, 659, and 668, and the second sentence of section 542.

(2) The International Security and Development Cooperation Act of 1980: Sections 108, 313(b), 603, 713, 714, 720, and 721.

(3) The International Development Cooperation Act of 1979: Sections 124, 504(b), 506, 507(b), 508(b), and 509(c).

(4) The Special International Security Assistance Act of 1979: Sections 4(e)(2), 7(b), 8(c), and 9.

(5) The International Development and Food Assistance Act of 1978: Sections 117(b)(2), 122(b), 201, 303, and 603(a)(1).

(6) The International Development and Food Assistance Act of 1977: Sections 132(a), 133(c)(6), and 214.

(7) Section 213 of the International Development and Food Assistance Act of 1975.

(8) The Foreign Assistance Act of 1974: Sections 3, 25, 26, 27, 43, 49, 50(c) and 51(c).

(9) The Foreign Assistance Act of 1973: Sections 36(e), 37, and 38.

(10) The Arms Export Control Act: Section 43(c), and the fifth paragraph of section 1.

(11) The International Security Assistance Act of 1979: Sections 6(b), 20(a), 25, and 28.

(12) The International Security Assistance Act of 1978: Sections 15(b), 23(d), 23(e)(2), 24(c), 25, and 27.

(13) The International Security Assistance Act of 1977: Sections 14, 22, 24(c), 25, and 28(a)(2).

(14) Section 507 of the International Security Assistance and Arms Export Control Act of 1976.

(15) Section 7 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (22 U.S.C. 2410a).

(b) Section 620(s)(1) of the Foreign Assistance Act of 1961 is amended—

(1) in subparagraph (A) by inserting "and" after the semicolon;

(2) in subparagraph (B)—

(A) by inserting "or other" after "foreign exchange", and

(B) by striking out "; and" and inserting in lieu thereof a period; and

(3) by repealing subparagraph (C).

(c) Except as otherwise explicitly provided by their terms, amendments to the Foreign Assistance Act of 1961 and the Arms Export Control Act which are applicable only to a single fiscal or calendar year or which require reports or other actions on a nonrecurring basis shall be deemed to have expired and shall be removed from law upon the expiration of the applicable time periods for the fulfillment of the required actions.

22 USC 2151 note.
22 USC 2751 note.

REPORT ON NUCLEAR ACTIVITIES

SEC. 735. Beginning with the fiscal year 1983 and for each fiscal year thereafter, the President shall prepare and transmit to the Congress, as part of the presentation materials for foreign assistance programs proposed for that fiscal year, a classified report describing the nuclear programs and related activities of any country for which a waiver of section 669 or 670 of the Foreign Assistant Act of 1961 is in effect, including an assessment of—

Report to Congress.
22 USC 2429a-l.

22 USC 2429, *Post*, p. 1562.

(1) the extent and effectiveness of International Atomic Energy Agency safeguards at that country's nuclear facilities; and

(2) the capability, actions, and intentions of the government of that country with respect to the manufacture or acquisition of a nuclear explosive device.

ASSISTANCE TO PAKISTAN

SEC. 736. Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"SEC. 620E. ASSISTANCE TO PAKISTAN.—(a) The Congress recognizes that Soviet forces occupying Afghanistan pose a security threat to Pakistan. The Congress also recognizes that an independent and democratic Pakistan with continued friendly ties with the United States is in the interest of both nations. The Congress finds that United States assistance will help Pakistan maintain its independence. Assistance to Pakistan is intended to benefit the people of Pakistan by helping them meet the burdens imposed by the presence of Soviet forces in Afghanistan and by promoting economic development. In authorizing assistance to Pakistan, it is the intent of Congress to promote the expeditious restoration of full civil liberties and representative government in Pakistan. The Congress further recognizes that it is in the mutual interest of Pakistan and the United States to avoid the profoundly destabilizing effects of the proliferation of nuclear explosive devices or the capacity to manufacture or otherwise acquire nuclear devices.

22 USC 2375.

"(b) The United States reaffirms the commitment made in its 1959 bilateral agreement with Pakistan relating to aggression from a Communist or Communist-dominated state.

10 UST 317.

"(c) Security assistance for Pakistan shall be made available in order to assist Pakistan in dealing with the threat to its security posed by the Soviet presence in Afghanistan. The United States will take appropriate steps to ensure that defense articles provided by the United States to Pakistan are used for defensive purposes.

"(d) The President may waive the prohibitions of section 669 of this Act at any time during the period beginning on the date of enactment of this section and ending on September 30, 1987, to provide assist-

Waiver.
22 USC 2429.

ance to Pakistan during that period if he determines that to do so is in the national interest of the United States.".

PROHIBITIONS RELATING TO NUCLEAR TRANSFERS AND NUCLEAR DETONATIONS

22 USC 2429a note.

SEC. 737. (a) The Congress finds that any transfer of a nuclear explosive device to a non-nuclear-weapon state or, in the case of a non-nuclear-weapon state, any receipt or detonation of a nuclear explosive device would cause grave damage to bilateral relations between the United States and that country.

22 USC 2429.

(b) Section 669(b)(2) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(2)(A) A certification under paragraph (1) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within thirty calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adopton of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

"(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

90 Stat. 765.

"(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.".

22 USC 2429a.

(c) Section 670 of such Act is amended to read as follows:

"SEC. 670. NUCLEAR REPROCESSING TRANSFERS, TRANSFERS OF NUCLEAR EXPLOSIVE DEVICES, AND NUCLEAR DETONATIONS.—(a)(1) Except as provided in paragraph (2) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977 delivers nuclear reprocessing equipment, materials, or technology to any other country or receives such equipment, materials, or technology from any other country (except for the transfer of reprocessing technology associated with the investigation, under international evaluation programs in which the United States participates, of technologies which are alternatives to pure plutonium reprocessing).

22 USC 2751 note.
22 USC 2346.
22 USC 2348.
22 USC 2151 note.

Transmittal of certification to Congress.

"(2) Notwithstanding paragraph (1) of this subsection, the President may furnish assistance which would otherwise be prohibited under that paragraph if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

"(3)(A) A certification under paragraph (2) of this subsection shall take effect on the date on which the certification is received by the Congress. However, if, within 30 calendar days after receiving this certification, the Congress adopts a concurrent resolution stating in substance that the Congress disapproves the furnishing of assistance pursuant to the certification, then upon the adoption of that resolution the certification shall cease to be effective and all deliveries of assistance furnished under the authority of that certification shall be suspended immediately.

Congressional disapproval.

"(B) Any concurrent resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

90 Stat. 765.

"(C) For the purpose of expediting the consideration and adoption of concurrent resolutions under this paragraph, a motion to proceed to the consideration of any such resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(b)(1) Except as provided in paragraphs (2) and (3) of this subsection, no funds authorized to be appropriated by this Act or the Arms Export Control Act may be used for the purpose of providing economic assistance (including assistance under chapter 4 of part II), providing military assistance or grant military education and training, providing assistance under chapter 6 of part II, or extending military credits or making guarantees, to any country which on or after the date of enactment of the International Security Assistance Act of 1977—

22 USC 2751 note.
22 USC 2346.
22 USC 2348.
22 USC 2151 note.

"(A) transfers a nuclear explosive device to a non-nuclear-weapon state, or

"(B) is a non-nuclear-weapon state and either—

"(i) receives a nuclear explosive device, or

"(ii) detonates a nuclear explosive device.

"(2)(A) Notwithstanding paragraph (1) of this subsection, the President may, for a period of not more than 30 days of continuous session, furnish assistance which would otherwise be prohibited under paragraph (1) of this subsection if, before furnishing such assistance, the President transmits to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, a certification that he has determined that an immediate termination of assistance to that country would be detrimental to the national security of the United States. Not more than one such certification may be transmitted for a country with respect to the same detonation, transfer, or receipt of a nuclear explosive device.

Transmittal of certification to Congress.

"(B) If the President transmits a certification to the Congress under subparagraph (A), a joint resolution which would permit the President to exercise the waiver authority of paragraph (3) of this subsection shall, if introduced in either House within thirty days of continuous session after the Congress receives this certification, be considered in the Senate and House of Representatives in accordance with subparagraphs (C) and (D) of this paragraph.

"(C) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(D) For the purpose of expediting the consideration and adoption of joint resolutions under this paragraph, a motion to proceed to the consideration of such a joint resolution after it has been reported by

the appropriate committee shall be treated as highly privileged in the House of Representatives.

"Joint resolution."

"(E) For purposes of this paragraph, the term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the Congress having received on a certification by the President under section 670(b)(2) of the Foreign Assistance Act of 1961 with respect to , the Congress hereby authorizes the President to exercise the waiver authority contained in section 670(b)(3) of that Act.', with the date of receipt of the certification inserted in the first blank and the name of the country inserted in the second blank.

22 USC 2429a.

Transmittal of certification to Congress.

"(3) Notwithstanding paragraph (1) of this subsection, if the Congress enacts a joint resolution under paragraph (2) of this subsection, the President may furnish assistance which would otherwise be prohibited under paragraph (1) if he determines and certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that the termination of such assistance would be seriously prejudicial to the achievement of United States nonproliferation objectives or otherwise jeopardize the common defense and security. The President shall transmit with such certification a statement setting forth the specific reasons therefor.

"(4) For purposes of this subsection, continuity of session is broken only by an adjournment of Congress sine die and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"Non-nuclear weapon state."

"(5) As used in this subsection, the term 'non-nuclear-weapon state' means any country which is not a nuclear-weapon state, as defined in article IX(3) of the Treaty on the Non-Proliferation of Nuclear Weapons.".

21 UST 483.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1196 (H.R. 3136) (H.R. 3566):

HOUSE REPORTS: No. 97-58 accompanying H.R. 3566 and No. 97-195 accompanying H.R. 3136 (both from Comm. on Foreign Affairs), and No. 97-413 (Comm. of Conference).

SENATE REPORT No. 97-83 (Comm. on Foreign Relations).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Sept. 23, 24, 30, Oct. 20, 21, 22, considered and passed Senate.

Dec. 9, H.R. 3566 considered and passed House; proceedings vacated and S. 1196, amended, passed in lieu.

Dec. 15, Senate agreed to conference report.

Dec. 16, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):

Dec. 29, Presidential statement.

Public Law 97-114
97th Congress

An Act

Making appropriations for the Department of Defense for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 29, 1981
[H.R. 4995]

Department of Defense Appropriation Act, 1982.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1982, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; $12,447,827,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; $9,117,956,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); $2,766,966,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for mem-

bers of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; $10,305,414,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3019, and 3033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $964,400,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Naval Reserve on active duty under section 265 of title 10, United States Code, or personnel while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $346,770,000: *Provided,* That funds made available for fiscal year 1982 for "Reserve Personnel, Navy" may be transferred to the appropriation Reserve Personnel, Navy for fiscal year 1979, in such amounts as may be needed, but not to exceed $100,000 to liquidate obligations incurred and chargeable to that account.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $138,720,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8019, and 8033 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training

Corps, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $292,073,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under sections 265, 3033, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on active duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $1,294,100,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under sections 265, 8033, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on active duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code, as authorized by law; $423,867,000.

TITLE II

RETIRED MILITARY PERSONNEL

RETIRED PAY, DEFENSE

For retired pay and retirement pay, as authorized by law, of military personnel on the retired lists of the Army, Navy, Marine Corps, and Air Force, including the reserve components thereof, retainer pay for personnel of the Inactive Fleet Reserve, and payments under section 4 of Public Law 92-425 and chapter 73 of title 10, United States Code; $14,938,315,000.

10 USC 1448 note, 1431 *et seq.*

TITLE III

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $5,400,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $15,037,897,000, of which not less than $944,600,000 shall be available only for the maintenance of real property facilities.

ARMY STOCK FUND

For the Army stock fund, $176,300,000.

OPERATION AND MAINTENANCE, NAVY

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $1,899,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $19,385,889,000, of which not less than $685,000,000 shall be available only for the maintenance of real property facilities: *Provided,* That of the total amount of this appropriation made available for the alteration, overhaul, and repair of naval vessels, not more than $2,800,000,000 shall be available for the performance of such work in Navy shipyards: *Provided further,* That not less than $59,000,000 shall be available only for payments in support of the LEASAT program in accordance with the terms of the Aide Memoire, dated January 5, 1981.

NAVY STOCK FUND

For the Navy stock fund, $9,435,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $1,185,540,000, of which not less than $176,800,000 shall be available only for the maintenance of real property facilities.

MARINE CORPS STOCK FUND

For the Marine Corps stock fund, $13,334,000.

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $4,091,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $16,079,719,000, of which not less than $29,000,000 shall be available only for the installation of modification kits into KC-135 aircraft, and not less than $1,000,300,000 shall be available only for the maintenance of real property facilities.

AIR FORCE STOCK FUND

For the Air Force stock fund, $78,800,000.

OPERATION AND MAINTENANCE, DEFENSE AGENCIES

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by

law; $4,985,400,000: *Provided,* That not to exceed $5,812,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: *Provided further,* That not less than $72,400,000 of the total amount of this appropriation shall be available only for the maintenance of real property facilities.

DEFENSE STOCK FUND

For the Defense stock fund, $69,000,000.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $658,150,000, of which not less than $39,000,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $570,940,000, of which not less than $28,200,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $40,299,000, of which not less than $1,400,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $669,154,000, of which not less than $15,300,000 shall be available only for the maintenance of real property facilities.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and

related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $1,087,950,000, of which not less than $27,000,000 shall be available only for the maintenance of real property facilities.

Operation and Maintenance, Air National Guard

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard regulations when specifically authorized by the Chief, National Guard Bureau; $1,646,418,000, of which not less than $37,300,000 shall be available only for the maintenance of real property facilities.

National Board for the Promotion of Rifle Practice, Army

For the necessary expenses, in accordance with law, for construction, equipment, and maintenance of rifle ranges; the instruction of citizens in marksmanship; the promotion of rifle practice; and the travel of rifle teams, military personnel, and individuals attending regional, national, and international competitions; $845,000, of which not to exceed $7,500 shall be available for incidental expenses of the National Board; and from other funds provided in this Act, not to exceed $680,000 worth of ammunition may be issued under authority of title 10, United States Code, section 4311: *Provided,* That competitors at national matches under title 10, United States Code, section 4312, may be paid subsistence and travel allowances in excess of the amounts provided under title 10, United States Code, section 4313.

Claims, Defense

For payment, not otherwise provided for, of claims authorized by law to be paid by the Department of Defense (except for civil functions), including claims for damages arising under training contracts with carriers, and repayment of amounts determined by the Secretary concerned, or officers designated by him, to have been erroneously collected from military and civilian personnel of the Department of Defense, or from States, territories, or the District of

Columbia, or members of the National Guard units thereof; $155,700,000.

COURT OF MILITARY APPEALS, DEFENSE

For salaries and expenses necessary for the United States Court of Military Appeals; $2,607,000, and not to exceed $1,500 can be used for official representation purposes.

TITLE IV

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,911,100,000: *Provided,* That notwithstanding any other provision of this Act, after the head of the agency concerned gives written notification of a proposed multiyear contract for the purchase of the UH-60A Black Hawk aircraft to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives, such contract may not then be awarded until the end of a period of 45 days beginning on the date of such notification, to remain available for obligation until September 30, 1984.

40 USC 255.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,131,200,000, to remain available for obligation until September 30, 1984.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ord-

nance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,825,200,000, of which $1,900,000 shall be available only for the continued testing and evaluation of 9 mm handguns without delay, to remain available for obligation until September 30, 1984.

40 USC 255.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized in military construction authorization Acts or authorized by section 2673, title 10, United States Code, and the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,381,900,000, to remain available for obligation until September 30, 1984.

OTHER PROCUREMENT, ARMY

For construction, procurement, production, and modification of vehicles, including tactical, support (including not to exceed 14 vehicles required for physical security of personnel notwithstanding price limitations applicable to passenger carrying vehicles but not to exceed $100,000 per vehicle), and nontracked combat vehicles; the purchase of not to exceed two thousand seven hundred and fifteen passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, without regard to section 4774, title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,721,971,000, to remain available for obligation until September 30, 1984.

ARMY NATIONAL GUARD EQUIPMENT

For military equipment for Army National Guard units, $50,000,000, to remain available until September 30, 1984.

AIRCRAFT PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of aircraft, equipment including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $9,115,800,000, of which $37,000,000 shall be available only for purchase of C-2 aircraft under a multiyear contract, to remain available for obligation until September 30, 1984.

40 USC 255.

WEAPONS PROCUREMENT, NAVY

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $3,207,100,000, to remain available for obligation until September 30, 1984.

SHIPBUILDING AND CONVERSION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended, as follows: for the Trident submarine program, $315,600,000; for the CVN aircraft carrier program, $475,000,000; for the SSN-688 nuclear attack submarine program, $1,351,000,000; for the reactivation of the U.S.S. New Jersey, $237,000,000; for the reactivation of the U.S.S. Iowa, $88,000,000; for the aircraft carrier service life extension program, $81,000,000; for the CG-47 AEGIS cruiser program, $2,929,300,000; for the LSD-41 landing ship dock program, $301,000,000; for the LHA/LHDX helicopter assault ship program, $45,000,000; for the FFG guided missile frigate program, $926,100,000; for the MCM mine countermeasures ship program, $99,700,000; for the T-AO fleet oiler ship program, $200,000,000; for the T-AGOS SURTASS ship program, $156,500,000; for the ARS salvage ship program, $135,500,000; for the T-AKRX fast logistics ship program, $307,600,000; for the T-AFS Lyness conversion program, $37,000,000; for craft, outfitting, post delivery, cost growth, and

escalation on prior year programs, $754,700,000; for acquisition, construction, and improvement, Coast Guard, $300,000,000, to be allocated to the Coast Guard: "Acquisition, Construction and Improvements"; and in addition, $117,500,000 of which $15,100,000 shall be derived by transfer from the "Trident submarine program" of "Shipbuilding and Conversion, Navy 1979/1983", and $58,000,000 shall be derived by transfer from the "maritime prepositioning ship programs" of "Shipbuilding and Conversion, Navy, 1981/1985", and $44,400,000 shall be derived by transfer from the "fast logistics ship (T-AKRX) program" of "Shipbuilding and Conversion, Navy, 1981/1985"; and reductions in the amounts, as follows: $12,000,000 for inflation offsets; $13,700,000 for consultant, studies and analyses; and $11,900,000 for Army Guard and Reserve equipment transfer; in all: $8,821,400,000, and in addition, $117,500,000 to be derived by transfer, to remain available for obligation until September 30, 1986: *Provided,* That of the appropriation for "Shipbuilding and Conversion, Navy", that expired for obligation on September 30, 1981, $119,000,000 shall remain available for obligation until September 30, 1983: *Provided further,* That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign shipyards for the construction of major components of the hull or superstructure of such vessel: *Provided further,* That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

Other Procurement, Navy

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed three hundred and four passenger motor vehicles for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title as required by section 355, Revised Statutes, as amended; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $3,708,777,000, to remain available for obligation until September 30, 1984.

40 USC 255.

Procurement, Marine Corps

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and vehicles for the Marine Corps, including purchase of not to exceed one hundred and nine passenger motor vehicles for replacement only; $1,711,456,000, to remain available for obligation until September 30, 1984.

Aircraft Procurement, Air Force

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories

therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $13,818,998,000, of which $102,800,000 shall be available only for a classified program, and of which $1,817,600,000 shall be available only for purchase of F-16 aircraft under a multiyear contract, and $1,801,000,000 shall be available only for purchase of B-1B aircraft when the President certifies to the Congress that it is feasible to accomplish the program for the purchase of 100 B-1B aircraft at a total program cost of not to exceed $20,500,000,000 (in constant fiscal year 1981 dollars), or in such other amount as the President certifies and explains to the Congress, and such funds for the purchase of B-1B aircraft shall remain available during any quarter that the total program cost of 100 B-1B aircraft is included in any Selected Acquisition Report required for the B-1B program for the previous quarter by section 811 of the Department of Defense Appropriation Authorization Act, 1976 (10 U.S.C. 139 note), $56,000,000 shall be available only for the procurement of B-707 aircraft to provide for engines and parts to reengine KC-135 aircraft, and $344,300,000 shall be available for contribution of the United States share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS) and, in addition, the Department of Defense may make a commitment to the North Atlantic Treaty Organization to assume the United States share of contingent liability in connection with the NATO E-3A Cooperative Programme, and $89,700,000 shall be derived by transfer from "Aircraft Procurement, Air Force, 1981/1983", to remain available for obligation until September 30, 1984.

40 USC 255.

MISSILE PROCUREMENT, AIR FORCE

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $4,559,550,000, of which $624,400,000 shall be available only for a classified program, to remain available for obligation until September 30, 1984.

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OTHER PROCUREMENT, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed nine hundred and sixty-one passenger motor vehicles for replacement only; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; $5,365,633,000, and in addition, $800,000 which shall be derived by transfer from "Other procurement, Air Force, 1981/1983", of which $67,200,000 shall be available only for purchase of AN/TRC-170 radios under a multiyear contract and for related support, to remain available for obligation until September 30, 1984.

40 USC 255.

PROCUREMENT, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed three hundred and eighty-eight passenger motor vehicles of which two hundred and forty-three shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to the approval of title as required by section 355, Revised Statutes, as amended; reserve plant and Government and contractor-owned equipment layaway; $511,500,000, to remain available for obligation until September 30, 1984.

TITLE V

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $3,609,535,000, to remain available for obligation until September 30, 1983.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized

by law; $5,844,357,000, to remain available for obligation until September 30, 1983.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $8,659,610,000, of which $334,000,000 shall be available only for Research and Development related to initial deployment of the MX missile in nonsuperhardened existing silos in a manner compatible with a permanent basing mode which could include the addition to existing silos of ballistic missile defense, the provision of location uncertainty for offensive missiles and defensive systems, and superhardening and subsequent deployment in a permanent basing mode to be recommended to the Congress by the Secretary of Defense no later than July 1, 1983, to remain available for obligation until September 30, 1983.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE AGENCIES

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test, and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $1,692,646,000, to remain available for obligation until September 30, 1983: *Provided*, That such amounts as may be determined by the Secretary of Defense to have been made available in other appropriations available to the Department of Defense during the current fiscal year for programs related to advanced research may be transferred to and merged with this appropriation to be available for the same purposes and time period: *Provided further*, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to carry out the purposes of advanced research to those appropriations for military functions under the Department of Defense which are being utilized for related programs to be merged with and to be available for the same time period as the appropriation to which transferred.

Funds, transfer and merger.

DIRECTOR OF TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director of Defense Test and Evaluation in the direction and supervision of test and evaluation, including initial operational testing and evaluation; and performance of joint testing and evaluation; and administrative expenses in connection therewith; $53,000,000, to remain available for obligation until September 30, 1983.

TITLE VI

SPECIAL FOREIGN CURRENCY PROGRAM

For payment in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United

States for expenses in carrying out programs of the Department of Defense, as authorized by law; $3,083,000, to remain available for obligation until September 30, 1983: *Provided,* That this appropriation shall be available in addition to other appropriations to such Department, for payments in the foregoing currencies.

TITLE VII

GENERAL PROVISIONS

Consulting services.

SEC. 701. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Publicity or propaganda.

SEC. 702. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

Experts and consultants.

SEC. 703. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, respectively, if they should deem it advantageous to the national defense, and if in their opinions the existing facilities of the Department of Defense are inadequate, are authorized to procure services in accordance with section 3109 of title 5, United States Code, under regulations prescribed by the Secretary of Defense, and to pay in connection therewith travel expenses of individuals, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty stations and return as may be authorized by law: *Provided,* That such contracts may be renewed annually.

Noncitizens, compensation and employment. 31 USC 700.

SEC. 704. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense.

SEC. 705. Appropriations contained in this Act shall be available for insurance of official motor vehicles in foreign countries, when required by laws of such countries; payments in advance of expenses determined by the investigating officer to be necessary and in accord with local custom for conducting investigations in foreign countries incident to matters relating to the activities of the department concerned; reimbursement to General Services Administration for security guard services for protection of confidential files; and all necessary expenses, at the seat of government of the United States of America or elsewhere, in connection with communication and other services and supplies as may be necessary to carry out the purposes of this Act.

Prisoners of war. 31 USC 649a.

SEC. 706. Any appropriation available to the Army, Navy, or Air Force may, under such regulations as the Secretary concerned may prescribe, be used for expenses incident to the maintenance, pay, and allowances of prisoners of war, other persons in Army, Navy, or Air Force custody whose status is determined by the Secretary concerned to be similar to prisoners of war, and persons detained in such custody pursuant to Presidential proclamation.

Land acquisition.

SEC. 707. Appropriations available to the Department of Defense for the current fiscal year for maintenance or construction shall be available for acquisition of land or interest therein as authorized by section 2672 or 2675 of title 10, United States Code.

SEC. 708. Appropriations for the Department of Defense for the current fiscal year shall be available (a) for transportation to primary and secondary schools of minor dependents of military and civilian personnel of the Department of Defense as authorized for the Navy by section 7204 of title 10, United States Code; (b) for expenses in connection with administration of occupied areas; (c) for payment of rewards as authorized for the Navy by section 7209(a) of title 10, United States Code, for information leading to the discovery of missing naval property or the recovery thereof; (d) for payment of deficiency judgments and interests thereon arising out of condemnation proceedings; (e) for leasing of buildings and facilities including payment of rentals for special purpose space at the seat of government, and in the conduct of field exercises and maneuvers or, in administering the provisions of title 43, United States Code, section 315q, rentals may be paid in advance; (f) payments under contracts for maintenance of tools and facilities for twelve months beginning at any time during the fiscal year; (g) maintenance of defense access roads certified as important to national defense in accordance with section 210 of title 23, United States Code; (h) for the purchase of milk for enlisted personnel of the Department of Defense heretofore made available pursuant to section 1446a, title 7, United States Code, and the cost of milk so purchased, as determined by the Secretary of Defense, shall be included in the value of the commuted ration; (i) transporting civilian clothing to the home of record of selective service inductees and recruits on entering the military services; (j) payments under leases for real or personal property, including maintenance thereof when contracted for as a part of the lease agreement, for twelve months beginning at any time during the fiscal year; (k) pay and allowances of not to exceed nine persons, including personnel detailed to International Military Headquarters and Organizations, at rates provided for under section 625(d)(1) of the Foreign Assistance Act of 1961, as amended; (l) the purchase of right-hand-drive vehicles not to exceed $12,000 per vehicle; (m) for payment of unusual cost overruns incident to ship overhaul, maintenance, and repair for ships inducted into industrial fund activities or contracted for in prior fiscal years: *Provided*, That the Secretary of Defense shall notify the Congress promptly prior to obligation of any such payments; and (n) for payments from annual appropriations to industrial fund activities and/or under contract for changes in scope of ship overhaul, maintenance, and repair after expiration of such appropriations, for such work either inducted into the industrial fund activity or contracted for in that fiscal year.

22 USC 2385.

Notification to Congress.

SEC. 709. Appropriations for the Department of Defense for the current fiscal year shall be available for: (a) donations of not to exceed $25 to each prisoner upon each release from confinement in military or contract prison and to each person discharged for fraudulent enlistment; (b) authorized issues of articles to prisoners, applicants for enlistment and persons in military custody; (c) subsistence of selective service registrants called for induction, applicants for enlistment, prisoners, civilian employees as authorized by law, and supernumeraries when necessitated by emergent military circumstances; (d) reimbursement for subsistence of enlisted personnel while sick in hospitals; (e) expenses of prisoners confined in nonmilitary facilities; (f) military courts, boards, and commissions; (g) utility services for buildings erected at private cost, as authorized by law, and buildings on military reservations authorized by regulations to be used for welfare and recreational purposes; (h) exchange fees, and losses in the accounts of disbursing officers or agents in accordance with law; (i)

10 USC 858 note.

10 USC 807 note.

expenses of Latin American cooperation as authorized for the Navy by law (10 U.S.C. 7208); and (j) expenses of apprehension and delivery of deserters, prisoners, and members absent without leave, including payment of rewards of not to exceed $75 in any one case.

Small and minority-owned business, contract opportunities.

SEC. 710. The Secretary of Defense and each purchasing and contracting agency of the Department of Defense shall assist American small and minority-owned business to participate equitably in the furnishing of commodities and services financed with funds appropriated under this Act by increasing, to an optimum level, the resources and number of personnel jointly assigned to promoting both small and minority business involvement in purchases financed with funds appropriated herein, and by making available or causing to be made available to such businesses, information, as far in advance as possible, with respect to purchases proposed to be financed with funds appropriated under this Act, and by assisting small and minority business concerns to participate equitably as subcontractors on contracts financed with funds appropriated herein, and by otherwise advocating and providing small and minority business opportunities to participate in the furnishing of commodities and services financed with funds appropriated by this Act.

Fiscal year funding limitation.

SEC. 711. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Metal scrap processing facilities.
50 USC 100a.

SEC. 712. During the current fiscal year no funds available to agencies of the Department of Defense shall be used for the operation, acquisition, or construction of new facilities or equipment for new facilities in the continental limits of the United States for metal scrap bailing or shearing or for melting or sweating aluminum scrap unless the Secretary of Defense or an Assistant Secretary of Defense designated by him determines, with respect to each facility involved, that the operation of such facility is in the national interest.

Funds and contract authorizations, exemptions.

31 USC 665.

SEC. 713. (a) During the current fiscal year, the President may exempt appropriations, funds, and contract authorizations, available for military functions under the Department of Defense, from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

Airborne alert expenses.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

Active duty military personnel increases.

(c) Upon determination by the President that it is necessary to increase the number of military personnel on active duty subject to existing laws beyond the number for which funds are provided in this Act, the Secretary of Defense is authorized to provide for the cost of such increased military personnel, as an excepted expense in accordance with the provisions of section 3732 of the Revised Statutes (41 U.S.C. 11).

Reports to Congress.

(d) The Secretary of Defense shall immediately advise Congress of the exercise of any authority granted in this section, and shall report monthly on the estimated obligations incurred pursuant to subsections (b) and (c).

Commissary stores.

SEC. 714. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual

or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish sufficient gross revenues from sales of commissary stores to make such reimbursement: *Provided,* That under such regulations as may be issued pursuant to this section all utilities may be furnished without cost to the commissary stores outside the continental United States and in Alaska: *Provided further,* That no appropriation contained in this Act shall be available to pay any costs incurred by any commissary store or other entity acting on behalf of any commissary store in connection with obtaining the face value amount of manufacturer or vendor cents-off discount coupons unless all fees or moneys received for handling or processing such coupons are reimbursed to the appropriation charged with the incurred costs: *Provided further,* That no appropriation contained in this Act shall be available in connection with the operation of commissary stores within the continental United States unless the Secretary of Defense has certified that items normally procured from commissary stores are not otherwise available at a reasonable distance and a reasonable price in satisfactory quality and quantity to the military and civilian employees of the Department of Defense.

Proficiency flying.

SEC. 715. No part of the appropriations in this Act shall be available for any expense of operating aircraft under the jurisdiction of the armed forces for the purpose of proficiency flying, as defined in Department of Defense Directive 1340.4, except in accordance with regulations prescribed by the Secretary of Defense. Such regulations (1) may not require such flying except that required to maintain proficiency in anticipation of a member's assignment to combat operations and (2) such flying may not be permitted in cases of members who have been assigned to a course of instruction of ninety days or more.

Household goods.

SEC. 716. No part of any appropriation contained in this Act shall be available for expense of transportation, packing, crating, temporary storage, drayage, and unpacking of household goods and personal effects in any one shipment having a net weight in excess of thirteen thousand five hundred pounds.

Vessels transfer. 40 USC 483a.

SEC. 717. Vessels under the jurisdiction of the Department of Commerce, the Department of the Army, the Department of the Air Force, or the Department of the Navy may be transferred or otherwise made available without reimbursement to any such agencies upon the request of the head of one agency and the approval of the agency having jurisdiction of the vessels concerned.

Obligated funds, limitation.

SEC. 718. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided,* That this section shall not apply to obligations for support of active duty training of civilian components or summer camp training of the Reserve Officers' Training Corps, or the National Board for the Promotion of Rifle Practice, Army.

Foreign real property, commodities, and services.

SEC. 719. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual

defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

31 USC 700a.

In addition to the foregoing, agencies of the Department of Defense may accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and such agencies may use the same for the support of the United States forces in such areas, without specific appropriations therefor: *Provided,* That the foregoing authority shall not be available for the conversion of heating plants from coal to oil at defense facilities in Europe: *Provided further,* That within thirty days after the end of each quarter the Secretary of Defense shall render to Congress and to the Office of Management and Budget a full report of such property, supplies, and commodities received during such quarter.

Report to Congress and OMB.

Research and development funds.

SEC. 720. During the current fiscal year, appropriations available to the Department of Defense for research and development may be used for the purposes of section 2353 of title 10, United States Code, and for purposes related to research and development for which expenditures are specifically authorized in other appropriations of the service concerned.

Educational expenses, limitation.

SEC. 721. No appropriation contained in this Act shall be available for the payment of more than 75 per centum of charges of educational institutions for tuition or expenses of off-duty training of military personnel (except with regard to such charges of educational institutions (a) for enlisted personnel in the pay grade E-5 or higher with less than 14 years' service, for which payment of 90 per centum may be made or (b) for military personnel in off-duty high school completion programs, for which payment of 100 per centum may be made), nor for the payment of any part of tuition or expenses for such training for commissioned personnel who do not agree to remain on active duty for two years after completion of such training.

Loyalty certificate or oath.
10 USC 2103 note.

SEC. 722. No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, Reserve Officers' Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense.

Procurement limitations.

SEC. 723. No part of any appropriation contained in this Act, except for small purchases in amounts not exceeding $10,000, shall be available for the procurement of any article of food, clothing, cotton, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles), or specialty metals including stainless steel flatware, not grown, reprocessed, reused, or produced in the United States or its possessions, except to the extent that the Secretary of the Department concerned shall determine that satisfactory quality and sufficient quantity of any articles of food or clothing or any form of cotton, woven silk and woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric, wool, or specialty metals including stainless steel flatware, grown, reprocessed, reused, or produced in the United States or its possessions cannot be procured as and when needed at United States market prices and except procurements outside the United States in support of combat operations, procurements by vessels in foreign waters, and emergency procurements or procurements of perishable foods by establishments

located outside the United States for the personnel attached thereto: *Provided,* That nothing herein shall preclude the procurement of foods manufactured or processed in the United States or its possessions: *Provided further,* That no funds herein appropriated shall be used for the payment of a price differential on contracts hereafter made for the purpose of relieving economic dislocations other than certain contracts not involving fuel made on a test basis by the Defense Logistics Agency with a cumulative value not to exceed $5,000,000,000, as may be determined by the Secretary of Defense pursuant to existing laws and regulations as not to be inappropriate therefor by reason of national security considerations: *Provided further,* That the Secretary specifically determines that there is a reasonable expectation that offers will be obtained from a sufficient number of eligible concerns so that awards of such contracts will be made at a reasonable price and that no award shall be made for such contracts if the price differential exceeds 5 per centum: *Provided further,* That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a formally advertised competitive bid basis to the lowest responsible bidder.

SEC. 724. None of the funds appropriated by this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or drycleaning facility in the United States, its territories or possessions, as to which the Secretary of Defense does not certify in writing, giving his reasons therefor, that the services to be furnished by such facilities are not obtainable from commercial sources at reasonable rates.

Inactive duty training pay.

SEC. 725. None of the funds appropriated by this Act may be obligated under section 206 of title 37, United States Code, for inactive duty training pay of a member of the National Guard or a member of a reserve component of a uniformed service for more than four periods of equivalent training, instruction, duty or appropriate duties that are performed instead of that member's regular period of instruction or regular period appropriate duty.

Furnishings and automobiles, purchase.

SEC. 726. Appropriations contained in this Act shall be available for the purchase of household furnishings, and automobiles from military and civilian personnel on duty outside the continental United States, for the purpose of resale at cost to incoming personnel, and for providing furnishings, without charge, in other than public quarters occupied by military or civilian personnel of the Department of Defense on duty outside the continental United States or in Alaska, upon a determination, under regulations approved by the Secretary of Defense, that such action is advantageous to the Government.

Uniforms.

SEC. 727. During the current fiscal year, appropriations available to the Department of Defense for pay of civilian employees shall be available for uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901; 80 Stat. 508).

Legislative liaison activities.

SEC. 728. Funds provided in this Act for legislative liaison activities of the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense shall not exceed $7,500,000 for the current fiscal year: *Provided,* That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense.

Civil reserve air fleet.

SEC. 729. Of the funds made available by this Act for the services of the Military Airlift Command, $100,000,000 shall be available only for procurement of commercial transportation service from carriers

participating in the civil reserve air fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided,* That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil reserve air fleet.

Civilian clothing.

SEC. 730. During the current fiscal year, appropriations available to the Department of Defense for operation may be used for civilian clothing, not to exceed $40 in cost for enlisted personnel: (1) discharged for misconduct, unsuitability, or otherwise than honorably; (2) sentenced by a civil court to confinement in a civil prison or interned or discharged as an alien enemy; or (3) discharged prior to completion of recruit training under honorable conditions for dependency, hardship, minority, disability, or for the convenience of the Government.

Defense contractors advertising costs, limitation.

SEC. 731. No part of the funds appropriated herein shall be available for paying the costs of advertising by any defense contractor, except advertising for which payment is made from profits, and such advertising shall not be considered a part of any defense contract cost. The prohibition contained in this section shall not apply with respect to advertising conducted by any such contractor, in compliance with regulations which shall be promulgated by the Secretary of Defense, solely for (1) the recruitment by the contractor of personnel required for the performance by the contractor of obligations under a defense contract, (2) the procurement of scarce items required by the contractor for the performance of a defense contract, or (3) the disposal of scrap or surplus materials acquired by the contractor in the performance of a defense contract.

New facilities, limitation.

SEC. 732. Funds appropriated in this Act for maintenance and repair of facilities and installations shall not be available for acquisition of new facilities, or alteration, expansion, extension, or addition of existing facilities, as defined in Department of Defense Directive 7040.2, dated January 18, 1961, in excess of $100,000: *Provided,* That the Secretary of Defense may amend or change the said directive during the current fiscal year, consistent with the purpose of this section.

Funds, transfer.

SEC. 733. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $750,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided,* That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further,* That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority.

Notification of Congress.

Working capital funds.

SEC. 734. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided,* That transfers may be made between such funds in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Manage-

ment and Budget, except that transfers between a stock fund account and an industrial fund account may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

Federal Employees Compensation Fund.

SEC. 735. Not more than $206,100,000 of the funds appropriated by this Act shall be made available for payment to the Federal Employees Compensation Fund, as established by 5 U.S.C. 8147.

Loan restrictions.

SEC. 736. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, or a grant to any applicant who has been convicted by any court of general jurisdiction of any crime which involves the use of or the assistance to others in the use of force, trespass, or the seizure of property under control of an institution of higher education to prevent officials or students at such an institution from engaging in their duties or pursuing their studies.

Heating plant conversion.

SEC. 737. None of the funds available to the Department of Defense shall be utilized for the conversion of heating plants from coal to oil at defense facilities in Europe.

Uninformed or nonvoluntary experimental subjects.

SEC. 738. None of the funds appropriated by this Act shall be available for any research involving uninformed or nonvoluntary human beings as experimental subjects.

SEC. 739. Appropriations for the current fiscal year for operation and maintenance of the active forces shall be available for medical and dental care of personnel entitled thereto by law or regulation (including charges of private facilities for care of military personnel, except elective private treatment); welfare and recreation; hire of passenger motor vehicles; repair of facilities; modification of personal property; design of vessels; industrial mobilization; installation of equipment in public and private plants; military communications facilities on merchant vessels; acquisition of services, special clothing, supplies, and equipment; and expenses for the Reserve Officers' Training Corps and other units at educational institutions.

Funds reprograming.

SEC. 740. No part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for the reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

Health program, limitations.

SEC. 741. No funds appropriated by this Act shall be available to pay claims for nonemergency inpatient hospital care provided under the Civilian Health and Medical Program of the Uniformed Services for services available at a facility of the uniformed services within a 40-mile radius of the patient's residence: *Provided,* That the foregoing limitation shall not apply to payments that supplement primary coverage provided by other insurance plans or programs that pay for at least 75 per centum of the covered services.

SEC. 742. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services under the provisions of section 1079(a) of title 10, United States Code, shall be available for (a) services of pastoral counselors, or family and child counselors, or marital counselors unless the patient has been referred to such counselor by a medical doctor for treatment of a specific problem with results of that treatment to be communicated back to the physician who made such referral; (b) special education, except when provided as secondary to the active psychiatric treat-

ment on an institutional inpatient basis; (c) therapy or counseling for sexual dysfunctions or sexual inadequacies; (d) treatment of obesity when obesity is the sole or major condition treated; (e) surgery which improves physical appearance but which is not expected to significantly restore functions including, but not limited to, mammary augmentation, face lifts and sex gender changes except that breast reconstructive surgery following mastectomy and reconstructive surgery to correct serious deformities caused by congenital anomalies, accidental injuries and neoplastic surgery are not excluded; (f) reimbursement of any physician or other authorized individual provider of medical care in excess of the eightieth percentile of the customary charges made for similar services in the same locality where the medical care was furnished, as determined for physicians in accordance with section 1079(h) of title 10, United States Code; or (g) any service or supply which is not medically or psychologically necessary to prevent, diagnose, or treat a mental or physical illness, injury, or bodily malfunction as assessed or diagnosed by a physician, dentist, clinical psychologist, optometrist, podiatrist, certified nurse-midwife, certified nurse practitioner, or for the purpose of conducting a test during fiscal year 1982, by a certified clinical social worker, as appropriate, except as authorized by section 1079(a)(4) of title 10, United States Code.

10 USC 1071 *et seq.*

SEC. 743. Appropriations available to the Department of Defense for the current fiscal year shall be available to provide an individual entitled to health care under chapter 55 of title 10, United States Code, with one wig if the individual has alopecia that resulted from treatment of malignant disease: *Provided,* That the individual has not previously received a wig from the Government.

SEC. 744. Funds appropriated in this Act shall be available for the appointment, pay, and support of persons appointed as cadets and midshipmen in the two-year Senior Reserve Officers' Training Corps course in excess of the 20 percent limitation on such persons imposed by section 2107(a) of title 10, United States Code, but not to exceed 60 percent of total authorized scholarships.

Unused accrued leave.

SEC. 745. None of the funds appropriated by this Act shall be available to pay any member of the uniformed service for unused accrued leave pursuant to section 501 of title 37, United States Code, for more than sixty days of such leave, less the number of days for which payment was previously made under section 501 after February 9, 1976.

Enlisted aides, limitation.

SEC. 746. None of the funds appropriated by this Act may be used to support more than 300 enlisted aides for officers in the United States Armed Forces.

Public affairs activities.

SEC. 747. No appropriation contained in this Act may be used to pay for the cost of public affairs activities of the Department of Defense in excess of $28,000,000.

22 USC 2777.

22 USC 2761.

SEC. 748. None of the funds provided in this Act shall be available for the planning or execution of programs which utilize amounts credited to Department of Defense appropriations or funds pursuant to the provisions of section 37(a) of the Arms Export Control Act representing payment for the actual value of defense articles specified in section 21(a)(1) of that Act: *Provided,* That such amounts so credited shall be deposited in the Treasury as miscellaneous receipts as provided in 31 U.S.C. 484.

Senior ROTC unit, limitation.

SEC. 749. No appropriation contained in this Act shall be available to fund any costs of a Senior Reserve Officers' Training Corps unit—except to complete training of personnel enrolled in Military Science 4—which in its junior year class (Military Science 3) has for the four

preceding academic years, and as of September 30, 1981, enrolled less than (a) seventeen students where the institution prescribes a four-year or a combination four- and two-year program; or (b) twelve students where the institution prescribes a two-year program: *Provided,* That, notwithstanding the foregoing limitation, funds shall be available to maintain one Senior Reserve Officers' Training Corps unit in each State and at each State-operated maritime academy: *Provided further,* That units under the consortium system shall be considered as a single unit for purposes of evaluation of productivity under this provision: *Provided further,* That enrollment standards contained in Department of Defense Directive 1215.8 for Senior Reserve Officers' Training Corps units, as revised during fiscal year 1981, may be used to determine compliance with this provision, in lieu of the standards cited above.

SEC. 750. (a) None of the funds appropriated by this Act or available in any working capital fund of the Department of Defense shall be available to pay the expenses attributable to lodging of any person on official business away from his designated post of duty, or in the case of an individual described under section 5703 of title 5, United States Code, his home or regular place of duty, when adequate government quarters are available, but are not occupied by such person.

(b) The limitation set forth in subsection (a) is not applicable to employees whose duties require official travel in excess of fifty percent of the total number of the basic administrative work weeks during the current fiscal year.

Enlisted members, transfer; retainer pay.

SEC. 751. (a) None of the funds appropriated by this Act shall be available to pay the retainer pay of any enlisted member of the Regular Navy, the Naval Reserve, the Regular Marine Corps, or the Marine Corps Reserve who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 6330 of title 10, United States Code, on or after December 31, 1977, if the provisions of section 6330(d) of title 10, are utilized in determining such member's eligibility for retirement under section 6330(b) of title 10: *Provided,* That notwithstanding the foregoing, time creditable as active service for a completed minority enlistment, and an enlistment terminated within three months before the end of the term of enlistment under section 6330(d) of title 10, prior to December 31, 1977, may be utilized in determining eligibility for retirement: *Provided further,* That notwithstanding the foregoing, time may be credited as active service in determining a member's eligibility for retirement under section 6330(b) of title 10 pursuant to the provisions of the first sentence of section 6330(d) of title 10 for those members who had formally requested transfer to the Fleet Reserve or the Fleet Marine Corps Reserve on or before October 1, 1977.

(b) None of the funds appropriated by this Act shall be available to pay that portion of the retainer pay of any enlisted member of the Regular Navy, the Naval Reserve, the Regular Marine Corps, or the Marine Corps Reserve who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 6330 of title 10, United States Code, on or after December 31, 1977, which is attributable under the second sentence of section 6330(d) of title 10 to time which, after December 31, 1977, is not actually served by such member.

CIA programs, fiscal year funding limitation.

SEC. 752. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve, which shall remain available until September 30, 1983.

CIA salaries, limitation.

SEC. 753. None of the funds provided by this Act may be used to pay the salaries of any person or persons who authorize the transfer of

unobligated and deobligated appropriations into the Reserve for Contingencies of the Central Intelligence Agency.

Morale, welfare and recreation activities.

SEC. 754. None of the funds appropriated by this Act may be used to support more than 9,901 full-time and 2,603 part-time military personnel assigned to or used in the support of Morale, Welfare, and Recreation activities as described in Department of Defense Instruction 7000.12 and its enclosures, dated July 17, 1974.

Loan guarantees, limitation.

SEC. 755. During the current fiscal year, the Department of Defense may guarantee loans pursuant to title III of the Defense Production Act of 1950 as amended (50 U.S.C. App. 2091, 64 Stat. 800) in an amount not to exceed $30,000,000.

SEC. 756. All obligations incurred in anticipation of the appropriations and authority provided in this Act are hereby ratified and confirmed if otherwise in accordance with the provisions of this Act.

Abortion funding, limitation.

SEC. 757. None of the funds provided by this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

Cryptologic personnel and facilities.

SEC. 758. During the current fiscal year, funds appropriated by this Act shall be available to provide for the lease of a facility, regardless of location, designated by the Secretary of Defense for cryptologic purposes; and for alterations, improvement, and repair of that facility notwithstanding any other provisions of law. Funding for lease, alterations, improvement, and repair shall not exceed one million dollars. Further, funds appropriated by this Act shall be available to provide support in accordance with sections 4 and 8 of the Central Intelligence Agency Act of 1949, as amended (50 U.S.C. 403e and 403j), to certain Department of Defense cryptologic personnel stationed overseas as designated by the Secretary of Defense.

SEC. 759. None of the funds appropriated by this Act shall be used for the provision, care or treatment to dependents of members or former members of the Armed Services or the Department of Defense for the elective correction of minor dermatological blemishes and marks or minor anatomical anomalies.

SEC. 760. None of the funds appropriated by this Act shall be available for the purchase of insignia for resale unless the sales price of such insignia is adjusted to the extent necessary to recover the cost of purchase of such insignia and the estimated cost of all related expenses, including but not limited to management, storage, handling, transportation, loss, disposal of obsolete material, and management fees paid to the military exchange systems: *Provided*, That amounts derived by the adjustment covered by the foregoing limitations may be credited to the appropriations against which the charges have been made to recover the cost of purchase and related expense.

Audits.

SEC. 761. All unresolved audits currently pending within agencies and departments, for which appropriations are made under this Act, shall be resolved not later than September 30, 1981. Any new audits, involving questioned expenditures, arising after the enactment of this Act shall be resolved within 6 months of completing the initial audit report.

Claim payments to Federal Republic of Germany.

SEC. 762. None of the funds appropriated by this Act or heretofore appropriated by any other Act shall be obligated or expended for the payment of anticipatory possession compensation claims to the Federal Republic of Germany other than claims listed in the 1973 agreement (commonly referred to as the Global Agreement) between the United States and the Federal Republic of Germany.

Overdue and delinquent debts.

SEC. 763. Each department and agency for which appropriations are made under this Act shall take immediate action (1) to improve the collection of overdue debts owed to the United States within the

jurisdiction of that department or agency; (2) to bill interest on delinquent debts as required by the Federal Claims Collection Standards; and (3) to reduce amounts of such debts written off as uncollectible.

Procurement limitation.

SEC. 764. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines:

(a) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work, or

(b) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(c) where the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

Foreign military and diplomatic personnel, medical care.

SEC. 765. None of the funds appropriated by this Act shall be available to provide medical care in the United States on an inpatient basis to foreign military and diplomatic personnel or their dependents unless the Department of Defense is reimbursed for the costs of providing such care: *Provided,* That reimbursements for medical care covered by this section shall be credited to the appropriations against which charges have been made for providing such care.

Leasing to non-Federal agencies.

SEC. 765A. None of the funds made available by this Act shall be used in any way for the leasing to non-Federal agencies in the United States aircraft or vehicles owned or operated by the Department of Defense when suitable aircraft or vehicles are commercially available in the private sector.

Second career training program. 94 Stat. 1150.

SEC. 766. None of the funds appropriated by this Act shall be obligated for the second career training program authorized by Public Law 96-347.

Small arms demilitarization.

SEC. 767. None of the funds appropriated or otherwise made available in this Act shall be obligated or expended for salaries or expenses during the current fiscal year for the purposes of demilitarization of small firearms.

Pre-paid health benefits, demonstration projects.

SEC. 768. During the current fiscal year, not to exceed $125,000,000 of the funds provided in this Act for the Civilian Health and Medical Program of the Uniformed Services may be used to conduct a test program in accordance with the following guidelines: In carrying out the provisions of sections 1079 and 1086 of title 10, United States Code, the Secretary of Defense, after consulting with the Secretary of Health and Human Services, may contract with organizations that assume responsibility for the maintenance of the health of a defined population, for the purpose of experiments and demonstration projects designed to determine the relative advantages and disadvantages of providing pre-paid health benefits: *Provided,* That such projects must be designed in such a way as to determine methods of reducing the cost of health benefits provided under such sections without adversely affecting the quality of care. Except as provided otherwise,

the provisions of such a contract may deviate from the cost-sharing arrangements prescribed and the types of health care authorized under sections 1079 and 1086, when the Secretary of Defense determines that such a deviation would serve the purpose of this section.

Major weapons systems, contract limitations.

SEC. 769. No part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for major weapons systems except as specifically provided herein.

Contractor insurance. 10 USC 2304 note.

SEC. 770. None of the funds appropriated in this or any other Act shall be available for obligation to reimburse a contractor for the cost of commercial insurance that would protect against the costs of the contractor for correction of the contractor's own defects in materials or workmanship.

Travel allowances.

SEC. 771. None of the funds appropriated by this Act which are available for payment of travel allowances for per diem in lieu of subsistence to enlisted personnel shall be used to pay such an allowance to any enlisted member in an amount that is more than the amount of per diem in lieu of subsistence that the enlisted member is otherwise entitled to receive minus the basic allowance for subsistence, or pro rata portion of such allowance, that the enlisted member is entitled to receive during any day, or portion of a day, that the enlisted member is also entitled to be paid a per diem in lieu of subsistence: *Provided,* That if an enlisted member is in a travel status and is not entitled to receive a per diem in lieu of subsistence because the member is furnished meals in a Government mess, funds available to pay the basic allowance for subsistence to such a member shall not be used to pay that allowance, or pro rata portion of that allowance, for each day, or portion of a day, that such enlisted member is furnished meals in a Government mess.

Retired or retainer pay, limitations.

SEC. 772. Effective January 1, 1982, none of the funds appropriated by this Act shall be available to pay the retired pay or retainer pay of a member of the Armed Forces for any month who, on or after January 1, 1982, becomes entitled to retired or retainer pay, in an amount that is greater than the amount otherwise determined to be payable after such reductions as may be necessary to reflect adjusting the computation of retired pay or retainer pay that includes credit for a part of a year of service to permit credit for a part of a year of service only for such month or months actually served: *Provided,* That the foregoing limitation shall not apply to any member who before January 1, 1982: (a) applied for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve; (b) is being processed for retirement under the provisions of chapter 61 of title 10 or who is on the temporary disability retired list and thereafter retired under the provisions of sections 1210 (c) or (d) of title 10; or (c) is retired or in an inactive status and would be eligible for retired pay under the provisions of chapter 67 of title 10, but for the fact that the person is under 60 years of age.

10 USC 1201 *et seq.*

10 USC 1331 *et seq.*

Federal Emergency Management Agency.

SEC. 773. Not to exceed $1,700,000 of the funds available to the Department of Defense for Reserve Personnel shall be available for transfer to appropriations available to the Federal Emergency Management Agency.

Alaska and Hawaii, transportation of household goods.

SEC. 774. None of the funds appropriated by this Act shall be obligated under the competitive rate program of the Department of Defense for the transportation of household goods to or from Alaska and Hawaii.

Reserve and National Guard technicians.

SEC. 775. None of the funds appropriated by this Act for the pay of Reserve and National Guard technicians based upon their employment as technicians and their performance of duty as members of the Reserve components of the Armed Forces shall be available to pay

such technicians a combined compensation in excess of the rate payable for level V of the Executive Schedule: *Provided,* That for purpose of calculating such combined compensation, no military compensation other than basic pay will be included.

5 USC 5316.

SEC. 776. None of the funds appropriated by this Act shall be available to approve a request for waiver of the costs otherwise required to be recovered under the provisions of section 21(e)(1)(C) of the Arms Export Control Act unless the Committees on Appropriations have been notified in advance of the proposed waiver.

Waivers.

22 USC 2761.

SEC. 777. None of the funds appropriated by this Act shall be available to make any payments authorized under the provisions of subchapter VI of chapter 53 of title 5 to any prevailing rate employee who is transferred or reassigned from a position in Alaska or Hawaii to a position in another wage area outside Alaska or Hawaii on or after April 1, 1982: *Provided,* That the foregoing limitation shall not apply to a prevailing rate employee who is transferred or reassigned as a result of a reduction in force or a functional or organizational transfer from Alaska or Hawaii: *Provided further,* That the foregoing limitation shall not apply to a prevailing rate employee whose transfer or reassignment had been approved prior to April 1, 1982, or who had applied for a position in another wage area outside Alaska or Hawaii prior to April 1, 1982, and is accepted for that position.

Transfer or reassignment from Alaska or Hawaii.
5 USC 5361.

SEC. 778. Funds available to the Department of Defense during the current fiscal year shall be available to establish a program to provide child advocacy and family counseling services to deal with problems of child and spouse abuse.

Child advocacy and family counseling services.

SEC. 779. None of the funds appropriated by this Act shall be available for the transportation of equipment or materiel designated as Prepositioned Materiel Configured in Unit Sets (POMCUS) in Europe in excess of four division sets.

POMCUS transportation.

SEC. 780. Without regard to any other provision of law limiting the amounts payable to prevailing wage rate employees, during the current fiscal year prevailing wage rate employees employed in the Wichita, Kansas, wage area shall be paid, beginning the first pay period beginning on or after January 1, 1982, the wages determined as a result of the full scale wage survey of that area scheduled to become effective in January 1982.

Wichita, Kans., prevailing wage rate.

SEC. 781. Appropriations for the Department of Defense shall be available until the end of fiscal year 1983 for lease of no more than six aircraft, in accordance with applicable laws and regulations, for the purpose of providing passenger airlift support to the Department of the Air Force Special Airlift Mission, pending procurement of suitable replacements for the C-140 aircraft.

SEC. 782. (a) None of the funds in this Act may be used to transfer any article of military equipment or data related to the manufacture of such equipment to a foreign country prior to the approval in writing of such transfer by the Secretary of the military service involved.

Transfer of military equipment or data to foreign country.

(b) No funds appropriated by this Act may be used for the transfer of a technical data package from any Government-owned and operated defense plant to any foreign government, nor for assisting any such government in producing any defense item currently being manufactured or developed in a United States Government-owned, Government-operated defense plant manufacturing large caliber cannons.

SEC. 783. None of the funds available in this Act shall be used by the Secretary of a military department to make a contract for the purchase of administrative motor vehicles that are manufactured

Administrative motor vehicles, contracts with foreign manufacturers.

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outside the United States or Canada unless the contractor was selected through competitive bidding without a differential in favor of foreign manufacturers: *Provided,* That this section does not apply to contracts for amounts less than $50,000, nor to existing contracts.

Intelligence or special activities.

SEC. 784. None of the funds appropriated in this Act may be made available through transfer, reprogramming, or other means for any intelligence or special activity different from that previously justified to the Congress unless the Director of Central Intelligence or the Secretary of Defense has notified the House and Senate Appropriations Committees of the intent to make such funds available for such activity.

Automobile procurement, requirement.

SEC. 785. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon. This section does not apply to security or special mission automobiles.

Executive Schedule employees.

SEC. 786. None of the funds appropriated by this Act may be used to appoint or compensate more than 35 individuals in the Department of Defense in positions in the Executive Schedule (as provided in sections 5312-5316 of title 5, United States Code).

Chemical and biological warfare programs.

SEC. 787. Congress remains concerned about the rapidly escalating cost of the chemical and biological warfare programs that have not yet been adequately justified by the Administration.

Congress directed the Administration as part of the Conference Report to the fiscal year 1981 supplemental appropriations bill (H. Rept. No. 97-124) to provide studies of:

the long-range costs of the modernization program;

a country-by-country report from our NATO allies with respect to their official views on that long-range program;

an overview of the mission-oriented requirements for the various binary weapons; and

an arms control impact study of the mission-oriented requirements.

This information has yet to be supplied to Congress. The Congress reaffirms the language of the Supplemental Conference Report as adopted earlier this year by Congress. Funding for binary weapons in this year's appropriation is not production or construction-oriented, but rather limited strictly to research and development. Therefore, these requirements do not apply to funding provided in this Act. The Congress views such requirements with the utmost concern and seriousness, and fully expects them to be fulfilled prior to any future request for production or construction-oriented binary weapons funding.

Congress also urges the Administration to resume as rapidly as possible negotiations with the Union of Soviet Socialist Republics to prohibit the development, production and stockpiling of chemical weapons. These negotiations are vital to enhance United States national security and achieve budgetary stability.

Disposal of silver.
50 USC 98d note.
Ante, p. 357.

SEC. 788. After the date of enactment of this Act no sale of silver from the National Defense Stockpile under the authority of Public Law 97-35, or any other Act, shall occur until the President, not later than July 1, 1982, redetermines that the silver authorized for disposal is excess to the requirements of the stockpile, taking into consideration such factors as the President considers relevant, including the following factors:

(1) The findings and recommendations of the report by the General Accounting Office on the sale of silver from the National Defense Stockpile to be completed on or before January 1, 1982.

(2) The demand for silver to meet defense, essential civilian, basic industrial, and monetary requirements, taking into account the most recent "Defense Guidance" used by the Department of Defense in programming general purpose conventional forces as well as historical monetary uses of silver as a medium of payment to foreign workers and troops during times of national emergency.

(3) The projected magnitude of the increase in production as well as the accuracy and reliability of the data used in projecting increases in both domestic and reliable foreign production capacity, taking into account the lead times associated with expanding capacity and obtaining such requirements as the necessary labor, equipment, transportation and energy.

(4) The current reliability of supplies from foreign sources and the economic and security implications resulting from our dependence on these sources of supply in times of national emergency taking into account the probability of a supply disruption or sharp price increase and its impact on the United States economy or a national priority such as defense.

(5) The need for silver in the stockpile during the next ten year period taking into account long-term supply and demand projections of the Bureau of Mines, United States Department of the Interior.

Should the President taking into consideration the factors described above find the silver to be in excess to stockpile needs, he shall report to the Committees on Armed Services of the Senate and House of Representatives that he has made such a determination, and shall include a detailed discussion and analysis of the factors set forth above, and other relevant factors, including alternative methods of disposal for such silver, together with his recommended method of disposal. No action shall be taken to dispose of silver from the National Defense Stockpile, prior to the approval by Congress of the recommended method of disposal.

Indian labor and products.

SEC. 789. So far as may be practicable Indian labor shall be employed, and purchases of the products of Indian industry may be made in open market in the discretion of the Secretary of Defense.

Advanced Technology Bomber program.

SEC. 790. Of the funds appropriated by this Act for strategic programs, the Secretary of Defense shall provide funds for the Advanced Technology Bomber program at a level at least equal to the amount provided by the committee of conference on this Act in order to maintain priority emphasis on this program.

10 USC 7291 note.

SEC. 791. It is the sense of the Congress that—

(1) A larger and stronger American Navy is needed as an essential ingredient of our Armed Forces, in order to fulfill its basic missions of (A) protecting the sea lanes to preserve the safety of the free world's commerce, (B) assuring continued access to raw materials essential to the well-being of the free world, (C) enhancing our capacity to project effective American forces into regions of the world where the vital interests of the United States must be protected, (D) engaging the Navy of the Soviet Union or any other potential adversary successfully, (E) continuing to serve as a viable leg of our strategic triad, and (F) providing visible evidence of American diplomatic, economic and military commitments throughout the world.

(2) In order to conduct the numerous and growing missions of the modern American Navy, a goal of a naval inventory of approximately six hundred active ships of various types by the end of the century at the latest, is highly desirable, the exact

figure to be flexible to accommodate new designs as the specific details of our naval missions evolve to meet various contingencies.

(3) The Secretary of Defense comply with section 808 of Public Law 94-106, the Department of Defense Appropriation Authorization Act of 1976, in order that the Congress may more properly appropriate the funds necessary to reach a six hundred-ship goal at least by the end of the present century.

10 USC 7291 note.

TITLE VIII

RELATED AGENCIES

INTELLIGENCE COMMUNITY STAFF

For necessary expenses of the Intelligence Community Staff; $13,063,000.

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $84,600,000.

Short title.

This Act may be cited as the "Department of Defense Appropriation Act, 1982".

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4995 (S. 1857):

HOUSE REPORTS: No. 97-333 (Comm. on Appropriations) and No. 97-410 (Comm. of Conference).
SENATE REPORT No. 97-273 accompanying S. 1857 (Comm. on Appropriations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 18, considered and passed House.
Nov. 30, Dec. 1-4, considered and passed Senate, amended.
Dec. 15, House and Senate agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-115
97th Congress

An Act

To extend and revise the Older Americans Act of 1965, and for other purposes.

Dec. 29, 1981
[S. 1086]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Older Americans Act Amendments of 1981".

Older Americans Act Amendments of 1981.
42 USC 3001 note.

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Older Americans Act of 1965.

PURPOSE AND ADMINISTRATIVE AMENDMENTS

SEC. 2. (a)(1) Section 101(7) is amended by inserting after "cultural," the following: "education and training". 42 USC 3001.

(2) Section 102(1) is amended by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services". 42 USC 3002.

(3)(A) Section 102(3) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,".

(B) Section 102(6) is amended by striking out "The term" and inserting in lieu thereof "Except for the purposes of title VI of this Act, the term".

(C) Section 102(7) is amended by striking out "The term" and inserting in lieu thereof "Except for the purposes of title VI of this Act, the term".

(b)(1) The heading for section 202 is amended by striking out "ADMINISTRATION" and inserting in lieu thereof "COMMISSIONER". 42 USC 3012.

(2) Section 202(a)(1) is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

(3) Section 202(a)(2) is amended by striking out "serve as a clearinghouse for" and inserting in lieu thereof "collect and disseminate".

(4) Section 202(a)(5) is amended by inserting "education and training services (including" after "hospitalization,", by inserting "and" after "training,", and by inserting a closing parenthetical mark after "education".

(5) Section 202(a)(8) is amended by inserting before the semicolon at the end thereof the following: ", and take whatever action is necessary to achieve coordination of activities carried out or assisted by all departments, agencies, and instrumentalities of the Federal Government with respect to the collection, preparation, and dissemination of information relevant to older individuals".

(6) Section 202(a)(12) is amended by striking out "nonprofit".

(7) Section 202(a)(16) is amended by striking out "nonprofit".

(c) Section 202(c) is amended by striking out "Action" and inserting in lieu thereof "the ACTION Agency".

(d)(1) The last sentence of section 203(a) is amended by striking out "purpose" and inserting in lieu thereof "purposes". 42 USC 3013.

42 USC 3013.

(2)(A) Section 203(b) is amended by striking out "purpose" and inserting in lieu thereof "purposes".

(B) Section 203(b)(1) is amended by striking out "of 1973".

(C) Section 203(b)(8) is repealed.

(D) Clauses (9) and (10) of section 203(b) are redesignated as clauses (8) and (9), respectively.

(E) Section 203(b)(8) (as redesignated by subparagraph (D)) is amended by adding after "1965," the following: "title I of the Higher Education Act of 1965, and the Adult Education Act".

Repeal.
42 USC 3014.
42 USC 3015–3020d.

(e)(1) Section 204 is repealed.

(2) Sections 205 through 214, and all references thereto, are redesignated as sections 204 through 213, respectively.

42 USC 3015.

(f)(1) Section 204(c) as so redesignated in subsection (e)(2), is amended by striking out "but not less often than four times a year" and inserting in lieu thereof "at least quarterly".

(2) Section 204(d)(5) (as redesignated by subsection (e)(2)) is amended by striking out ", in consultation with the National Information, and Resource Clearing House for the Aging,".

(3)(A) Section 204(g) (as redesignated by subsection (e)(2)) is repealed.

(B) Subsection (h) of section 204 (as redesignated by subsection (e)(2)) is redesignated as subsection (g).

(4) Section 204(g) (as redesignated by subsection (e)(2) and paragraph (3)(B)) is amended to read as follows:

"(g) There are authorized to be appropriated to carry out the provisions of this section $200,000 for fiscal year 1982, $214,000 for fiscal year 1983, and $228,900 for fiscal year 1984.".

42 USC 3016.

(g)(1) Section 205(b) (as redesignated by subsection (e)(2)) is repealed.

(2) Subsections (c) and (d) of section 205 (as redesignated by subsection (e)(2)) are redesignated as subsections (b) and (c), respectively.

42 USC 3017.

(h) Section 206(b) (as redesignated by subsection (e)(2)) is amended—

(1) by striking out "under section 308 or"; and

(2) by striking out "section 208" and inserting in lieu thereof "section 207".

42 USC 3020.

(i) Section 209(b) (as redesignated in subsection (e)(2)) is amended by striking out "the amendment made by".

42 USC 3020a.

(j) Section 210(a) (as redesignated by subsection (e)(2)) is amended by striking out ", and of title V of the Act of October 15, 1977 (Public Law 95-134; 91 Stat. 1164),".

42 USC 3020d.

(k) Section 213 (as redesignated by subsection (e)(2)) is amended by striking out "the Economic Opportunity Act of 1964" and inserting in lieu thereof "titles VIII and X of the Economic Opportunity Act of 1964 and the Community Services Block Grant Act".

SUPPORTIVE SERVICES AND NUTRITION PROGRAMS

42 USC 3021.

SEC. 3. (a) Section 301(b)(2) is amended—

(1) by inserting "the Department of Education," after "cooperation of";

(2) by striking out "the Community Services Administration,"; and

(3) by inserting after "Transportation" a comma and the following: "the Office of Community Services".

42 USC 3022.

(b)(1) Section 302(3) is amended by inserting after "Social Security Act," the last place it appears therein the following: "any category of

institutions regulated by a State pursuant to the provisions of section 1616(e) of the Social Security Act (for purposes of section 307(a)(12)),".

(2) Section 302 is amended by adding at the end thereof the following new paragraph:

"(9) The term 'education and training service' means a supportive service designed to assist older individuals to better cope with their economic, health, and personal needs through services such as consumer education, continuing education, health education, preretirement education, financial planning, and other education and training services which will advance the objectives of this Act.". "Education and training service." 42 USC 3022.

(c)(1) Section 303(a) is amended by striking out "and", and by inserting after "1981" the following: ", $306,000,000 for fiscal year 1982, $327,400,000 for fiscal year 1983, and $350,300,000 for fiscal year 1984," and by striking out "social services" and inserting in lieu thereof "supportive services and senior centers". 42 USC 3023.

(2) Section 303(b)(1) is amended by striking out "and", and by inserting after "1981" the following: ", $319,100,000 for fiscal year 1982, $341,400,000 for fiscal year 1983, and $365,300,000 for fiscal year 1984,".

(3) Section 303(b)(2) is amended by striking out "and", and by inserting after "1981" the following: ", $60,000,000 for fiscal year 1982, $64,200,000 for fiscal year 1983, and $68,700,000 for fiscal year 1984,".

(d) The Older Americans Act of 1965 is amended by striking out "social services" each place it appears therein and inserting in lieu thereof "supportive services". 42 USC 3001 *et seq.*

ALLOTMENT; FEDERAL SHARE

SEC. 4. (a) Section 304(a)(1) is amended by striking out "From the sums appropriated under parts B and C for fiscal years 1979, 1980, and 1981," and inserting in lieu thereof "From the sums appropriated under parts B and C for each fiscal year,". 42 USC 3024.

(b) Section 304(d)(1)(B) is amended by striking out "90 percent in fiscal years 1979 and 1980, and 85 percent in fiscal year 1981, of the cost of social services and nutrition services authorized under parts B and C" and inserting in lieu thereof "85 percent of the cost of supportive services, senior centers, and nutrition services under this title".

(c) Section 304(d)(1) is amended—

(1) by striking out "and" at the end of clause (A);

(2) by redesignating clause (B) as clause (C); and

(3) by adding after clause (A) the following new clause:

"(B) such amount as the State agency determines to be adequate for conducting an effective ombudsman program under section 307(a)(12) shall be available for conducting such program; and".

STATE AGENCY RESPONSIBILITIES

SEC. 5. (a) Section 305(a)(1)(E) is amended by striking out "divide the State into distinct areas" and inserting in lieu thereof "divide the State into distinct planning and service areas (or in the case of a State specified in subsection (b)(5), designate the entire State as a single planning and service area)". 42 USC 3025.

(b) Section 305(a)(2)(A) is amended by striking out "determine for which planning and service area an area plan will be developed, in accordance with section 306, and for each such area designate," and

inserting in lieu thereof "except as provided in subsection (b)(5), designate for each such area".

42 USC 3025.

(c) Section 305(b) is amended by adding at the end thereof the following new paragraph:

"(5) A State which on or before October 1, 1980, had designated, with the approval of the Commissioner, a single planning and service area covering all of the older individuals in the State, in which the State agency was administering the area plan, may after that date designate one or more additional planning and service areas within the State to be administered by public or private nonprofit agencies or organizations as area agencies on aging, after considering the factors specified in subsection (a)(1)(E). The State agency shall continue to perform the functions of an area agency for any area of the State not included in a planning and service area for which an area agency has been designated.".

(d) Section 305(c) is amended—

(1) by striking out "or" at the end of clause (3),

(2) by inserting "or" at the end of clause (4), and

(3) by adding after clause (4) the following new clause:

"(5) in the case of a State specified in subsection (b)(5), the State agency;".

AREA PLANS

42 USC 3026.

SEC. 6. (a) The first sentence of section 306(a) is amended by striking out "for a 3-year period" and inserting in lieu thereof "for a two-, three-, or four-year period determined by the State agency,".

(b) Section 306(a)(2) is amended by striking out "at least 50 percent" and inserting in lieu thereof "an adequate proportion".

(c)(1) Section 306(b)(1) is repealed.

(2)(A) Paragraph (2) of section 306(b) is redesignated as subsection (b).

(B) The first sentence of section 306(b) (as redesignated by subparagraph (A)) is amended by striking out "may" and inserting in lieu thereof "shall".

(C) The second sentence of section 306(b) (as redesignated by subparagraph (A)) is repealed.

STATE PLANS

42 USC 3027.

SEC. 7. (a) The first sentence of section 307(a) is amended by striking out "for a 3-year period," and inserting in lieu thereof "for a two-, three-, or four-year period determined by the State agency,".

(b) Section 307(a)(13)(A) is amended by striking out the comma, and by inserting before the semicolon at the end thereof the following: ", and may be made available to handicapped or disabled individuals who have not attained 60 years of age but who reside in housing facilities occupied primarily by the elderly at which congregate nutrition services are provided".

(c) Section 307(a)(13)(B) is amended to read as follows:

"(B) primary consideration shall be given to the provision of meals in a congregate setting, except that each area agency (i) may award funds made available under this title to organizations for the provision of home delivered meals to older individuals in accordance with the provisions of subpart 2 of part C, based upon a determination of need made by the recipient of a grant or contract entered into under this title, without requiring that such organizations also provide

42 USC 3030f.

meals to older individuals in a congregate setting; and (ii) shall, in awarding such funds, select such organizations in a manner which complies with the provisions of subparagraph (H);".

(d) Section 307(a)(13)(C)(ii) is amended by inserting before the semicolon at the end thereof a comma and the following: "to facilitate access to such meals, and to provide other supportive services directly related to nutrition services". 42 USC 3027.

(e) Section 307(a)(13)(D) is amended by inserting after the clause designation the following: "in the case of meals served in a congregate setting,", and by striking out "or home delivered meals are furnished to eligible individuals who are homebound".

(f) Section 307(a)(13)(I) is amended to read as follows:

"(I) each area agency shall establish procedures that will allow nutrition project administrators the option to offer a meal, on the same basis as meals are provided to elderly participants, to individuals providing volunteer services during the meal hours;".

(g) Section 307(a) is amended—

(1) by striking out "and" at the end of paragraph (15) thereof;

(2) by redesignating paragraph (16) thereof as paragraph (18); and

(3) by inserting after paragraph (15) the following new paragraphs:

"(16) provide, with respect to education and training services, assurances that area agencies on aging may enter into grants and contracts with providers of education and training services which can demonstrate the experience or capacity to provide such services (except that such contract authority shall be effective for any fiscal year only to such extent, or in such amounts, as are provided in appropriations Acts);

"(17) provide assurances that, if a substantial number of the older individuals residing in any planning and service area in the State are of limited English-speaking ability, then the State will require the area agency on aging for each such planning and service area—

"(A) to utilize, in the delivery of outreach services under section 306(a)(2)(A), the services of workers who are fluent in the language spoken by a predominant number of such older individuals who are of limited English-speaking ability; and 42 USC 3026.

"(B) to designate an individual employed by the area agency on aging, or available to such area agency on aging on a full-time basis, whose responsibilities will include—

"(i) taking such action as may be appropriate to assure that counseling assistance is made available to such older individuals who are of limited English-speaking ability in order to assist such older individuals in participating in programs and receiving assistance under this Act; and

"(ii) providing guidance to individuals engaged in the delivery of supportive services under the area plan involved to enable such individuals to be aware of cultural sensitivities and to take into account effectively linguistic and cultural differences.".

(h) Section 307(b) is amended by striking out clause (2) and by redesignating clause (3) as clause (2).

ADMINISTRATION OF STATE PLANS

42 USC 3028.

SEC. 8. Section 308(b) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provisions of this title, with respect to funds received under subsection (a) and subsection (b) of section 303, a State may elect to transfer not more than 20 per centum of the funds appropriated for any fiscal year between programs under part B and part C of this title, for use as the State considers appropriate. The State shall notify the Commissioner of any such election.".

Ante, p. 1597.

42 USC 3030d, 3030e.

Notification.

AVAILABILITY OF SURPLUS COMMODITIES

42 USC 3030a.

SEC. 9. (a) The first sentence of section 311(a)(4) is amended—

(1) by striking out "In" and inserting in lieu thereof "Subject to the authorization of appropriations specified in subsection (d), in"; and

(2) by striking out "during the three succeeding fiscal years" and inserting in lieu thereof "for each fiscal year thereafter".

(b)(1) Subsection (b) of section 311 is repealed.

(2) Subsection (c) of section 311 is redesignated as subsection (b).

Appropriation authorization.

(c) Section 311 (as amended by subsection (b) of this section) is amended by adding at the end thereof the following new subsection:

"(d)(1) There are authorized to be appropriated $93,200,000 for fiscal year 1982, $100,000,000 for fiscal year 1983, and $105,000,000 for fiscal year 1984, to carry out the provisions of this section (other than the provisions of subsection (a)(1)) and such additional sums as may be necessary for each such fiscal year to maintain the level of reimbursement for the number of meals served under such provisions in fiscal year 1981.

"(2) In any fiscal year in which compliance with subsection (a)(4) of this section costs more than the amounts authorized under paragraph (1) of this subsection for that fiscal year the Secretary of Agriculture shall reduce the cents per meal level determined pursuant to subsection (a)(4) for that fiscal year as necessary to meet the authorization of appropriation for that fiscal year.".

SERVICES PROGRAMS

42 USC 3030d.

SEC. 10. (a) Section 321(a)(1) is amended by striking out "continuing education" and inserting in lieu thereof "education and training".

(b) Section 321(a)(4) is amended—

(1) by inserting "(A)" after "designed";

(2) by striking out "or" and inserting in lieu thereof a semicolon and "(B)"; and

(3) by inserting before the semicolon at the end thereof the following: "; or (C) to prevent unlawful entry into residences of elderly individuals, through the installation of security devices and through structural modifications or alterations of such residences".

(c) Section 321 is amended by striking out "or" at the end of clause (11), by redesignating clause (12) as clause (15), and by inserting after clause (11) the following new clauses:

"(12) services to encourage the employment of older workers, including job counseling and, where appropriate, job development, referral, and placement;

"(13) crime prevention services and victim assistance programs for older individuals;

"(14) a program, to be known as 'Senior Opportunities and Services', designed to identify and meet the needs of older, poor individuals 60 years of age or older in one or more of the following areas: (A) development and provision of new volunteer services; (B) effective referral to existing health, employment, housing, legal, consumer, transportation, and other services; (C) stimulation and creation of additional services and programs to remedy gaps and deficiencies in presently existing services and programs; and (D) such other services as the Commissioner may determine are necessary or especially appropriate to meet the needs of the older poor and to assure them greater self-sufficiency; or".

(d) The heading for part B of title III is amended to read as follows: "SUPPORTIVE SERVICES AND SENIOR CENTERS".

(e) Section 337 is amended by striking out "National Association of Title VII Project Directors" and inserting in lieu thereof "National Association of Nutrition and Aging Services Programs". 42 USC 3030g.

REVISION OF TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

SEC. 11. (a) Title IV is amended to read as follows:

"TITLE IV—TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

"PART A—EDUCATION AND TRAINING

"TRAINING AND RECRUITING PERSONNEL FOR THE FIELD OF AGING

"SEC. 411. The Commissioner may make grants to any public or nonprofit private agency, organization, or institution, and may enter into contracts with any agency, organization, or institution, to assist the Commissioner in recruiting persons to enter the field of aging, training volunteers and persons employed in or preparing for employment in the field of aging (including such stipends to persons participating in training programs as the Commissioner may find appropriate), technical assistance, and other activities related to such training. 42 USC 3031.

"MULTIDISCIPLINARY CENTERS OF GERONTOLOGY

"SEC. 412. The Commissioner may make grants to public and private nonprofit agencies, organizations, and institutions for the purpose of establishing or supporting multidisciplinary centers of gerontology, and gerontology centers of special emphasis. 42 USC 3032.

"PART B—RESEARCH, DEMONSTRATIONS, AND OTHER ACTIVITIES

"RESEARCH AND DEVELOPMENT PROJECTS

"SEC. 421. The Commissioner may make grants to any public or nonprofit private agency, organization, or institution, and may enter into contracts with any agency, organization, institution, or individual to support research and development related to the purposes of this Act, evaluation of the results of such research and development activities, and collection and dissemination of information concerning research findings, demonstration results, and other materials 42 USC 3035.

developed in connection with activities assisted under this title, and conducting of conferences and other meetings for purposes of exchange of information and other activities related to the purposes of this title.

"DEMONSTRATION PROJECTS

42 USC 3035a.

"SEC. 422. (a) The Commissioner may, after consultation with the State agency in the State involved, make grants to any public agency or nonprofit private organization or enter into contracts with any agency or organization within such State for paying part or all of the cost of developing or operating nationwide, statewide, regional, metropolitan area, county, city, or community model projects which will demonstrate methods to improve or expand supportive services or nutrition services or otherwise promote the well-being of older individuals. The Commissioner shall give special consideration to the funding of rural area agencies on aging to conduct model projects devoted to the special needs of the rural elderly Such projects shall include alternative health care delivery systems, advocacy and outreach programs, and transportation services.

"(b) In making grants and contracts under this section, the Commissioner shall give special consideration to projects designed to—

"(1) meet the special health care needs of the elderly, including—

"(A) the location of older individuals who are in need of mental health services;

"(B) the provision of, or arrangement for the provision of, medical differential diagnoses of older individuals to distinguish between their need for mental health services and other medical care;

"(C) the specification of the mental health needs of older individuals, and the mental health and support services required to meet such needs; and

"(D) the provision of—

"(i) the mental health and support services specified in clause (C) in the communities; or

"(ii) such services for older individuals in nursing homes and intermediate care facilities, and training of the employees of such homes and facilities in the provision of such services;

"(2) assist in meeting the special housing needs of older individuals by—

"(A) providing financial assistance to such individuals, who own their own homes, necessary to enable them (i) to make the repairs or renovations to their homes, which are necessary for them to meet minimum standards, and (ii) to install security devices, and to make structural modifications or alterations, designed to prevent unlawful entry; and

"(B) studying and demonstrating methods of adapting existing housing, or construction of new housing, to meet the needs of older individuals suffering from physical disabilities;

"(3) provide education and training to older individuals designed to enable them to lead more productive lives by broadening the education, occupational, cultural, or social awareness of such older individuals;

"(4) provide preretirement education information and relevant services (including the training of personnel to carry out such

programs and the conduct of research with respect to the development and operation of such programs) to individuals planning retirement;

"(5) meet the special needs of, and improve the delivery of services to, older individuals who are not receiving adequate services under other provisions of this Act, with emphasis on the needs of low-income, minority, Indian, and limited English-speaking individuals and the rural elderly;

"(6) develop or improve methods of coordinating all available supportive services for the homebound elderly, blind, and disabled by establishing demonstration projects in ten States, in accordance with subsection (c); and

"(7) improve transportation systems for the rural elderly.

"(c) The Commissioner shall consult with the Commissioner of the Rehabilitation Services Administration, the Commissioner of the Social Security Administration, and the Surgeon General of the Public Health Service, to develop procedures for—

"(1) identifying elderly, blind, and disabled individuals who need supportive services;

"(2) compiling a list in each community of all services available to the elderly, blind, and disabled; and

"(3) establishing an information and referral service within the appropriate community agency to—

"(A) inform those in need of the availability of such services; and

"(B) coordinate the delivery of such services to the elderly, blind, and disabled.

The Commissioner shall establish procedures for administering demonstration projects under subsection (b)(6) not later than 6 months after the effective date of this subsection. The Commissioner shall report to the Congress with respect to the results and findings of the demonstration projects conducted under this section at the completion of the projects.

Report to Congress.

"SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE

"SEC. 423. (a)(1) The Commissioner may—

42 USC 3035b.

"(A) make grants to selected State agencies, designated under section 305(a)(1), and, in consultation with State agencies, selected area agencies on aging designated under section 305(a)(2)(A), institutions of higher education, and other public agencies and nonprofit private organizations; and

42 USC 3025.

Ante, p. 1597.

"(B) enter into contracts with any agency, organization, or institution (except that such contract authority shall be effective for any fiscal year only to such extent, or in such amounts, as are provided in appropriations Acts);

to support the development of comprehensive, coordinated systems of community long-term care for older individuals, with special emphasis upon services designed to support alternatives to institutional living and the assessment of need, the development of a plan of care, and the referral of individuals, in the delivery of long-term care services, including noninstitutional and institutional services, where appropriate.

"(2) A grant under this section may be made to pay part or all of the estimated cost of the program (including startup cost) for a period of not more than 3 years, except that no funds may be used to pay for direct services which are eligible for reimbursement under title XVIII, title XIX, or title XX of the Social Security Act.

42 USC 1395, 1396, 1397.

"(3) A grant made under this section shall be used for the development of programs which provide a full continuum of services. Such services may include adult day health care; monitoring and evaluation of service effectiveness; supported living in public and private nonprofit housing; family respite services; preventive health services; home health, homemaker, and other rehabilitative and maintenance in-home services; services provided by geriatric health maintenance organizations; and other services which the Commissioner determines are appropriate, and which, at a minimum, provide for identification and assessment of the long-term care needs of older individuals, referral of such individuals to the appropriate services, and follow-up and evaluation of the continued appropriateness of such services with provision for re-referral as appropriate.

"(b)(1) In making grants to States under this section, preference shall be given to applicants which demonstrate that—

"(A) adequate State standards have been developed to ensure the quality of services provided;

"(B) the State has made a commitment to carry out the program assisted under this section with the State agency responsible for the administration of title XIX of the Social Security Act or title XX of the Social Security Act, or both such agencies;

42 USC 1396.
42 USC 1397.

"(C) the State will develop plans to finance the comprehensive program assisted under this section; and

"(D) the State agency has a plan for statewide or designated regions of the State containing provisions designed to maximize access by older individuals to long-term care services.

"(2) In awarding grants to or entering into contracts with agencies and organizations under this section, preference shall be given to applicants that possess the capability to establish community-based long-term care programs and demonstrate that a need exists for the establishment of such programs in the area to be served.

Evaluations.

"(3) Agencies and organizations assisted under this section shall establish procedures for evaluating the program assisted under this section, with respect to the benefits accruing to persons receiving assistance, the feasibility of the administrative model used for comprehensive coordination of services including coordination with other local programs, and the comparative costs and quality of services provided, and shall submit such evaluation to the Commissioner on a periodic basis.

"(c) The Secretary shall involve appropriate Federal departments and agencies in carrying out the provisions of this section in order to assure coordination at the Federal level and to avoid duplication and shall include in the annual report to the Congress required by section 207, a report on the impact of grants made, or contracts entered into, on the experiences of grantees and contractors in meeting the requirements of this section, and on the comparative benefits and costs of projects assisted under this section.

Ante, p. 1596.

"(d) Sums appropriated to carry out this section shall, to the extent feasible, be used to support programs equitably distributed throughout the Nation between urban and rural areas.

"SPECIAL DEMONSTRATION PROJECTS ON LEGAL SERVICES FOR OLDER AMERICANS

42 USC 3035c.

"SEC. 424. (a) The Commissioner shall make grants to, and enter into contracts with, public and private nonprofit agencies or organizations in order to—

"(1) provide support activities to State and area agencies on aging providing, developing, or supporting legal services to older individuals; and

"(2) support demonstration projects to expand or improve the delivery of legal services to older individuals with social or economic need.

"(b) Any grants or contracts entered into under subsection (a)(2) shall contain assurances that the requirements of section 307(a)(15) are met. 42 USC 3027.

"NATIONAL IMPACT ACTIVITIES

"SEC. 425. The Commissioner may carry out directly or through grants or contracts— 42 USC 3035d.

"(1) innovation and development projects and activities of national significance which show promise of having substantial impact on the expansion or improvement of supportive services, nutrition services, or multipurpose senior centers, or otherwise promoting the well-being of older individuals; and

"(2) dissemination of information activities related to such programs.

"(b) An amount not to exceed 15 percent of any sums appropriated under section 431 may be used for carrying out this section. *Infra.*

"UTILITY AND HOME HEATING COST DEMONSTRATION PROJECTS

"SEC. 426. The Secretary may, after consultation with the appropriate State agency designated under section 305(a)(1), make grants to pay for part or all of the costs of developing model projects which show promise of relieving older individuals of the excessive burdens of high utility service and home heating costs. Any such project shall give special consideration to projects under which a business concern engaged in providing home heating oil or utility services to low-income older individuals at a cost which is substantially lower than providing home heating oil or utility services to other individuals. 42 USC 3035e. 42 USC 3025.

"PART C—GENERAL PROVISIONS

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 431. (a) There are authorized to be appropriated to carry out the provisions of this title $23,200,000 for fiscal year 1982, $24,800,000 for fiscal year 1983, and $26,600,000 for fiscal year 1984. 42 USC 3037.

"(b) No funds appropriated under this title— Transfer of funds.

"(1) may be transferred to any office or other authority of the Federal Government which is not directly responsible to the Commissioner; or

"(2) may be used for any program or activity which is not specifically authorized by this title.

"PAYMENTS OF GRANTS

"SEC. 432. (a) To the extent he deems it appropriate, the Commissioner shall require the recipient of any grant or contract under this title to contribute money, facilities, or services for carrying out the project for which such grant or contract was made. 42 USC 3037a.

"(b) Payments under this title pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or

by way of reimbursement, and in such installments and on such conditions, as the Commissioner may determine.

"(c) The Commissioner shall make no grant or contract under this title in any State which has established or designated a State agency for purposes of title III unless the Commissioner has consulted with such State agency regarding such grant or contract.".

42 USC 3021.

(b)(1) Section 204(d)(2) (as redesignated by section 2(e)(2)) is amended by striking out "the appraisal of needs required by section 402" and inserting in lieu thereof "an appraisal of needs pursuant to the functions carried out by the Commissioner under section 411".

Ante, p. 1596.
42 USC 3015.

(2) Section 310 is amended by striking out "section 421" each place it appears therein and inserting in lieu thereof "section 422".

42 USC 3030.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

SEC. 12. (a)(1) Section 502(a) is amended by striking out "and who have poor employment prospects".

42 USC 3056.

(2) Section 502(b)(1)(E) is amended by striking out "whose opportunities for other suitable public or private paid employment are poor".

(3) Section 507(2) is amended by striking out "and who has or would have difficulty in securing employment,".

42 USC 3056e.

(b)(1) Section 502(c)(1) is amended by striking out "Community Services Administration" and inserting in lieu thereof "Office of Community Services of the Department of Health and Human Services".

(2) Section 505(b) is amended by striking out "the Director of the Community Services Administration, the Secretary of Health, Education, and Welfare" and insert in lieu thereof ", the Director of the Office of Community Services, the Secretary of Health and Human Services".

42 USC 3056c.

(c) Section 502(e) is amended to read as follows:

Experimental projects.

"(e)(1) The Secretary, in addition to any other authority contained in this title, shall conduct experimental projects designed to assure second career training and the placement of eligible individuals in employment opportunities with private business concerns. The Secretary shall enter into such agreements with States, public agencies, nonprofit private organizations and private business concerns as may be necessary to conduct the experimental projects authorized by this subsection. The Secretary, from amounts reserved under section 506(a)(1)(B) in any fiscal year, may pay all of the costs of any agreements entered into under the provisions of this subsection. The Secretary shall, to the extent feasible, assure equitable geographic distribution of projects authorized by this subsection.

Agreements.

Post, p. 1607.

"(2) Not later than 90 days after the date of enactment of the Older Americans Act Amendments of 1981, the Secretary shall issue criteria designed to assure that agreements entered into under paragraph (1) of this subsection—

"(A) will involve different kinds of work modes, such as flextime, job sharing, and other arrangements relating to reduced physical exertion; and

"(B) will emphasize projects involving second careers and job placement and give consideration to placement in growth industries and in jobs reflecting new technological skills.

Evaluation.

"(3)(A) The Secretary shall carry out an evaluation of the second career training and job placement projects authorized by this subsection.

"(B) The evaluation shall include but not be limited to the projects described in paragraph (2).

"(C) The Secretary shall prepare and submit, not later than one year after the enactment of the Older Americans Act Amendments of 1981, to the Congress an interim report describing the agreements entered into under paragraph (1) and the design for the evaluation required by this paragraph. The Secretary shall prepare and submit to the President and the Congress a final report on the evaluation required by this paragraph not later than February 1, 1984, together with his findings and such recommendations, including recommendations for additional legislation, as the Secretary deems appropriate.

Report to Congress.

Report to President and Congress.

"(D) The Secretary shall make the final report submitted under subparagraph (C) available to interested private business concerns.

Report, availability.

"(4) For the purpose of this subsection, 'eligible individual' means any individual who is 55 years of age or older and who has an income equal to or less than the intermediate level retired couples budget as determined annually by the Bureau of Labor Statistics.".

"Eligible individual."

(d) Section 503(b) is amended by striking out "of 1973" each place it appears therein.

42 USC 3056a.

(e)(1) Section 506(a)(2) is amended by adding after the first sentence the following: "The Secretary in awarding grants and contracts under such paragraph (1) from such 45 per centum shall, to the extent feasible, assure an equitable distribution of activities under such grants and contracts designed to achieve the allotment among the States described in paragraph (3) of this subsection.".

42 USC 3056d.

(2) Section 506(a)(1)(B) is amended—

(A) by striking out "may" and inserting in lieu thereof "shall"; and

(B) by striking out "not to exceed one per centum" and inserting in lieu thereof "which is equal to at least 1 per centum but not more than 3 per centum".

(3)(A) Section 506(a)(2) is amended by inserting "to the appropriate public agency of each State" after "allotted".

(B) Section 506(a)(3) is amended by striking out "for projects within each State" and inserting in lieu thereof "to State agency on aging of each State", and by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa," each place it appears therein.

(C) Section 506(a)(4)(A) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,".

(f)(1) Section 507(1) is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Samoa,".

42 USC 3056e.

(2) Section 507(3) is amended by inserting "weatherization activities;" after "efforts;".

(g) Section 508 is amended to read as follows:

42 USC 3056f.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 508. (a) There is authorized to be appropriated to carry out this title—

"(1) $277,100,000 for fiscal year 1982, $296,500,000 for fiscal year 1983, and $317,300,000 for fiscal year 1984; and

"(2) such additional sums as may be necessary for each such fiscal year to enable the Secretary, through programs under this title, to provide for at least 54,200 part-time employment positions for eligible individuals.

For purposes of paragraph (2), 'part-time employment position' means an employment position within a workweek of at least 20 hours.

"Part-time employment position."

"(b) Amounts appropriated under this section for any fiscal year shall be used during the annual period which begins on July 1 of the

calendar year immediately following the beginning of such fiscal year and which ends on June 30 of the following calendar year. The Secretary may extend the period during which such amounts may be obligated or expended in the case of a particular organization or agency receiving funds under this title if the Secretary determines that such extension is necessary to ensure the effective use of such funds by such organization or agency. Any such extension shall be for a period of not more than 60 days after the end of such annual period.".

INDIAN TRIBES

42 USC 3057b.

SEC. 13. (a) Section 603 is amended by striking out "Indians who are aged 60 and older" and inserting in lieu thereof "older Indians".

42 USC 3057c.

(b)(1) Section 604(a)(4) is amended by striking out "that a nonprofit private organization selected by the tribal organization will conduct" and inserting in lieu thereof "for".

(2) Section 604(a)(8) is amended by inserting before the semicolon a comma and the following: "except that in any case in which the need for nutritional services for older Indians represented by the tribal organization is already met from other sources, the tribal organization may use the funds otherwise required to be expended under this paragraph for supportive services".

(3) Section 604(a)(10) is amended to read as follows:

"(10) provide that any legal or ombudsman services made available to older Indians represented by the tribal organization will be substantially in compliance with the provisions of title III relating to the furnishing of similar services; and".

42 USC 3021.

(4) Section 604 is amended by striking out subsection (d) thereof, and by redesignating subsection (e) and subsection (f) as subsection (d) and subsection (e), respectively.

42 USC 3057d.

(c) Section 605 is amended—

(1) by striking out the subsection designation "(a)", and

(2) by striking out subsection (b).

Appropriation authorization.

(d) Section 608(a) is amended to read as follows:

42 USC 3057g.

"(a) There are authorized to be appropriated $6,500,000 for fiscal year 1982, $7,000,000 for fiscal year 1983, and $7,500,000 for fiscal year 1984 to carry out the provisions of this title other than section 606.".

TITLE VII PROVIDERS UNDER PART C OF TITLE III

42 USC 3045 note.

SEC. 14. (a) Section 501(b) of the Comprehensive Older Americans Act Amendments of 1978 is amended to read as follows:

"(b) No contract awarded after September 30, 1982, shall be entered into for the provision of nutrition services unless such contract has been awarded through a competitive process. Whenever there is no evidence of improved quality of service and cost effectiveness on the part of another bidder, a provider of services who received funds under title VII of the Older Americans Act of 1965 as in effect on September 29, 1978, shall be given preference.".

42 USC 3045 note.

AVAILABILITY OF APPROPRIATIONS FOR WHITE HOUSE CONFERENCE

42 USC 3001 note.

SEC. 15. Sums appropriated under section 207 of the 1981 White House Conference on Aging Act for fiscal year 1981 obligation and expenditure shall remain available for the succeeding fiscal year.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

SEC. 16. Section 2603(2) of the Omnibus Budget Reconciliation Budget Act of 1981 is amended to read as follows:

"(2) the term 'household' means any individual or group of individuals who are living together as one economic unit for whom residential energy is customarily purchased in common or who make undesignated payments for energy in the form of rent;".

"Household."
Ante, p. 894.

COMMUNITY SERVICES BLOCK GRANT

SEC. 17. (a)(1) Section 673(1) of the Omnibus Budget Reconciliation Act of 1981 is amended by adding at the end thereof the following new sentence: "The term 'eligible entity' includes any limited purpose agency designated under title II of the Economic Opportunity Act of 1964 for fiscal year 1981 which served the general purposes of a community action agency under title II of such Act, unless such designated agency lost its designation under title II of such Act as a result of a failure to comply with the provisions of such Act, and any grantee which received financial assistance under section 221 or section 222(a)(4) of the Economic Opportunity Act of 1964 in fiscal year 1981.".

"Eligible entity."
Ante, p. 511.

(2) Section 675(c) of such Act is amended by adding at the end thereof the following new sentences: "The Secretary shall provide to the chief executive officer of each State appropriate information regarding designated limited purpose agencies and grantees which meet the requirements of the second sentence of section 673(1). No eligible entity which receives funds for a project or activity under clause (2)(A)(i) of this subsection may receive funds otherwise available under this subtitle for that project or activity.".

Ante, p. 513.

(b) Section 675(c)(2)(A)(ii) of the Omnibus Budget Reconciliation Act of 1981 is amended by inserting a comma after "directly".

(c) Section 682(b)(4) of the Omnibus Budget Reconciliation Act of 1981 is amended by inserting before the period at the end thereof the following: ", to migrant and seasonal farm worker organizations, or to both such entities and such organizations".

Ante, p. 518.

AMENDMENT TO HIGHER EDUCATION ACT OF 1965

20 USC 1087-2.

SEC. 18. Section 439(1) of the Higher Education Act of 1965 is amended by adding at the end thereof the following new sentence: "The priority established in favor of the United States by section 3466 of the Revised Statutes (31 U.S.C. 191) shall not establish a priority over the indebtedness of the Association issued or incurred on or before September 30, 1982.".

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1086 (H.R. 3046):

HOUSE REPORTS: No. 97-70 accompanying H.R. 3046 (Comm. on Education and Labor) and No. 97-386 (Comm. of Conference).
SENATE REPORT No. 97-159 (Comm. on Labor and Human Resources).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 2, considered and passed Senate.
Nov. 20, H.R. 3046 considered and passed House; proceedings vacated and S. 1086, amended, passed in lieu.
Dec. 11, Senate agreed to conference report.
Dec. 16, House agreed to conference report.

Public Law 97-116
97th Congress

An Act

To amend the Immigration and Nationality Act, and for other purposes.

Dec. 29, 1981
[H.R. 4327]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Immigration and Nationality Act Amendments of 1981".

Immigration and Nationality Act Amendments of 1981.
8 USC 1101 note.

(b) Except as specifically provided in this Act, whenever in this Act an amendment or repeal is expressed as an amendment to, or repeal of, a provision, the reference shall be deemed to be made to the Immigration and Nationality Act.

SEC. 2. (a) Subsection (a)(15) of section 101 (8 U.S.C. 1101) is amended—

(1) by striking out "institution of learning or other recognized place of study" in subparagraph (F) and inserting in lieu thereof "college, university, seminary, conservatory, academic high school, elementary school, or other academic institution or in a language training program"; and

(2) by adding after subparagraph (L) the following new subparagraph:

"(M)(i) an alien having a residence in a foreign country which he has no intention of abandoning who seeks to enter the United States temporarily and solely for the purpose of pursuing a full course of study at an established vocational or other recognized nonacademic institution (other than in a language training program) in the United States particularly designated by him and approved by the Attorney General, after consultation with the Secretary of Education, which institution shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant nonacademic student and if any such institution fails to make reports promptly the approval shall be withdrawn, and (ii) the alien spouse and minor children of any such alien if accompanying him or following to join him.".

(b) Subsection (b) of such section is amended by striking out "fourteen" in subparagraphs (E) and (F) and inserting in lieu thereof "sixteen".

(c) Subsection (f) of such section is amended—

(1) by striking out paragraph (2); and

(2) by striking out "paragraphs (9), (10), and (23) of section 212(a)" in paragraph (3) and inserting in lieu thereof "paragraphs (9) and (10) of section 212(a) and paragraph (23) of such section (except as such paragraph relates to a single offense of simple possession of 30 grams or less of marihuana)".

SEC. 3. Section 204 (8 U.S.C. 1154) is amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d) and the subsection (f), which was renumbered by section 3 of Public Law 95-417, as subsection (e).

92 Stat. 917.

SEC. 4. Section 212 (8 U.S.C. 1182) is amended—

(1) by inserting "and who seek admission within five years of the date of such deportation or removal," in subsection (a)(17) after "section 242(b),";

(2) by striking out the second sentence of paragraph (6) of subsection (d); and

(3) by striking out "paragraphs (9), (10), or (12) of this section" in subsection (h) and inserting in lieu thereof "paragraphs (9), (10), or (12) of subsection (a) or paragraph (23) of such subsection as such paragraph relates to a single offense of simple possession of 30 grams or less of marihuana".

SEC. 5. (a)(1) Section 212 (8 U.S.C. 1182) is amended by striking out the semicolon at the end of paragraph (32) of subsection (a) and inserting in lieu thereof a period and the following: "For the purposes of this paragraph, an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners examination if the alien was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date;".

(2) Subsection (j)(1)(B) of such section is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a period and the following: "For the purposes of this subparagraph, an alien who is a graduate of a medical school shall be considered to have passed parts I and II of the National Board of Medical Examiners examination if the alien was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date.".

8 USC 1182 note.

(3) Section 602 of the Health Professions Educational Assistance Act of 1976 (Public Law 94-484), added by section 307(q)(3) of Public Law 95-83, is amended by striking out subsections (a) and (b).

8 USC 1101, 1101 note, 1182 note. 8 USC 1182.

(b) Subsection (j) of section 212 is amended—

(1) by inserting "as follows" after "education or training are" in paragraph (1) in the matter before subparagraph (A);

(2) by striking out "(including any extension of the duration thereof under subparagraph (D))" in paragraph (1)(C);

(3) by striking out "Commissioner of Education" and "Secretary of Health, Education, and Welfare" each place it appears and inserting in lieu thereof "Secretary of Education" and "Secretary of Health and Human Services", respectively;

(4) by striking out the semicolon at the end of subparagraph (A) and "; and" at the end of subparagraph (C) and inserting in lieu thereof a period in each case;

Medical education.

(5) by amending subparagraph (D) of paragraph (1) to read as follows:

"(D) The duration of the alien's participation in the program of graduate medical education or training for which the alien is coming to the United States is limited to the time typically required to complete such program, as determined by the Director of the International Communication Agency at the time of the alien's entry into the United States, based on criteria which are established in coordination with the Secretary of Health and Human Services and which take into consideration the published requirements of the medical specialty board which administers such education or training program; except that—

"(i) such duration is further limited to seven years unless the alien has demonstrated to the satisfaction of the Director that the country to which the alien will return at the end of such specialty education or training has an exceptional need for an individual trained in such specialty, and

"(ii) the alien may, once and not later than two years after the date the alien enters the United States as an exchange visitor or acquires exchange visitor status, change the alien's designated program of graduate medical education or training if the Director approves the change and if a commitment and written assurance with respect to the alien's new program have been provided in accordance with subparagraph (C).";

Affidavit.

(6) by inserting after subparagraph (D) the following new subparagraph:

"(E) The alien furnishes the Attorney General each year with an affidavit (in such form as the Attorney General shall prescribe) that attests that the alien (i) is in good standing in the program of graduate medical education or training in which the alien is participating, and (ii) will return to the country of his nationality or last residence upon completion of the education or training for which he came to the United States.";

(7)(A) by striking out "(ii)" in paragraph (1)(B) and inserting in lieu thereof "(ii)(I)";

(B) by inserting, in paragraph (1)(B), "(II)" before "has competency", "(III)" before "will be able to adapt", and "(IV)" before "has adequate prior education";

(C) by striking out "December 31, 1981" in paragraph (2)(A) and inserting in lieu thereof "December 31, 1983";

(D) by striking out "and (B) of paragraph (1)" in paragraph (2)(A) and inserting in lieu thereof "and (B)(ii)(I) of paragraph (1)";

(E) by inserting after "if" in paragraph (2)(A) the following: "(i) the Secretary of Health and Human Services determines, on a case-by-case basis, that";

Plan to reduce reliance on alien physicians.

(F) by striking out the period at the end of paragraph (2)(A) and inserting in lieu thereof the following:

", and (ii) the program has a comprehensive plan to reduce reliance on alien physicians, which plan the Secretary of Health and Human Services finds, in accordance with criteria published by the Secretary, to be satisfactory and to include the following:

"(I) A detailed discussion of specific problems that the program anticipates without such waiver and of the alternative resources and methods (including use of physician extenders and other paraprofessionals) that have been considered and have been and will be applied to reduce such disruption in the delivery of health services.

"(II) A detailed description of those changes of the program (including improvement of educational and medical services training) which have been considered and which have been or will be applied which would make the program more attractive to graduates of medical schools who are citizens of the United States.

"(III) A detailed description of the recruiting efforts which have been and will be undertaken to attract graduates of medical schools who are citizens of the United States.

"(IV) A detailed description and analysis of how the program, on a year-by-year basis, has phased down and will phase down its dependence upon aliens who are graduates of foreign medical schools so that the program will not be dependent upon the admission to the program of any additional such aliens after December 31, 1983."; and

(G) by inserting at the end of paragraph (2)(B) the following:

Waivers.

"The Secretary of Health and Human Services, in coordination with the Attorney General and the Director of the International Communication Agency, shall (i) monitor the issuance of waivers under subparagraph (A) and the needs of the communities (with respect to which such waivers are issued) to assure that quality medical care is provided, and (ii) review each program with such a waiver to assure that the plan described in subparagraph (A)(ii) is being carried out and that participants in such program are being provided appropriate supervision in their medical education and training.

Report to Congress.

"(C) The Secretary of Health and Human Services, in coordination with the Attorney General and the Director of the International Communication Agency, shall report to the Congress at the beginning of fiscal years 1982 and 1983 on the distribution (by geography, nationality, and medical specialty or field of practice) of foreign medical graduates in the United States who have received a waiver under subparagraph (A), including an analysis of the dependence of the various communities on aliens who are in medical education or training programs in the various medical specialties."; and

Report to Congress.

(8) by adding at the end the following new paragraph:-

"(3) The Director of the International Communication Agency annually shall transmit to the Congress a report on aliens who have submitted affidavits described in paragraph (1)(E), and shall include in such report the name and address of each such alien, the medical education or training program in which such alien is participating, and the status of such alien in that program.".

8 USC 1182 note.

(c) The amendments made by paragraphs (2), (5), and (6) of subsection (b) shall apply to aliens entering the United States as exchange visitors (or otherwise acquiring exchange visitor status) on or after January 10, 1978.

(d)(1) Section 101(a)(27) (8 U.S.C. 1101(a)(27)) is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu thereof "; or", and by adding after subparagraph (G) the following new subparagraph:

"(H) an immigrant, and his accompanying spouse and children, who—

"(i) has graduated from a medical school or has qualified to practice medicine in a foreign state,

"(ii) was fully and permanently licensed to practice medicine in a State on January 9, 1978, and was practicing medicine in a State on that date,

"(iii) entered the United States as a nonimmigrant under subsection (a)(15)(H) or (a)(15)(J) before January 10, 1978, and

"(iv) has been continuously present in the United States in the practice or study of medicine since the date of such entry.".

(2) Section 245(c)(2) (8 U.S.C. 1255(c)(2)) is amended by inserting "or a special immigrant described in section 101(a)(27)(H)" after "an immediate relative as defined in section 201(b)".

Report to Congress.
8 USC 1101 note.

(e) The Secretary of Health and Human Services, after consultation with the Attorney General, the Secretary of State, and the Director of the International Communication Agency, shall evaluate the effectiveness and value to foreign nations and to the United States of exchange programs for the graduate medical education or training of aliens who are graduates of foreign medical schools, and shall report to Congress, not later than January 15, 1983, on such evaluation and include in such report such recommendations for changes in legislation and regulations as may be appropriate.

SEC. 6. Section 223(b) (8 U.S.C. 1203(b)) is amended by striking out "one year from the date of issuance: *Provided*, That the Attorney General may in his discretion extend the validity of the permit for a period or periods not exceeding one year in the aggregate" and inserting in lieu thereof "two years from the date of issuance and shall not be renewable".

Deportation.

SEC. 7. (a) Subsection (a) of section 237 (8 U.S.C. 1227) is amended to read as follows:

"(a)(1) Any alien (other than an alien crewman) arriving in the United States who is excluded under this Act, shall be immediately deported, in accommodations of the same class in which he arrived, unless the Attorney General, in an individual case, in his discretion, concludes that immediate deportation is not practicable or proper. Deportation shall be to the country in which the alien boarded the vessel or aircraft on which he arrived in the United States, unless the alien boarded such vessel or aircraft in foreign territory contiguous to the United States or in any island adjacent thereto or adjacent to the United States and the alien is not a native, citizen, subject, or national of, or does not have a residence in, such foreign contiguous territory or adjacent island, in which case the deportation shall instead be to the country in which is located the port at which the alien embarked for such foreign contiguous territory or adjacent island. The cost of the maintenance including detention expenses and expenses incident to detention of any such alien while he is being detained shall be borne by the owner or owners of the vessel or aircraft on which he arrived, except that the cost of maintenance (including detention expenses and expenses incident to detention while the alien is being detained prior to the time he is offered for deportation to the transportation line which brought him to the United States) shall not be assessed against the owner or owners of such vessel or aircraft if (A) the alien was in possession of a valid, unexpired immigrant visa, or (B) the alien (other than an alien crewman) was in possession of a valid, unexpired nonimmigrant visa or other document authorizing such alien to apply for temporary admission to the United States or an unexpired reentry permit issued to him, and (i) such application was made within one hundred and twenty days of the date of issuance of the visa or other document, or in the case of an alien in possession of a reentry permit, within one hundred and twenty days of the date on which the alien was last examined and admitted by the Service, or (ii) in the event the application was made later than one hundred and twenty days of the date of issuance of the visa or other document or such examination and admission, if the owner or owners of such vessel or aircraft established to the satisfaction of the Attorney General that the ground of exclusion could not have been ascertained by the exercise of due diligence prior to the alien's embarkation, or (C) the person claimed United States nationality or citizenship and was in possession of an unexpired United States passport issued to him by competent authority.

Detention expenses.

"(2) If the government of the country designated in paragraph (1) will not accept the alien into its territory, the alien's deportation shall be directed by the Attorney General, in his discretion and without necessarily giving any priority or preference because of their order as herein set forth, either to—

Nonacceptance of deported aliens.

"(A) the country of which the alien is a subject, citizen, or national;

"(B) the country in which he was born;

"(C) the country in which he has a residence; or

"(D) any country which is willing to accept the alien into its territory, if deportation to any of the foregoing countries is impracticable, inadvisable, or impossible.".

(b) Subsection (b) of such section is amended—

(1) by striking out "to the country whence he came" in clause (3) and inserting in lieu thereof "to the country to which his deportation has been directed"; and

(2) by striking out "collector of customs" each place it appears and inserting in lieu thereof "district director of customs".

Transportation expense.

(c) Subsection (c) of such section is amended to read as follows:

"(c) An alien shall be deported on a vessel or aircraft owned by the same person who owns the vessel or aircraft on which the alien arrived in the United States, unless it is impracticable to so deport the alien within a reasonable time. The transportation expense of the alien's deportation shall be borne by the owner or owners of the vessel or aircraft on which the alien arrived. If the deportation is effected on a vessel or aircraft not owned by such owner or owners, the transportation expense of the alien's deportation may be paid from the appropriation for the enforcement of this Act and recovered by civil suit from any owner, agent, or consignee of the vessel or aircraft on which the alien arrived.".

Deportation.

SEC. 8. Section 241(f) (8 U.S.C. 1251(f)) is amended to read as follows:

"(f)(1)(A) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure or have procured visas or other documentation, or entry into the United States, by fraud or misrepresentation, whether willful or innocent, may, in the discretion of the Attorney General, be waived for any alien (other than an alien described in subsection (a)(19)) who—

"(i) is the spouse, parent, or child of a citizen of the United States or of an alien lawfully admitted to the United States for permanent residence; and

"(ii) was in possession of an immigrant visa or equivalent document and was otherwise admissible to the United States at the time of such entry except for those grounds of inadmissibility specified under paragraphs (14), (20), and (21) of section 212(a) which were a direct result of that fraud or misrepresentation.

8 USC 1182.

Waiver of deportation.

"(B) A waiver of deportation for fraud or misrepresentation granted under subparagraph (A) shall also operate to waive deportation based on the grounds of inadmissibility at entry described under subparagraph (A)(ii) directly resulting from such fraud or misrepresentation.

"(2) The provisions of subsection (a)(11) as relate to a single offense of simple possession of 30 grams or less of marihuana may, in the discretion of the Attorney General, be waived for any alien (other than an alien described in subsection (a)(19)) who—

"(A) is the spouse or child of a citizen of the United States or of an alien lawfully admitted for permanent residence, or

"(B) has a child who is a citizen of the United States or an alien lawfully admitted for permanent residence,

if it is established to the satisfaction of the Attorney General that the alien's deportation would result in extreme hardship to the United States citizen or lawfully resident spouse, parent, or child of such alien and that such waiver would not be contrary to the national welfare, safety, or security of the United States.".

SEC. 9. Subsection (f) of section 244 (8 U.S.C. 1254) is amended to read as follows:

"(f) The provisions of subsection (a) shall not apply to an alien who—

"(1) entered the United States as a crewman subsequent to June 30, 1964;

"(2) was admitted to the United States as a nonimmigrant exchange alien as defined in section 101(a)(15)(J), or has acquired the status of such a nonimmigrant exchange alien after admission, in order to receive graduate medical education or training, regardless of whether or not the alien is subject to or has fulfilled the two-year foreign residence requirement of section 212(e); or

8 USC 1101.

8 USC 1182.

"(3)(A) was admitted to the United States as a nonimmigrant exchange alien as defined in section 101(a)(15)(J) or has acquired the status of such a nonimmigrant exchange alien after admission other than to receive graduate medical education or training, (B) is subject to the two-year foreign residence requirement of section 212(e), and (C) has not fulfilled that requirement or received a waiver thereof.".

Nonimmigrant classification.

SEC. 10. Section 248 (8 U.S.C. 1258) is amended by striking out "except" and all that follows through the end and inserting in lieu thereof the following: "except in the case of—

"(1) an alien classified as a nonimmigrant under subparagraph (C), (D), or (K) of section 101(a)(15),

"(2) an alien classified as a nonimmigrant under subparagraph (J) of section 101(a)(15) who came to the United States or acquired such classification in order to receive graduate medical education or training, and

"(3) an alien (other than an alien described in paragraph (2)) classified as a nonimmigrant under subparagraph (J) of section 101(a)(15) who is subject to the two-year foreign residence requirement of section 212(e) and has not received a waiver thereof, unless such alien applies to have the alien's classification changed from classification under subparagraph (J) of section 101(a)(15) to a classification under subparagraph (A) or (G) of such section.".

Alien registration and address changes.

SEC. 11. Section 265 (8 U.S.C. 1305) is amended to read as follows:

"SEC. 265. (a) Each alien required to be registered under this title who is within the United States shall notify the Attorney General in writing of each change of address and new address within ten days from the date of such change and furnish with such notice such additional information as the Attorney General may require by regulation.

"(b) The Attorney General may in his discretion, upon ten days notice, require the natives of any one or more foreign states, or any class or group thereof, who are within the United States and who are required to be registered under this title, to notify the Attorney General of their current addresses and furnish such additional information as the Attorney General may require.

"(c) In the case of an alien for whom a parent or legal guardian is required to apply for registration, the notice required by this section shall be given to such parent or legal guardian.".

Conveyances used in customs laws violation.

SEC. 12. Subsection (b) of section 274 (8 U.S.C. 1324) is amended to read as follows:

"(b)(1) Any conveyance, including any vessel, vehicle, or aircraft, which is used in the commission of a violation of subsection (a) shall be subject to seizure and forfeiture, except that—

"(A) no conveyance used by any person as a common carrier in the transaction of business as a common carrier shall be forfeited under the provisions of this section unless it shall appear that the

owner or other person in charge of such conveyance was a consenting party or privy to the illegal act; and

"(B) no conveyance shall be forfeited under the provisions of this section by reason of any act or omission established by the owner thereof to have been committed or omitted by any person other than such owner while such conveyance was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States or of any State.

"(2) Any conveyance subject to seizure under this section may be seized without warrant if there is probable cause to believe the conveyance has been used in a violation of subsection (a) and circumstances exist where a warrant is not constitutionally required.

"(3) All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of property for the violation of the customs laws; the disposition of such property or the proceeds from the sale thereof; the remission or mitigation of such forfeitures; and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this section, insofar as applicable and not inconsistent with the provisions hereof, except that duties imposed on customs officers or other persons regarding the seizure and forfeiture of conveyances under the customs laws shall be performed with respect to seizures and forfeitures carried out under the provisions of this section by such officers or persons authorized for that purpose by the Attorney General.

"(4) Whenever a conveyance is forfeited under this section the Attorney General may—

"(A) retain the conveyance for official use;

"(B) sell the conveyance, in which case the proceeds from any such sale shall be used to pay all proper expenses of the proceedings for forfeiture and sale including expenses of seizure, maintenance of custody, advertising, and court costs; or

"(C) require that the General Services Administration take custody of the conveyance and remove it for disposition in accordance with law.

"(5) In all suits or actions brought for the forfeiture of any conveyance seized under this section, where the conveyance is claimed by any person, the burden of proof shall lie upon such claimant: *Provided,* That probable cause shall be first shown for the institution of such suit or action. In determining whether probable cause exists, any of the following shall be prima facie evidence that an alien involved in the alleged violation was not lawfully entitled to enter, or reside within, the United States:

"(A) Records of any judicial or administrative proceeding in which that alien's status was an issue and in which it was determined that the alien was not lawfully entitled to enter, or reside within, the United States.

"(B) Official records of the Service showing that the alien was not lawfully entitled to enter, or reside within, the United States.

"(C) Testimony, by an immigration officer having personal knowledge of the facts concerning that alien's status, that the alien was not entitled to enter, or reside within, the United States.".

SEC. 13. Section 286 (8 U.S.C. 1356) is amended—

(1) by redesignating subsection (b) as subsection (c) and by inserting "and subsection (b)" in that subsection after "Except as otherwise provided in subsection (a)", and

(2) by inserting after subsection (a) the following new subsection:

"(b) Moneys expended from appropriations for the Service for the purchase of evidence and subsequently recovered shall be reimbursed to the current appropriation for the Service.".

SEC. 14. Section 316(b) (8 U.S.C. 1427(b)) is amended by adding at the end the following: "The spouse and dependent unmarried sons and daughters who are members of the household of a person who qualifies for the benefits of this subsection shall also be entitled to such benefits during the period for which they were residing abroad as dependent members of the household of the person.".

SEC. 15. (a) Section 329(b) (8 U.S.C. 1440(b)) is amended by inserting "and" at the end of paragraph (3), by striking out "; and" at the end of paragraph (4) and inserting in lieu thereof a period, and by striking out paragraph (5).

(b) Section 334(a) (8 U.S.C. 1445(a)) is amended by striking out "and duly verified by two witnesses,".

(c) Section 335 (8 U.S.C. 1446) is amended—

(1) by striking out "and the oaths of petitioner's witnesses to the petition for naturalization" in the second sentence of subsection (b);

(2) by striking out subsections (f), (g), and (h); and

(3) by redesignating subsection (i) as subsection (f).

(d) Section 336 (8 U.S.C. 1447) is amended—

(1) by striking out "and the witnesses" each place it appears in subsections (a) and (b);

(2) by striking out subsection (c);

(3) by redesignating subsection (d) as subsection (c);

(4) by redesignating subsection (e) as subsection (d) and striking out the last sentence thereof; and

(5) by redesignating subsection (f) as subsection (e).

(e) Section 328(b)(2) (8 U.S.C. 1439(b)(2)) is amended by striking out "and section 336(c)" and "and the witnesses".

SEC. 16. Section 344(c) (8 U.S.C. 1455(c)) is amended by striking out "$6,000" each place it appears and inserting in lieu thereof "$40,000".

SEC. 17. Section 13(b) of the Act of September 11, 1957 (71 Stat. 642; 8 U.S.C. 1255b(b)), is amended by inserting after "Attorney General" the first place it appears the following: "that the alien has shown compelling reasons demonstrating both that the alien is unable to return to the country represented by the government which accredited the alien or the member of the alien's immediate family and that adjustment of the alien's status to that of an alien lawfully admitted for permanent residence would be in the national interest,".

SEC. 18. (a) Section 101 (8 U.S.C. 1101) is amended—

(1) by striking out "Office of Education of the United States" in subsection (a)(15)(F) and inserting in lieu thereof "Secretary of Education";

(2) by striking out the period at the end of each of subparagraphs (H), (J), and (K) of subsection (a)(15) and inserting in lieu thereof a semicolon;

(3) by striking out the period at the end of subparagraph (L) of subsection (a)(15) and inserting in lieu thereof "; or";

(4) by striking out the second sentence of subsection (a)(33); and

(5)(A) by striking out "or" at the end of subparagraphs (A) and (B) of subsection (b)(1),

(B) by striking out the period at the end of subparagraph (C) of such subsection and inserting in lieu thereof a semicolon, and

(C) by striking out the period at the end of subparagraph (E) of such subsection and inserting in lieu thereof "; or".

(b) Section 106(a)(1) (8 U.S.C. 1105a(a)(1)) is amended by striking out the period at the end and inserting in lieu thereof a semicolon.

(c) Section 202(b) (8 U.S.C. 1152(b)) is amended by inserting "and" before "(4)".

(d) Section 204(a) (8 U.S.C. 1154(a)) is amended by striking out "of the relationships described in paragraphs" and inserting in lieu thereof "of a relationship described in paragraph".

(e) Section 212 (8 U.S.C. 1182) is amended—

(1) by inserting ")" in subsection (a)(32) after "is in the United States", and

Alien admittance.

(2) by adding at the end the following new subsection:

"(k) Any alien, excludable from the United States under paragraph (14), (20), or (21) of subsection (a), who is in possession of an immigrant visa may, if otherwise admissible, be admitted in the discretion of the Attorney General if the Attorney General is satisfied that exclusion was not known to, and could not have been ascertained by the exercise of reasonable diligence by, the immigrant before the time of departure of the vessel or aircraft from the last port outside the United States and outside foreign contiguous territory or, in the case of an immigrant coming from foreign contiguous territory, before the time of the immigrant's application for admission.".

(f) Section 221(a) (8 U.S.C. 1201(a)) is amended by striking out the period after "is charged" and inserting in lieu thereof a comma.

(g) Section 231(d) (8 U.S.C. 1221(d)) is amended by striking out "subsections" and inserting in lieu thereof "subsection".

(h)(1)(A) The eleventh sentence of subsection (b) of section 242 (8 U.S.C. 1252) is amended by striking out "or (18)" and inserting in lieu thereof "(18), or (19)".

(B) Subsection (e) of such section is amended by striking out "or (18)" and inserting in lieu thereof "(18), or (19)".

(2) Subsection (a) of section 244 (8 U.S.C. 1254) is amended by inserting "(other than an alien described in section 241(a)(19))" after "in the case of an alien" in the matter before paragraph (1).

(i) The fourth sentence of section 243(a) (8 U.S.C. 1253(a)) is amended by inserting a comma after "subject".

(j) Section 244(d) (8 U.S.C. 1254(d)) is amended—

(1) by striking out "nonpreference", and

(2) by striking out "203(a)(7)" and inserting in lieu thereof "201(a) or 202(a)".

(k)(1) Section 291 (8 U.S.C. 1361) is amended by striking out "quota immigrant, or nonquota immigrant" and inserting in lieu thereof "immigrant, special immigrant, immediate relative, or refugee".

(2) Section 349(a)(1) (8 U.S.C. 1481(a)(1)) is amended by striking out "nonquota immigrant" and inserting in lieu thereof "special immigrant".

(l) Section 309 (8 U.S.C. 1409) is amended—

(1) by striking out "(3), (4), (5), and (7) of section 301(a)" in subsection (a) and inserting in lieu thereof "(c), (d), (e), and (g) of section 301", and

(2) by striking out "301(a)(7)" in subsection (b) and inserting in lieu thereof "301(g)".

(m) Sections 320(b), 321(b), and 322(b) (8 U.S.C. 1431(b), 1432(b), 1433(b)) are each amended by striking out "a child adopted while under the age of sixteen years who" and inserting in lieu thereof "an adopted child only if the child".

(n) Section 322 (8 U.S.C. 1433) is further amended by adding after subsection (b) the following new subsection:

"(c) In the case of an adopted child (1) who is in the United States at the time of naturalization, and (2) one of whose adoptive parents (A) petitions for naturalization of the child under this section, (B) meets the criteria of clauses (A), (B), and (C) of section 319(b)(1), and (C) declares before the naturalization court in good faith an intention to take up residence within the United States immediately upon the termination of the employment described in section 319(b)(1)(B), no specified period of residence within the jurisdiction of the naturalization court or proof thereof shall be required.". 8 USC 1430.

(o) The fourth sentence of section 337(a) (8 U.S.C. 1448(a)) is amended by striking out "or 323".

(p) Section 341 (8 U.S.C. 1452) is amended by striking out "(3), (4), (5), or (7) of section 301(a)" and inserting in lieu thereof "(c), (d), (e), or (g) of section 301".

(q) Section 349 (8 U.S.C. 1481), as amended by section 4 of Public Law 95-432, is amended by striking out the second "(a)" after "349.".

(r) Section 351 (8 U.S.C. 1483) is amended—

(1) by striking out "paragraphs (7), (8), and (9) of section 349" in subsection (a) and inserting in lieu thereof "paragraphs (6) and (7) of section 349(a)", and

(2) by striking out "(5), and (6)" in subsection (b) and inserting in lieu thereof "and (5)".

(s) Section 404 (8 U.S.C. 1101 note) is amended by inserting "(other than chapter 2 of title IV)" after "this Act".

(t) The table of contents is amended by striking out the items relating to sections 345, 350, 352, 353, 354, and 355.

(u)(1) Section 1429 of title 18, United States Code, is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (d)".

(2) The Act of March 16, 1956 (8 U.S.C. 1401a) is amended by striking out "301(a)(7)" and inserting in lieu thereof "301(g)".

SEC. 19. The numerical limitations contained in sections 201 and 202 of the Immigration and Nationality Act shall not apply to any alien who is present in the United States and who, on or before June 1, 1978— 8 USC 1151 note. 8 USC 1151, 1152.

(1) qualified as a nonpreference immigrant under section 203(a)(8) of such Act (as in effect on June 1, 1978); 8 USC 1153.

(2) was determined to be exempt from the labor certification requirement of section 212(a)(14) of such Act because the alien had actually invested, before such date, capital in an enterprise in the United States of which the alien became a principal manager and which employed a person or persons (other than the spouse or children of the alien) who are citizens of the United States or aliens lawfully admitted for permanent residence; and 8 USC 1182.

(3) applied for adjustment of status to that of an alien lawfully admitted for permanent residence.

SEC. 20. Section 201(a) (8 U.S.C. 1151(a)) is amended by inserting after "two hundred seventy thousand" the following: ": *Provided*, That to the extent that in a particular fiscal year the number of aliens who are issued immigrant visas or who may otherwise acquire the status of aliens lawfully admitted for permanent residence, and who are subject to the numerical limitations of this section, together with the aliens who adjust their status to aliens lawfully admitted for permanent residence pursuant to subparagraph (H) of section 101(a)(27) or section 19 of the Immigration and Nationality Amendments Act of 1981, exceed the annual numerical limitation in effect 8 USC 1101. *Supra*.

pursuant to this section for such year, the Secretary of State shall reduce to such extent the annual numerical limitation in effect pursuant to this section for the following fiscal year".

(b) Section 202(a) (8 U.S.C. 1152(a)) is amended by inserting after "year" the following: ": *And provided further,* That to the extent that in a particular fiscal year the number of such natives who are issued immigrant visas or who may otherwise acquire the status of aliens lawfully admitted for permanent residence and who are subject to the numerical limitation of this section, together with the aliens from the same foreign state who adjust their status to aliens lawfully admitted for permanent residence pursuant to subparagraph (H) of section 101(a)(27) or section 19 of the Immigration and Nationality Amendments Act of 1981, exceed the numerical limitation in effect for such year pursuant to this section, the Secretary of State shall reduce to such extent the numerical limitation in effect for the natives of the same foreign state pursuant to this section for the following fiscal year".

8 USC 1101.
Ante, p. 1621.

Effective dates.
8 USC 1101 note.

SEC. 21. (a) Except as provided in subsection (b) and in section 5(c), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b)(1) The amendments made by section 2(a) shall apply on and after the first day of the sixth month beginning after the date of the enactment of this Act.

(2) The amendment made by section 16 shall apply to fiscal years beginning on or after October 1, 1981.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4327:

HOUSE REPORT No. 97-264 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 13, considered and passed House.
Dec. 16, considered and passed Senate, amended; House concurred in Senate amendments.

Public Law 97-117
97th Congress

An Act

To amend the Federal Water Pollution Control Act to authorize funds for fiscal year 1982, and for other purposes.

Dec. 29, 1981
[H.R. 4503]

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

Municipal Wastewater Treatment Construction Grant Amendments of 1981.
33 USC 1251 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Municipal Wastewater Treatment Construction Grant Amendments of 1981".

ELIGIBLE CATEGORIES

SEC. 2. (a) Section 201(g)(1) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following: "On and after October 1, 1984, grants under this title shall be made only for projects for secondary treatment or more stringent treatment, or any cost effective alternative thereto, new interceptors and appurtenances, and infiltration-in-flow correction. Notwithstanding the preceding sentence, the Administrator may make grants on and after October 1, 1984, for any project within the definition set forth in section 212(2) of this Act, other than for a project referred to in the preceding sentence, except that not more than 20 per centum (as determined by the Governor of the State) of the amount allotted to a State under section 205 of this Act for any fiscal year shall be obligated in such State under authority of this sentence.". 33 USC 1281. 33 USC 1292. 33 USC 1285.

(b) Section 211(c) of the Federal Water Pollution Control Act is amended by striking out "September 30, 1982," and inserting in lieu thereof "September 30, 1985,". 33 USC 1291.

GRANTS FOR STEPS 1 AND 2

SEC. 3. (a) Section 201 of the Federal Water Pollution Control Act is amended by adding a new subsection (l): 33 USC 1281

"(l)(1) After the date of enactment of this subsection, Federal grants shall not be made for the purpose of providing assistance solely for facility plans, or plans, specifications, and estimates for any proposed project for the construction of treatment works. In the event that the proposed project receives a grant under this section for construction, the Administrator shall make an allowance in such grant for non-Federal funds expended during the facility planning and advanced engineering and design phase at the prevailing Federal share under section 202(a) of this Act, based on the percentage of total project costs which the Administrator determines is the general experience for such projects. 33 USC 1282.

"(2)(A) Each State shall use a portion of the funds allotted to such State each fiscal year, but not to exceed 10 per centum of such funds, to advance to potential grant applicants under this title the costs of

facility planning or the preparation of plans, specifications, and estimates.

"(B) Such an advance shall be limited to the allowance for such costs which the Administrator establishes under paragraph (1) of this subsection, and shall be provided only to a potential grant applicant which is a small community and which in the judgment of the State would otherwise be unable to prepare a request for a grant for construction costs under this section.

"(C) In the event a grant for construction costs is made under this section for a project for which an advance has been made under this paragraph, the Administrator shall reduce the amount of such grant by the allowance established under paragraph (1) of this subsection. In the event no such grant is made, the State is authorized to seek repayment of such advance on such terms and conditions as it may determine.".

MITIGATION AND SPECIAL PROCESSES

Grants.
33 USC 1281.

SEC. 4. Section 201 of the Federal Water Pollution Control Act is amended by adding the following new subsection:

"(m)(1) Notwithstanding any other provisions of this title, the Administrator is authorized to make a grant from any funds otherwise allotted to the State of California under section 205 of this Act to the project (and in the amount) specified in Order WQG 81-1 of the California State Water Resources Control Board.

33 USC 1285.

"(2) Notwithstanding any other provision of this Act, the Administrator shall make a grant from any funds otherwise allotted to the State of California to the city of Eureka, California, in connection with project numbered C-06-2772, for the purchase of one hundred and thirty-nine acres of property as environmental mitigation for siting of the proposed treatment plant.

"(3) Notwithstanding any other provision of this Act, the Administrator shall make a grant from any funds otherwise allotted to the State of California to the city of San Diego, California, in connection with that city's aquaculture sewage process (total resources recovery system) as an innovative and alternative waste treatment process.".

COMBINED SEWER OVERFLOW

33 USC 1281.

SEC. 5. Section 201 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(n)(1) On and after October 1, 1984, upon the request of the Governor of an affected State, the Administrator is authorized to use funds available to such State under section 205 to address water quality problems due to the impacts of discharges from combined storm water and sanitary sewer overflows, which are not otherwise eligible under this subsection, where correction of such discharges is a major priority for such State.

33 USC 1285.

"(2) Beginning fiscal year 1983, the Administrator shall have available $200,000,000 per fiscal year in addition to those funds authorized in section 207 of this Act to be utilized to address water quality problems of marine bays and estuaries subject to lower levels of water quality due to the impacts of discharges from combined storm water and sanitary sewer overflows from adjacent urban complexes, not otherwise eligible under this subsection. Such sums may be used as deemed appropriate by the Administrator as provided in paragraphs (1) and (2) of this subsection, upon the request of and demonstration of water quality benefits by the Governor of an affected State.".

Post, p. 1630.

CAPITAL FINANCING

SEC. 6. Section 201 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following: 33 USC 1281.

"(o) The Administrator shall encourage and assist applicants for grant assistance under this title to develop and file with the Administrator a capital financing plan which, at a minimum—

"(1) projects the future requirements for waste treatment services within the applicant's jurisdiction for a period of no less than ten years;

"(2) projects the nature, extent, timing, and costs of future expansion and reconstruction of treatment works which will be necessary to satisfy the applicant's projected future requirements for waste treatment services; and

"(3) sets forth with specificity the manner in which the applicant intends to finance such future expansion and reconstruction.".

FEDERAL SHARE

SEC. 7. The first sentence of section 202(a)(1) of the Federal Water Pollution Control Act is amended by inserting after "1971," the following: "and ending before October 1, 1984,". The first sentence of such section is further amended by inserting after "(as approved by the Administrator)," the following: "and for any fiscal year beginning on or after October 1, 1984, shall be 55 per centum of the cost of construction thereof (as approved by the Administrator),". Such section 202(a)(1) is further amended by adding at the end thereof the following new sentence: "Notwithstanding the first sentence of this paragraph, in any case where a primary, secondary, or advanced waste treatment facility or its related interceptors or a project for infiltration-in-flow correction has received a grant for erection, building, acquisition, alteration, remodeling, improvement, extension, or correction before October 1, 1984, all segments and phases of such facility, interceptors, and project for infiltration-in-flow correction shall be eligible for grants at 75 per centum of the cost of construction thereof.". 33 USC 1282.

INNOVATIVE AND ALTERNATIVE PROCESSES

SEC. 8. (a) Section 202(a)(2) of the Federal Water Pollution Control Act is amended by inserting after the first sentence the following: "The amount of any grant made after September 30, 1981, for any eligible treatment works or unit processes and techniques thereof utilizing innovative or alternative wastewater treatment processes and techniques referred to in section 201(g)(5) shall be a percentage of the cost of construction thereof equal to 20 per centum greater than the percentage in effect under paragraph (1) of this subsection for such works or unit processes and techniques, but in no event greater than 85 per centum of the cost of construction thereof.". 33 USC 1281.

(b) Section 202(a)(4) of the Federal Water Pollution Control Act is amended by striking out "in the fiscal years ending September 30, 1979, September 30, 1980, and September 30, 1981" and by striking out the last sentence. 33 USC 1282.

(c) Section 205(i) of the Federal Water Pollution Control Act is amended by striking out "and September 30, 1981," in the first sentence and inserting in lieu thereof "September 30, 1981, September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985," and by striking out "from 75 per centum to 85 per centum", 33 USC 1285.

and by adding at the end thereof the following: "Including the expenditures authorized by the first sentence of this subsection, a total (as determined by the Governor of the State) of not less than 4 per centum nor more than 7½ per centum of the funds allotted to such State for any fiscal year beginning after September 30, 1981, under subsection (c) of this section shall be expended only for increasing the Federal share of grants for construction of treatment works pursuant to section 202(a)(2) of this Act.".

33 USC 1292.

(d) Section 212(1) of the Federal Water Pollution Control Act is amended by inserting after "procedures," the following: "field testing of innovative or alternative waste water treatment processes and techniques meeting guidelines promulgated under section 304(d)(3) of this Act,".

33 USC 1314.

COMBINED STEP 2 AND 3 GRANTS

94 Stat. 2362.
33 USC 1283.

SEC. 9. Section 203(a) of the Federal Water Pollution Control Act is amended by striking "$4,000,000" and inserting in lieu thereof "$8,000,000". The last sentence of such section 203(a) is hereby repealed.

RESERVE CAPACITY

33 USC 1284.

SEC. 10. (a) Section 204(a)(5) of the Federal Water Pollution Control Act is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a period and the following: "Beginning October 1, 1984, no grant shall be made under this title to construct that portion of any treatment works providing reserve capacity in excess of existing needs (including existing needs of residential, commercial, industrial, and other users) on the date of approval of a grant for the erection, building, acquisition, alteration, remodeling, improvement, or extension of a project for secondary treatment or more stringent treatment or new interceptors and appurtenances, except that in no event shall reserve capacity of a facility and its related interceptors to which this subsection applies be in excess of existing needs on October 1, 1990. In any case in which an applicant proposes to provide reserve capacity greater than that eligible for Federal financial assistance under this title, the incremental costs of the additional reserve capacity shall be paid by the applicant;".

(b) Section 204 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(c) The next to the last sentence of paragraph (5) of subsection (a) of this section shall not apply in any case where a primary, secondary, or advanced waste treatment facility or its related interceptors has received a grant for erection, building, acquisition, alteration, remodeling, improvement, or extension before October 1, 1984, and all segments and phases of such facility and interceptors shall be funded based on a 20-year reserve capacity in the case of such facility and a 20-year reserve capacity in the case of such interceptors, except that, if a grant for such interceptors has been approved prior to the date of enactment of the Municipal Wastewater Treatment Construction Grant Amendments of 1981, such interceptors shall be funded based on the approved reserve capacity not to exceed 40 years.".

Ante, p. 1623.

94 Stat. 2361.
33 USC 1281.
Expiration date.

(c) Section 201(k) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new sentence: "This subsection shall not be in effect after November 15, 1981.".

BRAND NAME

SEC. 11. Section 204(a)(6) of the Federal Water Pollution Control Act is amended by striking out ", or at least two brand names or trade names of comparable quality or utility are listed and are followed by the words 'or equal'" and by adding at the end thereof the following: "When in the judgment of the grantee, it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a 'brand name or equal' description may be used as a means to define the performance or other salient requirements of a procurement, and in doing so the grantee need not establish the existence of any source other than the brand or source so named.". 33 USC 1284.

ENGINEERING PERFORMANCE

SEC. 12. Section 204 of the Federal Water Pollution Control Act is amended by adding the following new subsection:

"(d)(1) A grant for the construction of treatment works under this title shall provide that the engineer or engineering firm supervising construction or providing architect engineering services during construction shall continue its relationship to the grant applicant for a period of one year after the completion of construction and initial operation of such treatment works. During such period such engineer or engineering firm shall supervise operation of the treatment works, train operating personnel, and prepare curricula and training material for operating personnel. Costs associated with the implementation of this paragraph shall be eligible for Federal assistance in accordance with this title.

"(2) On the date one year after the completion of construction and initial operation of such treatment works, the owner and operator of such treatment works shall certify to the Administrator whether or not such treatment works meet the design specifications and effluent limitations contained in the grant agreement and permit pursuant to section 402 of the Act for such works. If the owner and operator of such treatment works cannot certify that such treatment works meet such design specifications and effluent limitations, any failure to meet such design specifications and effluent limitations shall be corrected in a timely manner, to allow such affirmative certification, at other than Federal expense. 33 USC 1342.

"(3) Nothing in this section shall be construed to prohibit a grantee under this title from requiring more assurances, guarantees, or indemnity or other contractual requirements from any party to a contract pertaining to a project assisted under this title, than those provided under this subsection.".

ALLOTMENT FORMULA

SEC. 13. (a) Section 205(c) of the Federal Water Pollution Control Act is amended by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph: 33 USC 1285.

"(2) Sums authorized to be appropriated pursuant to section 207 for the fiscal years 1982, 1983, 1984, and 1985 shall be allotted for each such year by the Administrator not later than the tenth day which begins after the date of enactment of the Municipal Wastewater Treatment Construction Grant Amendments of 1981. Notwithstanding any other provision of law, sums authorized for the fiscal year ending September 30, 1982, shall be allotted in accordance with table 3 of Committee Print Numbered 95-30 of the Committee on Public *Post*, p. 1630.

Works and Transportation of the House of Representatives. Sums authorized for the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985, shall be allotted in accordance with the following table:

States:	Fiscal years 1983 through 1985
Alabama	.011398
Alaska	.006101
Arizona	.006885
Arkansas	.006668
California	.072901
Colorado	.008154
Connecticut	.012487
Delaware	.004965
District of Columbia	.004965
Florida	.034407
Georgia	.017234
Hawaii	.007895
Idaho	.004965
Illinois	.046101
Indiana	.024566
Iowa	.013796
Kansas	.009201
Kentucky	.012973
Louisiana	.011205
Maine	.007788
Maryland	.024653
Massachusetts	.034608
Michigan	.043829
Minnesota	.018735
Mississippi	.009184
Missouri	.028257
Montana	.004965
Nebraska	.005214
Nevada	.004965
New Hampshire	.010186
New Jersey	.041654
New Mexico	.004965
New York	.113097
North Carolina	.018396
North Dakota	.004965
Ohio	.057383
Oklahoma	.008235
Oregon	.011515
Pennsylvania	.040377
Rhode Island	.006750
South Carolina	.010442
South Dakota	.004965
Tennessee	.014807
Texas	.038726
Utah	.005371
Vermont	.004965
Virginia	.020861
Washington	.017726
West Virginia	.015890
Wisconsin	.027557
Wyoming	.004965
Samoa	.000915
Guam	.000662
Northern Marianas	.000425
Puerto Rico	.013295
Pacific Trust Territories	.001305
Virgin Islands	.000531
United States totals	.999996

33 USC 1285.

(b) Section 205(e) of the Federal Water Pollution Control Act is amended by striking out "and 1981" each of the two places it appears and inserting in lieu thereof at each such place "1981, 1982, 1983, 1984, and 1985".

STATE ADMINISTRATION GRANTS

SEC. 14. (a) The first sentence of section 205(g)(1) of the Federal Water Pollution Control Act is amended by inserting immediately after "October 1, 1977," the following: "except in the case of any fiscal year beginning on or after October 1, 1981, and ending before October 1, 1985, in which case the percentage authorized to be reserved shall not exceed 4 per centum.". 33 USC 1285.

(b) Section 205(g)(1) of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new sentence: "Sums authorized to be reserved by this paragraph shall be in addition to and not in lieu of any other funds which may be authorized to carry out this subsection.".

WATER QUALITY MANAGEMENT PLANNING

SEC. 15. Section 205 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection:

"(j)(1) The Administrator shall reserve each fiscal year not to exceed 1 per centum of the sums allotted and available for obligation to each State under this section for each fiscal year beginning on or after October 1, 1981, or $100,000, whichever amount is the greater.

"(2) Such sums shall be used by the Administrator to make grants to the States to carry out water quality management planning, including, but not limited to—

"(A) identifying most cost effective and locally acceptable facility and non-point measures to meet and maintain water quality standards;

"(B) developing an implementation plan to obtain State and local financial and regulatory commitments to implement measures developed under subparagraph (A);

"(C) determining the nature, extent, and causes of water quality problems in various areas of the State and interstate region, and reporting on these annually; and

"(D) determining those publicly owned treatment works which should be constructed with assistance under this title, in which areas and in what sequence, taking into account the relative degree of effluent reduction attained, the relative contributions to water quality of other point or nonpoint sources, and the consideration of alternatives to such construction, and implementing section 303(e) of this Act. 33 USC 1313.

"(3) In carrying out planning with grants made under paragraph (2) of this subsection, a State shall develop jointly with local, regional, and interstate entities, a plan for carrying out the program and give funding priority to such entities and designated or undesignated public comprehensive planning organizations to carry out the purposes of this subsection.

"(4) All activities undertaken under this subsection shall be in coordination with other related provisions of this Act.".

CONVENTION CENTER

SEC. 16. Section 205 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new subsection: 33 USC 1285.

"(k) The Administrator shall allot to the State of New York from sums authorized to be appropriated for the fiscal year ending September 30, 1982, an amount necessary to pay the entire cost of conveying sewage from the Convention Center of the city of New York to the

Newtown sewage treatment plant, Brooklyn-Queens area, New York. The amount allotted under this subsection shall be in addition to and not in lieu of any other amounts authorized to be allotted to such State under this Act.".

AUTHORIZATION

Ante, p. 764.
33 USC 1287.

SEC. 17. Section 207 of the Federal Water Pollution Control Act is amended by striking out all that follows "$2,548,837,000;" and inserting in lieu thereof "and for the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, and September 30, 1985, not to exceed $2,400,000,000 per fiscal year.".

WATER QUALITY PRIORITY

33 USC 1296.

SEC. 18. Section 216 of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new sentence: "It is the policy of Congress that projects for wastewater treatment and management undertaken with Federal financial assistance under this Act by any State, municipality, or intermunicipal or interstate agency shall be projects which, in the estimation of the State, are designed to achieve optimum water quality management, consistent with the public health and water quality goals and requirements of the Act.".

COST EFFECTIVENESS

SEC. 19. Title II of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new section:

"COST EFFECTIVENESS

Waste treatment system.
33 USC 1298.

"SEC. 218. (a) It is the policy of Congress that a project for waste treatment and management undertaken with Federal financial assistance under this Act by any State, municipality, or intermunicipal or interstate agency shall be considered as an overall waste treatment system for waste treatment and management, and shall be that system which constitutes the most economical and cost-effective combination of devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of this Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping power, and other equipment, and their appurtenances; extension, improvements, remodeling, additions, and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units and clear well facilities; and any works, including site acquisition of the land that will be an integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or which is used for ultimate disposal of residues resulting from such treatment; water efficiency measures and devices; and any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste, including storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems; to meet the requirements of this Act.

33 USC 1281.

"(b) In accordance with the policy set forth in subsection (a) of this section, before the Administrator approves any grant to any State, municipality, or intermunicipal or interstate agency for the erection,

building, acquisition, alteration, remodeling, improvement, or extension of any treatment works the Administrator shall determine that the facilities plan of which such treatment works are a part constitutes the most economical and cost-effective combination of treatment works over the life of the project to meet the requirements of this Act, including, but not limited to, consideration of construction costs, operation, maintenance, and replacement costs.

"(c) In furtherance of the policy set forth in subsection (a) of this section, the Administrator shall require value engineering review in connection with any treatment works, prior to approval of any grant for the erection, building, acquisition, alteration, remodeling, improvement, or extension of such treatment works, in any case in which the cost of such erection, building, acquisition, alteration, remodeling, improvement, or extension is projected to be in excess of $10,000,000. For purposes of this subsection, the term 'value engineering review' means a specialized cost control technique which uses a systematic and creative approach to identify and to focus on unnecessarily high cost in a project in order to arrive at a cost saving without sacrificing the reliability or efficiency of the project.

"Value engineering review."

"(d) This section applies to projects for waste treatment and management for which no treatment works including a facilities plan for such project have received Federal financial assistance for the preparation of construction plans and specifications under this Act before the date of enactment of this section.".

STATE CERTIFICATION

SEC. 20. Title II of the Federal Water Pollution Control Act is amended by adding at the end thereof the following new section:

"STATE CERTIFICATION OF PROJECTS

"SEC. 219. Whenever the Governor of a State which has been delegated sufficient authority to administer the construction grant program under this title in that State certifies to the Administrator that a grant application meets applicable requirements of Federal and State law for assistance under this title, the Administrator shall approve or disapprove such application within 45 days of the date of receipt of such application. If the Administrator does not approve or disapprove such application within 45 days of receipt, the application shall be deemed approved. If the Administrator disapproves such application the Administrator shall state in writing the reasons for such disapproval. Any grant approved or deemed approved under this section shall be subject to amounts provided in appropriation Acts.".

33 USC 1299.

MUNICIPAL COMPLIANCE DEADLINE

SEC. 21. (a) Section 301(i) of the Federal Water Pollution Control Act is amended by striking out "July 1, 1983," each place it appears and inserting in lieu thereof "July 1, 1988,". The amendment made by this subsection shall not be interpreted or applied to extend the date for compliance with section 301(b)(1) (B) or (C) of the Federal Water Pollution Control Act beyond schedules for compliance in effect as of the date of enactment of this Act, except in cases where reductions in the amount of financial assistance under this Act or changed conditions affecting the rate of construction beyond the control of the owner or operator will make it impossible to complete construction by July 1, 1983.

33 USC 1311.
33 USC 1311 note.

33 USC 1311.

(b) Section 301(b)(2)(B) of the Federal Water Pollution Control Act is repealed.

OCEAN DISCHARGES

SEC. 22. (a) Section 301(h) of the Federal Water Pollution Control Act is amended in the portion preceding paragraph (1) by striking out "in an existing discharge".

(b) Such section 301(h) is amended by striking out the semicolon at the end of paragraph (7) and inserting in lieu thereof a period and by striking out paragraph (8).

(c) Such section 301(h) is further amended by adding at the end thereof the following: "A municipality which applies secondary treatment shall be eligible to receive a permit pursuant to this subsection which modifies the requirements of subsection (b)(1)(B) of this section with respect to the discharge of any pollutant from any treatment works owned by such municipality into marine waters. No permit issued under this subsection shall authorize the discharge of sewage sludge into marine waters.".

(d) Section 301(j)(1) of the Federal Water Pollution Control Act is amended by striking out clause (A) and inserting in lieu thereof the following new clause:

"(A) subsection (b)(1)(B) under subsection (h) of this section shall be filed not later that the 365th day which begins after the date of enactment of the Municipal Wastewater Treatment Construction Grant Amendments of 1981;".

Effective date. 33 USC 1311 note.

(e) The amendments made by this section shall take effect on the date of enactment of this Act, except that no applicant, other than the city of Avalon, California, who applies after the date of enactment of this Act for a permit pursuant to subsection (h) of section 301 of the Federal Water Pollution Control Act which modifies the requirements of subsection (b)(1)(B) of section 301 of such Act shall receive such permit during the one-year period which begins on the date of enactment of this Act.

SECONDARY TREATMENT DEFINITION

33 USC 1314.

SEC. 23. Section 304(d) of the Federal Water Pollution Control Act is amended by adding the following new paragraph:

"(4) For the purposes of this subsection, such biological treatment facilities as oxidation ponds, lagoons, and ditches and trickling filters shall be deemed the equivalent of secondary treatment. The Administrator shall provide guidance under paragraph (1) of this subsection on design criteria for such facilities, taking into account pollutant removal efficiencies and, consistent with the objective of the Act, assuring that water quality will not be adversely affected by deeming such facilities as the equivalent of secondary treatment.".

REVISED WATER QUALITY STANDARDS

33 USC 1313a.

33 USC 1313.

SEC. 24. The review, revision, and adoption or promulgation of revised or new water quality standards pursuant to section 303(c) of the Federal Water Pollution Control Act shall be completed by the date three years after the enactment of the Municipal Wastewater Treatment Construction Grant Amendments of 1981. No grant shall be made under title II of the Federal Water Pollution Control Act after such date until water quality standards are reviewed and revised pursuant to section 303(c), except where the State has in good faith submitted such revised water quality standards and the Admin-

istrator has not acted to approve or disapprove such submission within one hundred and twenty days of receipt.

NEEDS SURVEY

SEC. 25. The Administrator of the Environmental Protection Agency shall submit to the Congress, not later than December 31, 1982, a report containing the detailed estimates, comprehensive study, and comprehensive analysis required by section 516(b) of the Federal Water Pollution Control Act, including an estimate of the total cost and the amount of Federal funds necessary for the construction of needed publicly owned treatment facilities. Such report shall be prepared in the same manner as is required by such section and shall reflect the changes made in the Federal water pollution control program by this Act and the amendments made by this Act. In preparing this report, the Administrator shall give emphasis to the effects of the amendment made by section 2(a) of this Act in addressing water quality needs adequately and appropriately.

Report to Congress. 33 USC 1375 note.

33 USC 1375.

JUDICIAL NOTICE

SEC. 26. It is the sense of Congress that judicial notice should be taken of this Act and of the amendments to the Federal Water Pollution Control Act made by this Act, including reduced authorization levels under section 207 of such Act, and that the parties to Federal consent decrees establishing a deadline, schedule, or timetable for the construction of publicly owned treatment works are encouraged to reexamine the provisions of such consent decrees and, where required by equity, to make appropriate adjustments in such provisions.

Ante, p. 1630.

BATH TOWNSHIP

SEC. 27. For purposes of the Federal Water Pollution Control Act, the project for publicly owned treatment works for Bath Township, Michigan, shall be eligible for payments from sums allocated to the State of Michigan under such Act in an amount equal to the amount such works would be eligible for under section 202 of such Act if such works were to be constructed after the date of enactment of this Act, at the original construction cost.

33 USC 1282.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4503 (S. 1716):

HOUSE REPORTS: No. 97-270 (Comm. on Public Works and Transportation) and No. 97-408 (Comm. of Conference).

SENATE REPORT No. 97-204 accompanying S. 1716 (Comm. on Environment and Public Works).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Oct. 27, considered and passed House; S. 1716 considered and passed Senate.

Oct. 29, considered and passed Senate, amended, in lieu of S. 1716.

Dec. 16, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):

Dec. 29, Presidential statement.

Public Law 97-118
97th Congress

An Act

Dec. 29, 1981
[H.R. 4506]

To name the lock and dam authorized to replace locks and dam 26, Mississippi River, Alton, Illinois, as "Melvin Price Lock and Dam".

Melvin Price Lock and Dam.
92 Stat. 1695.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the lock and dam, authorized by section 102 of Public Law 95-502, to replace locks and dam 26, Mississippi River, Alton, Illinois, shall hereafter be known as Melvin Price Lock and Dam. Any law, regulation, map, document, or record of the United States in which such lock and dam is referred to shall be held and considered to refer to such lock and dam as "Melvin Price Lock and Dam".**

Effective date.

SEC. 2. This Act shall become effective upon the date of termination of service in the United States Congress of Melvin Price.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4506:

HOUSE REPORT No. 97-322 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 16, considered and passed House.
Dec. 16, considered and passed Senate.

Public Law 97-119
97th Congress

An Act

To amend the Internal Revenue Code of 1954 to provide a temporary increase in the tax imposed on producers of coal, and for other purposes.

Dec. 29, 1981
[H.R. 5159]

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

Internal Revenue Code of 1954, amendment.

TITLE I—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Subtitle A—Black Lung Benefits Revenue Provisions

Black Lung Benefits Revenue Act of 1981.

SEC. 101. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This subtitle may be cited as the "Black Lung Benefits Revenue Act of 1981". 26 USC 1 note.

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this subtitle or subtitle B an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 102. TEMPORARY INCREASE IN AMOUNT OF TAX.

(a) GENERAL RULE.—Section 4121 (relating to tax on coal) is amended by adding at the end thereof the following new subsection: 26 USC 4121.

"(e) TEMPORARY INCREASE IN AMOUNT OF TAX.—

"(1) IN GENERAL.—Effective with respect to sales after December 31, 1981, and before the temporary increase termination date—

"(A) subsection (a) shall be applied—

"(i) by substituting '$1' for '50 cents', and

"(ii) by substituting '50 cents' for '25 cents', and

"(B) subsection (b) shall be applied by substituting '4 percent' for '2 percent'.

"(2) TEMPORARY INCREASE TERMINATION DATE.—For purposes of paragraph (1), the temporary increase termination date is the earlier of—

"(A) January 1, 1996, or

"(B) the first January 1 after 1981 as of which there is—

"(i) no balance of repayable advances made to the Black Lung Disability Trust Fund, and

"(ii) no unpaid interest on such advances.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales after December 31, 1981. 26 USC 4121 note.

SEC. 103. BLACK LUNG DISABILITY TRUST FUND.

(a) GENERAL RULE.—The Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subtitle:

Trust Fund Code of 1981.

"Subtitle I—Trust Fund Code

26 USC 9500.

"SEC. 9500. SHORT TITLE.

"This subtitle may be cited as the 'Trust Fund Code of 1981'.

"CHAPTER 98—TRUST FUND CODE

"SUBCHAPTER A. Establishment of Trust Funds.
"SUBCHAPTER B. General provisions.

"Subchapter A—Establishment of Trust Funds

"Sec. 9501. Establishment of Black Lung Disability Trust Fund.

26 USC 9501.

"SEC. 9501. ESTABLISHMENT OF BLACK LUNG DISABILITY TRUST FUND.

"(a) CREATION OF TRUST FUND.—

"(1) IN GENERAL.—There is established in the Treasury of the United States a trust fund to be known as the 'Black Lung Disability Trust Fund', consisting of such amounts as may be appropriated or credited to the Black Lung Disability Trust Fund.

"(2) TRUSTEES.—The trustees of the Black Lung Disability Trust Fund shall be the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health and Human Services.

"(b) TRANSFER OF CERTAIN TAXES; OTHER RECEIPTS.—

"(1) TRANSFER TO BLACK LUNG DISABILITY TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—There are hereby appropriated to the Black Lung Disability Trust Fund amounts equivalent to the taxes received in the Treasury under section 4121 or subchapter B of chapter 42.

Ante, p. 1635, 26 USC 4951.

"(2) CERTAIN REPAID AMOUNTS, ETC.—The following amounts shall be credited to the Black Lung Disability Trust Fund:

"(A) Amounts repaid or recovered under subsection (b) of section 424 of the Black Lung Benefits Act (including interest thereon).

Post, p. 1639.

"(B) Amounts paid as fines or penalties, or interest thereon, under section 423, 431, or 432 of the Black Lung Benefits Act.

30 USC 933, 941, 942.

"(C) Amounts paid into the Black Lung Disability Trust Fund by a trust described in section 501(c)(21).

"(c) REPAYABLE ADVANCES.—

"(1) AUTHORIZATION.—There are authorized to be appropriated to the Black Lung Disability Trust Fund, as repayable advances, such sums as may from time to time be necessary to make the expenditures described in subsection (d).

"(2) REPAYMENT WITH INTEREST.—Repayable advances made to the Black Lung Disability Trust Fund shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary of the Treasury determines that moneys are available in the Black Lung Disability Trust Fund for such purposes.

"(3) RATE OF INTEREST.—Interest on advances made pursuant to this subsection shall be at a rate determined by the Secretary

of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding.

"(d) EXPENDITURES FROM TRUST FUND.—Amounts in the Black Lung Disability Trust Fund shall be available, as provided by appropriation Acts, for—

"(1) the payment of benefits under section 422 of the Black Lung Benefits Act in any case in which the Secretary of Labor determines that— 30 USC 932.

"(A) the operator liable for the payment of such benefits—

"(i) has not commenced payment of such benefits within 30 days after the date of an initial determination of eligibility by the Secretary of Labor, or

"(ii) has not made a payment within 30 days after that payment is due,

except that, in the case of a claim filed on or after the date of the enactment of the Black Lung Benefits Revenue Act of 1981, amounts will be available under this subparagraph only for benefits accruing after the date of such initial determination, or

"(B) there is no operator who is liable for the payment of such benefits,

"(2) the payment of obligations incurred by the Secretary of Labor with respect to all claims of miners or their survivors in which the miner's last coal mine employment was before January 1, 1970,

"(3) the repayment into the Treasury of the United States of an amount equal to the sum of the amounts expended by the Secretary of Labor for claims under part C of the Black Lung Benefits Act which were paid before April 1, 1978, except that the Black Lung Disability Trust Fund shall not be obligated to pay or reimburse any such amounts which are attributable to periods of eligibility before January 1, 1974, 30 USC 931.

"(4) the repayment of, and the payment of interest on, repayable advances to the Black Lung Disability Trust Fund,

"(5) the payment of all expenses of administration on or after March 1, 1978—

"(A) incurred by the Department of Labor or the Department of Health and Human Services under part C of the Black Lung Benefits Act (other than under section 427(a) or 433), or 30 USC 937, 943.

"(B) incurred by the Department of the Treasury in administering subchapter B of chapter 32 and in carrying out its responsibilities with respect to the Black Lung Disability Trust Fund, 26 USC 4121.

"(6) the reimbursement of operators for amounts paid by such operators (other than as penalties or interest) before April 1, 1978, in satisfaction (in whole or in part) of claims of miners whose last employment in coal mines was terminated before January 1, 1970, and

"(7) the reimbursement of operators and insurers for amounts paid by such operators and insurers (other than amounts paid as penalties, interest, or attorney fees) at any time in satisfaction (in whole or in part) of any claim denied (within the meaning of section 402(i) of the Black Lung Benefits Act) before March 1, *Post*, p. 1645.

30 USC 945.

1978, and which is or has been approved in accordance with the provisions of section 435 of the Black Lung Benefits Act.

Post, pp. 1645, 1639, 1644, 1645.

For purposes of the preceding sentence, any reference to section 402(i), 422, or 435 of the Black Lung Benefits Act shall be treated as a reference to such section as in effect immediately after the enactment of this section.

"Subchapter B—General Provisions

"Sec. 9601. Transfer of amounts.
"Sec. 9602. Management of Trust Funds.

26 USC 9601.

"SEC. 9601. TRANSFER OF AMOUNTS.

Ante, p. 1636.

"The amounts appropriated by any section of subchapter A to any Trust Fund established by such subchapter shall be transferred at least monthly from the general fund of the Treasury to such Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in such section. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

26 USC 9602.

"SEC. 9602. MANAGEMENT OF TRUST FUNDS.

"(a) REPORT.—It shall be the duty of the Secretary of the Treasury to hold each Trust Fund established by subchapter A, and (after consultation with any other trustees of the Trust Fund) to report to the Congress each year on the financial condition and the results of the operations of each such Trust Fund during the preceding fiscal year and on its expected condition and operations during the next 5 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(b) INVESTMENT.—

"(1) IN GENERAL.—It shall be the duty of the Secretary of the Treasury to invest such portion of any Trust Fund established by subchapter A as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

"(A) on original issue at the issue price, or

"(B) by purchase of outstanding obligations at the market price.

"(2) SALE OF OBLIGATIONS.—Any obligation acquired by a Trust Fund established by subchapter A may be sold by the Secretary of the Treasury at the market price.

"(3) INTEREST ON CERTAIN PROCEEDS.—The interest on, and the proceeds from the sale or redemption of, any obligations held in a Trust Fund established by subchapter A shall be credited to and form a part of the Trust Fund.".

30 USC 934a.

(b) REPEAL OF SUBSECTIONS (a), (b), AND (c) OF SECTION 3 OF THE BLACK LUNG BENEFITS REVENUE ACT OF 1977.—Subsections (a), (b), and (c) of section 3 of the Black Lung Benefits Revenue Act of 1977 are hereby repealed.

(c) CLERICAL AMENDMENTS.—

26 USC 501.

(1) Clause (iii) of section 501(c)(21)(B) is amended by striking out "established under section 3 of the Black Lung Benefits Revenue Act of 1977" and inserting in lieu thereof "established under section 9501".

Ante, p. 1636.

(2) The table of subtitles for such Code is amended by adding at the end thereof the following new item:

"SUBTITLE I. Trust Fund Code.".

(d) EFFECTIVE DATE.— 26 USC 9501 note.

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 1982. Section 9501(c)(3) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall only apply to advances made after December 31, 1981. *Ante*, p. 1636.

(2) SAVINGS PROVISIONS.—The Black Lung Disability Trust Fund established by the amendments made by this section shall be treated for all purposes of law as the continuation of the Black Lung Disability Trust Fund established by section 3 of the Black Lung Benefits Revenue Act of 1977. Any reference in any law to the Black Lung Disability Trust Fund established by such section 3 shall be deemed to include a reference to the Black Lung Disability Trust Fund established by the amendments made by this section. 30 USC 934a, 934 and note.

SEC. 104. AMENDMENTS TO SECTION 424 OF THE BLACK LUNG BENEFITS ACT.

(a) INTEREST ON OPERATOR LIABILITIES.—

(1) RATE OF INTEREST.—Subsection (b) of section 424 of the Black Lung Benefits Act is amended by adding at the end thereof the following new paragraph: 30 USC 934.

"(5) The rate of interest under this subsection—

"(A) for any period during calendar year 1982, shall be 15 percent, and

"(B) for any period after calendar year 1982, shall be the rate established by section 6621 of the Internal Revenue Code of 1954 which is in effect for such period.". 26 USC 6621.

(2) CLARIFYING AMENDMENT.—The first sentence of section 424(b)(1) of the Black Lung Benefits Act is amended by inserting "plus interest thereon" after "attributed to him".

(3) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on January 1, 1982, and shall apply to amounts outstanding on such date or arising thereafter. 30 USC 934 note.

(b) CONFORMING AMENDMENTS.—

(1) Section 402(h) of the Black Lung Benefits Act is amended to read as follows: "Fund." 30 USC 902.

"(h) The term 'fund' means the Black Lung Disability Trust Fund established by section 9501 of the Internal Revenue Code of 1954.".

(2) Section 415(a)(1) of the Black Lung Benefits Act is amended by striking "section 424 of this title" and inserting in lieu thereof "section 9501(d) of the Internal Revenue Code of 1954". 30 USC 925.

(3) Section 422(a) of the Black Lung Benefits Act is amended by striking "section 424" and inserting in lieu thereof "section 9501(d) of the Internal Revenue Code of 1954". 30 USC 932.

(4) Section 422(i)(4) of the Black Lung Benefits Act is amended by striking "section 424" and inserting in lieu thereof "section 9501(d) of the Internal Revenue Code of 1954".

(5) Section 422(j) of the Black Lung Benefits Act is amended by striking "section 424 shall" and inserting in lieu thereof "section 9501 of the Internal Revenue Code of 1954 shall"; and by striking "section 424(a)(1)" and inserting in lieu thereof "section 9501(d)(1) of the Internal Revenue Code of 1954".

(6) Section 424(a) of the Black Lung Benefits Act is amended to read as follows: 30 USC 934.

"(a) For purposes of this section, the term 'fund' has the meaning set forth in section 402(h).". *Supra*.

Subtitle B—Miscellaneous Revenue Amendments

SEC. 111. ADDITIONAL 2-YEAR DELAY IN APPLICATION OF THE NET OPERATING LOSS RULES ADDED BY THE TAX REFORM ACT OF 1976.

26 USC 382 note.
26 USC 382, 383.

Paragraphs (2) and (3) of section 806(g) of the Tax Reform Act of 1976 (relating to effective dates for the amendments to sections 382 and 383 of the Internal Revenue Code of 1954) are amended by striking out "1982" each place it appears and inserting in lieu thereof "1984".

SEC. 112. INFORMATION RETURNS WITH RESPECT TO SAFE HARBOR LEASES.

26 USC 168 note.

(a) REQUIREMENT OF RETURN.—

Ante, p. 204.

(1) IN GENERAL.—Except as provided in paragraph (2), paragraph (8) of section 168(f) of the Internal Revenue Code of 1954 (relating to special rule for leases) shall not apply with respect to an agreement unless a return, signed by the lessor and lessee and containing the information required to be included in the return pursuant to subsection (b), has been filed with the Internal Revenue Service not later than the 30th day after the date on which the agreement is executed.

(2) SPECIAL RULES FOR AGREEMENTS EXECUTED BEFORE JANUARY 1, 1982.—

(A) IN GENERAL.—In the case of an agreement executed before January 1, 1982, such agreement shall cease on February 1, 1982, to be treated as a lease under section 168(f)(8) unless a return, signed by the lessor and containing the information required to be included in subsection (b), has been filed with the Internal Revenue Service not later than January 31, 1982.

(B) FILING BY LESSEE.—If the lessor does not file a return under subparagraph (A), the return requirement under subparagraph (A) shall be satisfied if such return is filed by the lessee before January 31, 1982.

(3) CERTAIN FAILURE TO FILE.—If—

(A) a lessor or lessee fails to file any return within the time prescribed by this subsection, and

(B) such failure is shown to be due to reasonable cause and not due to willful neglect,

the lessor or lessee shall be treated as having filed a timely return if a return is filed within a reasonable time after the failure is ascertained.

(b) INFORMATION REQUIRED.—The information required to be included in the return pursuant to this subsection is as follows:

(1) The name, address, and taxpayer identifying number of the lessor and the lessee (and parent company if a consolidated return is filed);

(2) The district director's office with which the income tax returns of the lessor and lessee are filed;

(3) A description of each individual property with respect to which the election is made;

(4) The date on which the lessee places the property in service, the date on which the lease begins and the term of the lease;

(5) The recovery property class and the ADR midpoint life of the leased property;

(6) The payment terms between the parties to the lease transaction;

(7) Whether the ACRS deductions and the investment tax credit are allowable to the same taxpayer;

(8) The aggregate amount paid to outside parties to arrange or carry out the transaction;

(9) For the lessor only: the unadjusted basis of the property as defined in section 168(d)(1);

Ante, p. 204.

(10) For the lessor only: if the lessor is a partnership or a grantor trust, the name, address, and taxpayer identifying number of the partners or the beneficiaries, and the district director's office with which the income tax return of each partner or beneficiary is filed; and

(11) Such other information as may be required by the return or its instructions.

Paragraph (8) shall not apply with respect to any person for any calendar year if it is reasonable to estimate that the aggregate adjusted basis of the property of such person which will be subject to subsection (a) for such year is $1,000,000 or less.

(c) COORDINATION WITH OTHER INFORMATION REQUIREMENTS.—In the case of agreements executed after December 31, 1982, to the extent provided in regulations prescribed by the Secretary of the Treasury or his delegate, the provisions of this section shall be modified to coordinate such provisions with the other information requirements of the Internal Revenue Code of 1954.

SEC. 113. EXPENSES IN CONNECTION WITH BUSINESS USE OF A HOME, ETC.

(a) RENTAL TO FAMILY MEMBERS AND SHARED EQUITY AGREEMENTS PERMITTED.—

(1) IN GENERAL.—Subsection (d) of section 280A (relating to disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc.) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

26 USC 280A.

"(3) RENTAL TO FAMILY MEMBER, ETC., FOR USE AS PRINCIPAL RESIDENCE.—

"(A) IN GENERAL.—A taxpayer shall not be treated as using a dwelling unit for personal purposes by reason of a rental arrangement for any period if for such period such dwelling unit is rented, at a fair rental, to any person for use as such person's principal residence.

"(B) SPECIAL RULES FOR RENTAL TO PERSON HAVING INTEREST IN UNIT.—

"(i) RENTAL MUST BE PURSUANT TO SHARED EQUITY FINANCING AGREEMENT.—Subparagraph (A) shall apply to a rental to a person who has an interest in the dwelling unit only if such rental is pursuant to a shared equity financing agreement.

"(ii) DETERMINATION OF FAIR RENTAL.—In the case of a rental pursuant to a shared equity financing agreement, fair rental shall be determined as of the time the agreement is entered into and by taking into account the occupant's qualified ownership interest.

"(C) SHARED EQUITY FINANCING AGREEMENT.—For purposes of this paragraph, the term 'shared equity financing agreement' means an agreement under which—

"(i) 2 or more persons acquire qualified ownership interests in a dwelling unit, and

"(ii) the person (or persons) holding 1 or more of such interests—

"(I) is entitled to occupy the dwelling unit for use as a principal residence, and

"(II) is required to pay rent to 1 or more other persons holding qualified ownership interests in the dwelling unit.

"(D) QUALIFIED OWNERSHIP INTEREST.—For purposes of this paragraph, the term 'qualified ownership interest' means an undivided interest for more than 50 years in the entire dwelling unit and appurtenant land being acquired in the transaction to which the shared equity financing agreement relates.".

26 USC 280A.

(2) DEFINITION OF QUALIFIED RENTAL PERIOD.—Subparagraph (B) of section 280A(d)(4) (defining qualified rental period), as redesignated by paragraph (1), is amended by striking out "to a person other than a member of the family (as defined in section 267(c)(4)) of the taxpayer".

(b) TREATMENT OF EXPENSES WHILE AWAY FROM HOME IN PURSUIT OF TRADE OR BUSINESS.—

"(1) IN GENERAL.—Subsection (f) of section 280A is amended by adding at the end thereof the following new paragraph:

"(4) COORDINATION WITH SECTION 162(a)(2), ETC.—

"(A) IN GENERAL.—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but is allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).

"(B) LIMITATION.—The Secretary shall prescribe amounts deductible (without substantiation) pursuant to the last sentence of section 162(a), but nothing in subparagraph (A) or any other provision of this title shall permit such a deduction for any taxable year of amounts in excess of the amounts determined to be appropriate under the circumstances.".

(c) PRINCIPAL PLACE OF BUSINESS APPLIES TO ANY TRADE OR BUSINESS.—Subparagraph (A) of section 280A(c)(1) (relating to certain business use) is amended to read as follows:

"(A) the principal place of business for any trade or business of the taxpayer.".

(d) REPAIR AND MAINTENANCE OF DWELLING UNIT.—The last sentence of paragraph (2) of section 280A(d) (relating to personal use of residence) is amended by inserting ", except that if the taxpayer is engaged in repair and maintenance on a substantially full time basis for any day, such authority shall not allow the Secretary to treat a dwelling unit as being used for personal use by the taxpayer on such day merely because other individuals who are on the premises on such day are not so engaged" after "paragraph".

26 USC 280A note.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1975, except that in the case of taxable years beginning after December 31, 1975, and

before January 1, 1980, the amendment made by this section shall apply only to taxable years for which, on the date of the enactment of this Act, the making of a refund, or the assessment of a deficiency, was not barred by law or any rule of law.

TITLE II—BENEFITS AMENDMENTS

Black Lung Benefits Amendments of 1981.

SHORT TITLE; GENERAL REFERENCE

SEC. 201. (a) This title may be cited as the "Black Lung Benefits Amendments of 1981". 30 USC 801 note.

(b) Except as otherwise specifically provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Black Lung Benefits Act.

ELIGIBILITY STANDARDS

SEC. 202. (a) The fourth sentence of subsection (b) of section 413 is amended by inserting immediately after the words "In any case" a comma and the following: "other than that involving a claim filed on or after the effective date of the Black Lung Benefits Amendments of 1981,". 30 USC 923.

(b)(1) Paragraphs (2) and (4) of subsection (c) of section 411 are each amended by inserting a new sentence at the end of each as follows: "The provisions of this paragraph shall not apply with respect to claims filed on or after the effective date of the Black Lung Benefits Amendments of 1981.". 30 USC 921.

(2) Paragraph (5) of subsection (c) of section 411 is amended by inserting a new sentence at the end thereof as follows: "The provisions of this paragraph shall not apply with respect to claims filed on or after the day that is 180 days after the effective date of the Black Lung Benefits Amendments of 1981.".

(c) The third sentence of subsection (b) of section 413 is amended by inserting immediately after the word "affidavits" a comma and the following: "from persons not eligible for benefits in such case with respect to claims filed on or after the effective date of the Black Lung Benefits Amendments of 1981,". 30 USC 923.

(d) Section 430 is amended by striking the words "and by" and inserting in lieu thereof a comma, and by inserting immediately after the phrase "the Black Lung Benefits Reform Act of 1977" the phrase "and the Black Lung Benefits Amendments of 1981". 30 USC 940.

(e) The Secretary of Labor, in consultation with the Secretary of Health and Human Services, shall undertake a study of current medical methods for the diagnosis of pneumoconiosis, and of the nature and extent of impairment and disability that are attributable to the existence of both simple and complicated pneumoconiosis. The study, together with appropriate recommendations, shall be transmitted to the Congress no later than eighteen months after the effective date of this title. Study. 30 USC 901 note. Transmittal to Congress.

BENEFITS

SEC. 203. (a)(1) Section 412(a)(2) is amended by inserting immediately after the word "or" a comma and the following: "except with respect to a claim filed under part C of this title on or after the effective date of the Black Lung Benefits Amendments of 1981,". 30 USC 922. 30 USC 931.

(2) Section 412(a)(3) is amended by striking the first comma therein, and by inserting immediately after the word "or" the second time it

appears therein a comma and the following: "except with respect to a claim filed under part C of this title on or after the effective date of the Black Lung Benefits Amendments of 1981,".

30 USC 931.

30 USC 922.

(3) Section 412(a)(5) is amended by striking out the second comma therein, by striking out the phrase "of a miner" the third time it appears therein, and by inserting immediately after the word "or" the second time it appears therein a comma and the following: "except with respect to a claim filed under part C of this title on or after the effective date of the Black Lung Benefits Amendments of 1981,".

30 USC 901.

(4) Section 401(a) is amended by striking the phrase "or who were totally disabled by this disease at the time of their deaths" each time it appears.

30 USC 921.

(5) Section 411(a) is amended by inserting immediately after the word "or" a comma and the following: "except with respect to a claim filed under part C of this title on or after the effective date of the Black Lung Benefits Amendments of 1981,".

30 USC 932.

(6) Section 422(l) is amended by inserting immediately before the period at the end thereof a comma and the following: "except with respect to a claim filed under this part on or after the effective date of the Black Lung Benefits Amendments of 1981,".

(b) Subsection (g) of section 422 is amended by adding at the end thereof a new sentence as follows: "In addition, the amount of benefits payable under this section with respect to any claim filed on or after the effective date of the Black Lung Benefits Amendments of 1981 shall be reduced, on a monthly or other appropriate basis, by the amount by which such benefits would be reduced on account of excess earnings of such miner under section 203 (b) through (l) of the Social Security Act if the amount paid were a benefit payable under section 202 of such Act.".

42 USC 403.
42 USC 402.

Study.
30 USC 901 note.

(c) The Secretary of Labor shall undertake a study of the benefits provided by the Black Lung Benefits Act, other benefits received by individuals who receive benefits under that Act, and benefits which would be received were State workers' compensation programs applicable in lieu of benefits under that Act. The study, together with appropriate recommendations, shall be transmitted to the Congress no later than eighteen months after the effective date of this title.

Transmittal to Congress.

30 USC 922.

(d) Paragraph (1) of subsection (a) of section 412 is amended by deleting the phrase "50 per centum of the minimum monthly payment to which a Federal employee in grade GS-2, who is totally disabled, is entitled at the time of payment under chapter 81 of title 5, United States Code" and inserting in lieu thereof the phrase "37½ per centum of the monthly pay rate for Federal employees in grade GS-2, step 1".

5 USC 5332 note.

5 USC 8101 *et seq.*

INTEREST CHARGES

30 USC 932.

SEC. 204. Subsection (d) of section 422 is amended by adding two new sentences at the end thereof as follows: "If payment is not made within the time required, interest shall accrue to such amounts at the rates set forth in section 424(b)(5) of this title for interest owed to the fund. With respect to payments withheld pending final adjudication of liability, in the case of claims filed on or after the effective date of the Black Lung Benefits Amendments of 1981, such interest shall commence to accumulate 30 days after the date of the determination that such an award should be made.".

Ante, p. 1639.

SPECIAL CLAIMS

SEC. 205. (a)(1) Subsection (c) of section 422 is amended by inserting "(1)" after "pneumoconiosis", and by inserting before the period at the end thereof a semicolon and the following: "or (2) which was the subject of a claim denied before March 1, 1978, and which is or has been approved in accordance with the provisions of section 435". 30 USC 932. 30 USC 945.

(2) Subsection (j) of section 422 is amended by striking out "or" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or", and by adding at the end thereof the following:

"(3) in which there was a claim denied before March 1, 1978, and such claim is or has been approved in accordance with the provisions of section 435.".

(b) Section 402 is amended by inserting at the end thereof the following new paragraph: "Claim denied." 30 USC 902.

"(i) For the purposes of subsections (c) and (j) of section 422, and for the purposes of paragraph (7) of subsection (d) of section 9501 of the Internal Revenue Code of 1954, the term 'claim denied' means a claim— *Supra.* *Ante*, p. 1636.

"(1) denied by the Social Security Administration; or

"(2) in which (A) the claimant was notified by the Department of Labor of an administrative or informal denial more than 1 year prior to the date of enactment of the Black Lung Benefits Reform Act of 1977 and did not, within 1 year from the date of notification of such denial, request a hearing, present additional evidence or indicate an intention to present additional evidence, or (B) the claim was denied under the law in effect prior to the date of enactment of the Black Lung Benefits Reform Act of 1977 following a formal hearing or administrative or judicial review proceeding.". 30 USC 801 note.

EFFECTIVE DATE; SEPARABILITY

SEC. 206. (a) Except as otherwise provided, the provisions of this title shall take effect on January 1, 1982. 30 USC 901 note.

(b) If any provision of this title, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this title, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 5159:

HOUSE REPORT: No. 97-406, Pt. 1 (Comm. on Ways and Means).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House.
Dec. 16, considered and passed Senate, amended; House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-120
97th Congress

An Act

Dec. 29, 1981
[S. 657]

To designate the Department of Commerce Building in Washington, the District of Columbia, as the "Herbert Clark Hoover Department of Commerce Building".

Herbert Clark Hoover Department of Commerce Building. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the Department of Commerce Building at 14th Street and Constitution Avenue Northwest, in Washington, the District of Columbia, shall hereafter be known and designated as the "Herbert Clark Hoover Department of Commerce Building". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held to be a reference to the "Herbert Clark Hoover Department of Commerce Building".**

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 657:

SENATE REPORT No. 97-286 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 4, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-121
97th Congress

An Act

Making appropriations for foreign assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes.

Dec. 29, 1981
[H.R. 4559]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for foreign assistance and related programs for the fiscal year ending September 30, 1982, and for other purposes, namely:

Foreign Assistance and Related Programs Appropriations Act, 1982.

TITLE I—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the replenishment of the resources of the Fund for Special Operations, as authorized by the Act of June 3, 1980 (Public Law 96-259), $173,177,000 to remain available until expended; and $48,053,477, for the United States share of the increase in subscriptions to the paid-in capital stock, as authorized by the Act of June 3, 1980 (Public Law 96-259), to remain available until expended: *Provided,* That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

94 Stat. 429.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such increase in capital stock in an amount not to exceed $609,582,129.

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States share of the increase in subscriptions to the paid-in capital stock, as authorized by the International Financial Institutions Act,

Ante, p. 745.

$37,168,491, to remain available until expended, and $109,720,549 for the General Capital Increase, as authorized by section 39 of the Bretton Woods Agreements Act, to remain available until expended: *Provided,* That no such payment may be made while the United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

Ante, p. 740.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the International Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable portion of the United States share of such increases in capital stock in an amount not to exceed $1,687,728,491.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For payment to the International Finance Corporation by the Secretary of the Treasury, $14,447,900, for the United States share of the increase in subscriptions to capital stock, as authorized by the International Financial Institutions Act, to remain available until expended.

Ante, p. 745.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $700,000,000, for the second installment of the United States contribution to the sixth replenishment, as authorized by section 17 of the International Development Association Act, to remain available until expended: *Provided,* That no such payment may be made while the United States Executive Director to the International Bank for Reconstruction and Development is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while the alternate United States Executive Director to the Bank is compensated by the Bank at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code: *Provided further,* That the Secretary of the Treasury shall instruct the Executive Director to undertake negotiations to reallocate the development credits made available through the sixth replenishment to provide a more efficient distribution among recipient nations including a reduction in the maximum development credits provided to any given nation.

Ante, p. 740.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury, for the United States share of the increase in subscriptions to the paid-in capital stock, as authorized by the International Financial Institutions Act, $4,713,851, to remain available until expended; and for the United States contribution to the increase in

resources of the Asian Development Fund, as authorized by the Act of June 3, 1980 (Public Law 96-259), $108,250,000 to remain available until expended; and as authorized by the International Financial Institutions Act, $7,847,869, to remain available until expended: *Provided*, That no such payment may be made while the United States Director of the Bank is compensated by the Bank at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to the Bank is compensated by the Bank in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

94 Stat. 429.

Ante, p. 745.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such increase in capital stock in an amount not to exceed $42,632,409.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For payment to the African Development Fund by the Secretary of the Treasury, $58,333,333, as authorized by the Act of June 3, 1980 (Public Law 96-259), for the United States contribution to the second replenishment of the African Development Fund, to remain available until expended.

94 Stat. 429.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $215,438,000: *Provided*, That no funds shall be available for the United Nations Fund for Science and Technology or the United Nations Decade for Women: *Provided further*, That not less than $126,750,000 shall be available only for the United Nations Development Program: *Provided further*, That not more than $41,500,000 shall be available for the United Nations Children's Fund: *Provided further*, That not more than $7,850,000 shall be available for the United Nations Environment Program.

22 USC 2221.
22 USC 287 note.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1982, unless otherwise specified herein, as follows:

22 USC 2151 note.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Agriculture, rural development, and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, $700,000,000: *Provided*, That of this amount the funds

22 USC 2151a.

provided for loans shall remain available for obligation until September 30, 1983.

22 USC 2151b.

Population, Development Assistance: For necessary expenses to carry out the provisions of section 104(b), $211,000,000: *Provided,* That of this amount the funds provided for loans shall remain available for obligation until September 30, 1983: *Provided further,* That none of the funds appropriated under this heading may be available for the World Health Organization's Special Program of Research, Development and Research Training in Human Reproduction.

Health, Development Assistance: For necessary expenses to carry out the provisions of section 104(c), $133,405,000: *Provided,* That of this amount the funds provided for loans shall remain available for obligation until September 30, 1983.

22 USC 2151c.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, $103,550,000: *Provided,* That $4,000,000 of this amount shall be available only for scholarships for South African students in accordance with the last sentence of section 105(a) of the Foreign Assistance Act of 1961 (as added by title III of the International Security and Development Cooperation Act of 1981): *Provided further,* That of this amount the funds provided for loans shall remain available for obligation until September 30, 1983.

Ante, p. 1532.

22 USC 2151d, 2151e.

Energy and selected development activities, Development Assistance: For necessary expenses to carry out the provisions of sections 106 and 107, $137,200,000: *Provided,* That of this amount the funds provided for loans shall remain available for obligation until September 30, 1983.

Science and technology, Development Assistance: For necessary expenses to carry out the provisions of sections 106–107, $10,000,000: *Provided,* That the amounts provided for loans to carry out the purposes of this paragraph shall remain available for obligation until September 30, 1983.

22 USC 2151a–2151e.

Loan allocation, Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of sections 103 through 107, not less than 30 percent shall be available for loans for the fiscal year 1982: *Provided,* That loans made pursuant to this authority to countries whose annual per capita gross national product is greater than $730 but less than $1,180 shall be repayable within twenty-five years following the date on which funds are initially made available under such loans and loans to countries whose annual per capita gross national product is greater than or equal to $1,180 shall be repayable within twenty years following the date on which funds are initially made available under such loans.

22 USC 2174.

American schools and hospitals abroad: For necessary expenses to carry out the provisions of section 214, $20,000,000.

22 USC 2292.

International disaster assistance: For necessary expenses to carry out the provisions of section 491, $27,000,000: *Provided,* That of the funds appropriated under this paragraph, not less than $10,000,000 shall be used for earthquake relief and reconstruction in southern Italy.

Sahel development program.
22 USC 2151s.

Sahel development program: For necessary expenses to carry out the provisions of section 121, $93,757,500, to remain available until expended: *Provided,* That no part of such appropriation may be available to make any contribution of the United States to the Sahel development program in excess of 10 per centum of the total contributions to such program: *Provided further,* That of such amount, $2,000,000 shall be used for the African Development Foundation

and, in addition, the unobligated balances as of September 30, 1981, of funds heretofore made available for the African Development Foundation are hereby continued available for the fiscal year 1982 for use for the African Development Foundation.

Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $32,552,000. 94 Stat. 2071.

Economic support fund: For necessary expenses to carry out the provisions of chapter 4 of part II, $2,576,000,000: *Provided,* That of the funds appropriated under this paragraph, not less than $806,000,000 shall be available for Israel, not less than $771,000,000 shall be available for Egypt: *Provided further,* That no funds provided for the Special Requirements Fund shall be obligated or expended without the prior written approval of the Appropriations Committees of both Houses of Congress: *Provided further,* That not less than $100,000,000 shall be available for Sudan, not less than $5,000,000 for Poland, not less than $5,000,000 for Tunisia, and not less than $20,000,000 for Costa Rica: *Provided further,* That not more than $15,000,000 shall be available for Cyprus. 22 USC 3901 note. 22 USC 2346.

Peacekeeping operations: For necessary expenses to carry out the provisions of section 551, $14,000,000. 22 USC 2348.

Operating expenses of the Agency for International Development: For necessary expenses to carry out the provisions of section 667, $331,000,000: *Provided,* That not more than $20,000,000 of this amount shall be for Foreign Affairs Administrative Support. 22 USC 2427.

Trade and development: For necessary expenses to carry out the provisions of section 661, $6,907,000, to remain available until expended. 22 USC 2421.

Housing and other credit guaranty programs: During the fiscal year 1982, total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal.

International narcotics control: For necessary expenses to carry out the provisions of section 481, $36,700,000: *Provided,* That these and other funds heretofore made available for international narcotics control may be used in accordance with the provisions of H.R. 3566, as reported May 19, 1981. 22 USC 2291. *Ante,* p. 1519.

USE OF CERTAIN POLISH CURRENCIES

Subject to the enactment of authorizing legislation, during the fiscal year 1982, the equivalent in currency or credit of $70,000,000 in Polish zlotys (received by the United States from the April 1981 sale of United States Government-held dairy products to Poland) shall be available for use in Poland to serve United States interests, including use for activities of common benefit to the people of the United States and the people of Poland, such as joint programs in energy, agriculture, education, science, health, and culture, or for humanitarian activities.

INTER-AMERICAN FOUNDATION

For expenses necessary to carry out the functions of the Inter-American Foundation in accordance with the provisions of section 401 of the Foreign Assistance Act of 1969, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, $12,000,000. 22 USC 290f. 31 USC 849.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed $8,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

During the fiscal year 1982 and within the resources and authority available, gross obligations for the amount of direct loans shall not exceed $10,000,000.

During the fiscal year 1982, total commitments to guarantee loans shall not exceed $100,000,000 of contingent liability for loan principal.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $105,000,000: *Provided,* That none of the funds appropriated in this paragraph shall be used to pay for abortions.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980, allowances as authorized by sections 5921 through 5925 of title 5, United States Code; hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $503,000,000: *Provided,* That $30,000,000 of this amount shall be transferred to the Agency for International Development to be used only for resettlement services and facilities for refugees and displaced persons in Africa: *Provided further,* That $5,000,000 of this amount shall be used for assistance for persons displaced by strife in El Salvador as provided in H.R. 3566 as reported May 19, 1981: *Provided further,* That these funds shall be administered in a manner that insures equity in the treatment of all refugees receiving Federal assistance: *Provided further,* That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere: *Provided further,* That not more than $7,426,000 of the funds appropriated under this heading shall be available for the administrative expenses of the Office of Refugee Programs of the Department of State.

94 Stat. 2071.
22 USC 3901 note.

Ante, p. 1519.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

MILITARY ASSISTANCE

For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, $176,512,000, to remain available for obligation until September 30, 1983. 22 USC 2311.

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $38,488,000. 22 USC 2347.

FOREIGN MILITARY CREDIT SALES

For expenses necessary to enable the President to carry out the provisions of sections 23 and 24 of the Arms Export Control Act, $750,000,000 of which not less than $550,000,000 shall be allocated to Israel and not less than $200,000,000 shall be allocated for Egypt: *Provided,* That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than $1,400,000,000 shall be allocated to Israel. 22 USC 2763, 2764.

During the fiscal year 1982 and within the resources and authority available, gross obligations for the principal amount of direct loans, exclusive of loan guaranty defaults, shall not exceed $750,000,000.

During the fiscal year 1982, total commitments to guarantee loans shall not exceed $3,083,500,000 of contingent liability for loan principal.

TITLE IV—EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation: *Provided,* That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act. 31 USC 849. 21 UST 483.

LIMITATION ON PROGRAM ACTIVITY

During the fiscal year 1982 and within the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed $4,400,000,000. During the fiscal year 1982, total commitments to guarantee loans shall not exceed $9,220,000,000 of contingent liability for loan principal.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $15,115,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles and services as authorized by section 3109 of title 5, United States Code, and not to exceed $16,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Export-Import Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Export-Import Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes of this paragraph.

TITLE V—GENERAL PROVISIONS

Water or related land resource projects.

SEC. 501. None of the funds appropriated in this Act (other than funds appropriated for "International organizations and programs") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America under the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973.

SEC. 502. Except for the appropriations entitled "International disaster assistance", "United States emergency refugee and migration assistance fund" and the special requirements fund within the appropriations entitled "Military Assistance" and the special requirements fund within the appropriations entitled "Economic support fund", not more than 15 per centum of any appropriation item made available by this Act for the fiscal year 1982 shall be obligated or reserved during the last month of availability.

Pensions, annuities and certain compensation payments.

SEC. 503. None of the funds appropriated in this Act nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Procurement contracts, payment prohibition. 22 USC 2151 note.

SEC. 504. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

United Nations members, assessments, payment prohibition.

SEC. 505. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

SEC. 506. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

22 USC 2169.

SEC. 507. Of the funds appropriated or made available pursuant to this Act, not to exceed $110,000 shall be for official residence expenses of the Agency for International Development during the fiscal year 1982: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

Official residence expenses.

SEC. 508. Of the funds appropriated or made available pursuant to this Act, not to exceed $10,000 shall be for entertainment expenses of the Agency for International Development during fiscal year 1982.

Entertainment expenses.

SEC. 509. Of the funds appropriated or made available pursuant to this Act, not to exceed $100,000 shall be for representation allowances of the Agency for International Development during fiscal year 1982: *Provided,* That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further,* That of the total funds made available by this Act under the headings "Military Assistance" and "Foreign Military Credit Sales", not to exceed $2,500 shall be available for entertainment expenses and not to exceed $70,000 shall be available for representation allowances: *Provided further,* That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed $125,000 shall be available for entertainment allowances: *Provided further,* That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,500 shall be available for entertainment and representation allowances: *Provided further,* That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses.

Representation allowances.

SEC. 510. None of the funds appropriated or made available (other than funds for "International organizations and programs") pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to finance the export of nuclear equipment, fuel, or technology or to provide assistance for the training of foreign nationals in nuclear fields.

Nuclear material, assistance prohibition.
22 USC 2151 note.

SEC. 511. Funds appropriated by this Act may not be obligated or expended to provide assistance to any country for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights.

Human rights.

SEC. 512. None of the funds appropriated or made available pursuant to this Act shall be obligated or expended to finance directly any assistance to Mozambique, except that the President may waive this prohibition if he determines, and so reports to the Congress, that furnishing such assistance would further the foreign policy interests of the United States.

Mozambique, assistance prohibition.

SEC. 513. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Libya, Iraq, or South Yemen. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Angola, Cambodia, Cuba, Laos, the Socialist Republic of Vietnam, or Syria.

Assistance prohibition to certain countries.

SEC. 514. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated without the written prior approval of the Appropriations Committees of both Houses of the Congress.

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Publicity or propaganda.

SEC. 515. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress.

Appropriation expiration.

SEC. 516. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act.

Countries in default.

SEC. 517. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act.

Certain international financial institutions.

SEC. 518. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States representative cannot upon request obtain the amounts and the names of borrowers for all loans of the international financial institution, including loans to employees of the institution, or the compensation and related benefits of employees of the institution.

SEC. 519. None of the funds appropriated or made available pursuant to this Act shall be available to any international financial institution whose United States representative cannot upon request obtain any document developed by the management of the international financial institutions.

Governments aiding war criminals or international terrorists.

SEC. 520. None of the funds appropriated or otherwise made available by this Act to the Export-Import Bank and funds appropriated by this Act for direct foreign assistance may be obligated for any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed or is being sought by any other government for prosecution for any war crime or an act of international terrorism, unless the President finds that the national security requires otherwise.

Foreign commodities production, expansion assistance.

SEC. 521. None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity.

Surplus commodities on world markets.
22 USC 262h.

SEC. 522. The Secretary of the Treasury shall instruct the United States executive directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production of any commodity for export, if it is in surplus on

world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

SEC. 523. None of the funds made available under this Act for "Agriculture, rural development, and nutrition, Development Assistance," "Population, Development Assistance," "Health, Development Assistance," "Education and human resources development, Development Assistance," "Energy, private voluntary organizations, and selected development activities, Development Assistance," "Science and technology, Development Assistance," "International organizations and programs," "American schools and hospitals abroad," "Trade and development program," "Sahel development program," "International narcotics control," "Economic support fund," "Peacekeeping operations," "Operating Expenses of the Agency for International Development," "Military assistance," "International military education and training," "Foreign military credit sales," "Inter-American Foundation," "Peace Corps," or "Migration and refugee assistance," shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operation not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings for the fiscal year 1982 unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance.

SEC. 524. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Abortions, prohibition.

SEC. 525. None of the funds appropriated under this Act may be used to lobby for abortion.

Short title.

This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1982".

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4559 (S. 1802):

HOUSE REPORTS: No. 97-245 (Comm. on Appropriations) and No. 97-416 (Comm. of Conference).

SENATE REPORT No. 97-266 accompanying S. 1802 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 127 (1981):

Nov. 17, S. 1802 considered and passed Senate.

Dec. 10, 11, considered and passed House.

Dec. 11, considered and passed Senate, amended, in lieu of S. 1802.

Dec. 16, House and Senate agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):

Dec. 29, Presidential statement.

Public Law 97-122
97th Congress

An Act

Dec. 29, 1981
[H.R. 4431]

To provide for the designation of the E. Michael Roll Post Office.

E. Michael Roll Post Office. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, as soon as practicable after the date of the enactment of this Act, the Postmaster General shall—

(1) designate the post office located at 6400 Marlboro Pike, Forestville, Maryland, as the "E. Michael Roll Post Office"; and

(2) install in such post office, in a place in open view of the public, an appropriate plaque indicating the designation of the post office pursuant to this Act.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4431:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 23, considered and passed House.
Dec. 15, considered and passed Senate.

Public Law 97-123
97th Congress

An Act

To amend the Omnibus Reconciliation Act of 1981 to restore minimum benefits under the Social Security Act.

Dec. 29, 1981
[H.R. 4331]

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

Social Security Act, amendment.

INTERFUND BORROWING

SECTION 1. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

42 USC 401.

"(l)(1) If at any time prior to January 1983 the Managing Trustee determines that borrowing authorized under this subsection is appropriate in order to best meet the need for financing the benefit payments from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, the Managing Trustee may borrow such amounts as he determines to be appropriate from the other such Trust Fund, or from the Federal Hospital Insurance Trust Fund established under section 1817, for transfer to and deposit in the Trust Fund whose need for financing is involved.

42 USC 1395i.

"(2) In any case where a loan has been made to a Trust Fund under paragraph (1), there shall be transferred from time to time, from the borrowing Trust Fund to the lending Trust Fund, interest with respect to the unrepaid balance of such loan at a rate equal to the rate which the lending Trust Fund would earn on the amount involved if the loan were an investment under subsection (d).

Interest.

"(3) If in any month after a loan has been made to a Trust Fund under paragraph (1), the Managing Trustee determines that the assets of such Trust Fund are sufficient to permit repayment of all or part of any loans made to such Fund under paragraph (1), he shall make such repayments as he determines to be appropriate.

Repayments.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (including interest payments) under this subsection.".

Report to Congress.

(b) Section 1817 of such Act is amended by adding at the end thereof the following new subsection:

42 USC 1395i.

"(j)(1) If at any time prior to January 1983 the Managing Trustee determines that borrowing authorized under this subsection is appropriate in order to best meet the need for financing the benefit payments from the Federal Hospital Insurance Trust Fund, the Managing Trustee may borrow such amounts as he determines to be appropriate from either the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund for transfer to and deposit in the Federal Hospital Insurance Trust Fund.

"(2) In any case where a loan has been made to the Federal Hospital Insurance Trust Fund under paragraph (1), there shall be transferred from time to time, from such Trust Fund to the lending Trust Fund, interest with respect to the unrepaid balance of such loan at a rate equal to the rate which the lending Trust Fund would earn on the amount involved if the loan were an investment under subsection (c).

Interest

Repayments.

"(3) If in any month after a loan has been made to the Federal Hospital Insurance Trust Fund under paragraph (1), the Managing Trustee determines that the assets of such Trust Fund are sufficient to permit repayment of all or part of any loans made to such Fund under paragraph (1), he shall make such repayments as he determines to be appropriate.

Report to Congress.

"(4) The Board of Trustees shall make a timely report to the Congress of any amounts transferred (including interest payments) under this subsection.".

Effective date. 42 USC 401 note.

(c) The amendments made by this section shall be effective on the date of the enactment of this Act.

CONTINUATION OF MINIMUM BENEFITS FOR EXISTING BENEFICIARIES

Ante, p. 830.

SEC. 2. (a)(1) Section 215(a)(5) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended—

(A) in the first sentence, by striking out ", and the table for determining primary insurance amounts and maximum family benefits contained in this section in December 1978 shall be modified as specified in paragraph (6)"; and

(B) in the last sentence, by striking out ", modified by the application of paragraph (6),".

(2) Section 215(a)(6)(A) of the Social Security Act (as added by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is amended by striking out "The table of benefits" and all that follows down through "shall be extended" and inserting in lieu thereof the following "In applying the table of benefits in effect in December 1978 under this section for purposes of the last sentence of paragraph (4), such table, revised as provided by subsection (i), as applicable, shall be extended".

(b) Section 215(f)(7) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended—

(1) by striking out the period at the end of the second sentence and inserting in lieu thereof ", and (effective January 1982) the recomputation shall be modified by the application of subsection (a)(6) where applicable."; and

(2) by striking out the last sentence.

(c) Section 215(i)(2)(A)(iii) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended by inserting after "this title" the following: "and, with respect to a primary insurance amount determined under subsection (a)(1)(C)(i)(I) in the case of an individual to whom that subsection (as in effect in December 1981) applied, subject to the provisions of subsection (a)(1)(C)(i) and clauses (iv) and (v) of this subparagraph (as then in effect)".

(d) Section 215(i)(4) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended by striking out ", modified by the application of subsection (a)(6)," each place it appears.

Ante, p. 830.

(e) Section 202(q) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended—

(1) in paragraph (4), by striking out "changed" and "change" each place they appear and inserting in lieu thereof "increased" and "increase", respectively; and

(2) in paragraph (10), by striking out "changed", "change", and "changes" each place they appear and inserting in lieu thereof "increased", "increase", and "increases", respectively.

(f) Section 203(a)(8) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended by striking out ", modified by the application of section 215(a)(6),". *Ante*, p. 830.

(g) Section 217(b)(1) of the Social Security Act (as amended by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is further amended by striking out ", and as modified by the application of section 215(a)(6),".

(h) Section 1622 of the Social Security Act (as added by section 2201 of the Omnibus Budget Reconciliation Act of 1981) is repealed. Repeal. *Ante*, p. 830.

(i) Subsection (e) of section 2201 of the Omnibus Budget Reconciliation Act of 1981 is repealed. 42 USC 415 note. *Ante*, p. 830.

(j)(1) Subsection (h) of section 2201 of the Omnibus Budget Reconciliation Act of 1981 is repealed, effective September 1, 1981. 42 USC 1382 note.

(2) Except as provided in paragraphs (3) and (4), the amendments made by section 2201 of the Omnibus Budget Reconciliation Act of 1981 (other than subsection (f) thereof), together with the amendments made by the preceding subsections of this section, shall apply with respect to benefits for months after December 1981; and the amendment made by subsection (f) of such section 2201 shall apply with respect to deaths occurring after December 1981. 42 USC 415 note.

(3) Such amendments shall not apply—

(A) in the case of an old-age insurance benefit, if the individual who is entitled to such benefit first became eligible (as defined in section 215(a)(3)(B) of the Social Security Act) for such benefit before January 1982, 42 USC 415.

(B) in the case of a disability insurance benefit, if the individual who is entitled to such benefit first became eligible (as so defined) for such benefit before January 1982, or attained age sixty-two before January 1982,

(C) in the case of a wife's or husband's insurance benefit, or a child's insurance benefit based on the wages and self-employment income of a living individual, if the individual on whose wages and self-employment income such benefit is based is entitled to an old-age or disability insurance benefit with respect to which such amendments do not apply, or

(D) in the case of a survivors insurance benefit, if the individual on whose wages and self-employment income such benefit is based died before January 1982, or dies in or after January 1982 and at the time of his death is eligible (as so defined) for an old-age or disability insurance benefit with respect to which such amendments do not apply.

(4) In the case of an individual who is a member of a religious order (within the meaning of section 3121(r)(2) of the Internal Revenue Code of 1954), or an autonomous subdivision of such order, whose members are required to take a vow of poverty, and which order or subdivision elected coverage under title II of the Social Security Act before the date of the enactment of this Act, or who would be such a member except that such individual is considered retired because of old age or total disability, paragraphs (2) and (3) shall apply, except that each reference therein to "December 1981" or "January 1982"shall be considered a reference to "December 1991" or "January 1992", respectively. 26 USC 3121. 42 USC 401.

EXTENSION OF COVERAGE TO FIRST SIX MONTHS OF SICK PAY

42 USC 409.

SEC. 3. (a) Clause (2) of section 209(b) of the Social Security Act is amended by inserting immediately after "sickness or accident disability" the following: "(but, in the case of payments made to an employee or any of his dependents, this clause shall exclude from the term 'wages' only payments which are received under a workmen's compensation law)".

26 USC 3121.
26 USC 3126.

(b)(1) Subparagraph (B) of section 3121(a)(2) of the Internal Revenue Code of 1954 (defining wages for purposes of the Federal Insurance Contributions Act) is amended to read as follows:

"(B) sickness or accident disability (but, in the case of payments made to an employee or any of his dependents, this subparagraph shall exclude from the term 'wages' only payments which are received under a workmen's compensation law), or".

(2) Section 3121(a) of such Code is further amended by adding at the end thereof (after and below paragraph (18)) the following new sentence:

"Except as otherwise provided in regulations prescribed by the Secretary, any third party which makes a payment included in wages solely by reason of the parenthetical matter contained in subparagraph (B) of paragraph (2) shall be treated for purposes of this chapter and chapter 22 as the employer with respect to such wages."

26 USC 3201 *et seq.*
26 USC 3231.
26 USC 3233.

(c) Subsection (e) of section 3231 of such Code (defining compensation for purposes of the Railroad Retirement Tax Act) is amended by adding at the end thereof the following new paragraph:

"(4)(A) For purposes of applying sections 3201(b) and 3221(b) (and so much of section 3211(a) as relates to the rates of the taxes imposed by sections 3101 and 3111), in the case of payments made to an employee or any of his dependents on account of sickness or accident disability, clause (i) of the second sentence of paragraph (1) shall exclude from the term 'compensation' only—

"(i) payments which are received under a workmen's compensation law, and

"(ii) benefits received under the Railroad Retirement Act of 1974.

45 USC 231t.

"(B) Notwithstanding any other provision of law, for purposes of the sections specified in subparagraph (A), the term 'compensation' shall include benefits paid under section 2(a) of the Railroad Unemployment Insurance Act for days of sickness, except to the extent that such sickness (as determined in accordance with standards prescribed by the Railroad Retirement Board) is the result of on-the-job injury.

45 USC 352.

"(C) Under regulations prescribed by the Secretary, subparagraphs (A) and (B) shall not apply to payments made after the expiration of a 6-month period comparable to the 6-month period described in section 3121(a)(4).

"(D) Except as otherwise provided in regulations prescribed by the Secretary, any third party which makes a payment included in compensation solely by reason of subparagraph (A) or (B) shall be treated for purposes of this chapter as the employer with respect to such compensation."

26 USC 3121 note.
26 USC 3121. *Supra.*

(d)(1) The regulations prescribed under the last sentence of section 3121(a) of the Internal Revenue Code of 1954, and the regulations prescribed under subparagraph (D) of section 3231(e)(4) of such Code, shall provide procedures under which, if (with respect to any employee) the third party promptly—

(A) withholds the employee portion of the taxes involved,

(B) deposits such portion under section 6302 of such Code, and 26 USC 6302.

(C) notifies the employer of the amount of the wages or compensation involved,

the employer (and not the third party) shall be liable for the employer portion of the taxes involved and for meeting the requirements of section 6051 of such Code (relating to receipts for employees) with respects to the wages or compensation involved.

(2) For purposes of paragraph (1)— Definitions.

(A) the term "employer" means the employer for whom services are normally rendered,

(B) the term "taxes involved" means, in the case of any employee, the taxes under chapters 21 and 22 which are payable solely by reason of the parenthetical matter contained in subparagraph (B) of section 3121(a)(2) of such Code, or solely by reason of paragraph (4) of section 3231(e) of such Code, and 26 USC 3101 *et seq.*, 3201 *et seq.*

(C) the term "wages or compensation involved" means, in the case of any employee, wages or compensation with respect to which taxes described in subparagraph (B) are imposed.

(e) For purposes of applying section 209 of the Social Security Act, section 3121(a) of the Internal Revenue Code of 1954, and section 3231(e) of such Code with respect to the parenthetical matter contained in section 209(b)(2) of the Social Security Act or section 3121(a)(2)(B) of the Internal Revenue Code of 1954, or with respect to section 3231(e)(4) of such Code (as the case may be), payments under a State temporary disability law shall be treated as remuneration for service. 26 USC 3121 note. 42 USC 409. 26 USC 3121.

(f) Notwithstanding any other provision of law, no penalties or interest shall be assessed on account of any failure to make timely payment of taxes, imposed by section 3101, 3111, 3201(b), 3211, or 3221(b) of the Internal Revenue Code of 1954 with respect to payments made for the period beginning January 1, 1982, and ending June 30, 1982, to the extent that such taxes are attributable to this section (or the amendments made by this section) and that such failure is due to reasonable cause and not to willful neglect. 26 USC 3101 note. 26 USC 3101, 3111, 3201, 3211, 3221.

(g)(1) Except as provided in paragraph (2), this section (and the amendments made by this section) shall apply to remuneration paid after December 31, 1981. 26 USC 3121 note.

(2) This section (and the amendments made by this section) shall not apply with respect to any payment made by a third party to an employee pursuant to a contractual relationship of an employer with such third party entered into before December 14, 1981, if—

(A) coverage by such third party for the group in which such employee falls ceases before March 1, 1982, and

(B) no payment by such third party is made to such employee under such relationship after February 28, 1982.

PENALTIES FOR MISUSE OF SOCIAL SECURITY NUMBERS

SEC. 4. (a) Section 208(g) of the Social Security Act is amended— 42 USC 408.

(1) by inserting "or for the purpose of obtaining anything of value from any person," before "or for any other purpose" in the matter preceding paragraph (1); and

(2) by adding after paragraph (2) the following new paragraph:

"(3) knowingly alters a social security card issued by the Secretary, buys or sells a card that is, or purports to be, a card so issued, counterfeits a social security card, or possesses a social

security card or counterfeit social security card with intent to sell or alter it; or".

42 USC 408.

(b) Section 208 of such Act is further amended by striking out "shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000 or imprisoned for not more than one year, or both" in the matter following subsection (h) and inserting in lieu thereof "shall be guilty of a felony and upon conviction thereof shall be fined not more than $5,000 or imprisoned for not more than five years, or both".

Effective date.
42 USC 408 note.

(c) The amendments made by subsections (a) and (b) shall be effective with respect to violations committed after the date of the enactment of this Act.

STATUTORY DEADLINE FOR IMPLEMENTING AFDC HOME HEALTH AIDE DEMONSTRATION PROJECTS

42 USC 632a.
Ante, p. 802.

SEC. 5. The last sentence of subsection (c)(2) of section 966 of the Omnibus Reconciliation Act of 1980 (as added by section 2156 of the Omnibus Budget Reconciliation Act of 1981) is amended by inserting "with at least seven States" after "agreements".

INFORMATION WITH RESPECT TO PRISONERS

42 USC 423.

SEC. 6. Section 223(f) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Secretary, upon written request, the name and social security account number of any individual who is confined in a jail, prison, or other penal institution or correctional facility under the jurisdiction of such agency, pursuant to his conviction of an offense which constituted a felony under applicable law, which the Secretary may require to carry out the provisions of this subsection.".

REPORT TO CONGRESS

SEC. 7. The Secretary of Health and Human Services shall report to the Congress within ninety days after the date of the enactment of this Act with respect to the actions being taken to prevent payments from being made under title II of the Social Security Act to deceased individuals, including to the extent possible the use of the death records available under the medicare program to screen the cash benefit rolls for such deceased individuals. 42 USC 401.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4331:

HOUSE REPORT No. 97-409 (Comm. of Conference).
CONGRESSIONAL RECORD, Vol. 127 (1981):
July 31, considered and passed House.
July 31, Oct. 14, 15, considered and passed Senate, amended.
Dec. 15, Senate agreed to conference report.
Dec. 16, House agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-124
97th Congress

An Act

Dec. 29, 1981
[H.R. 3799]

To extend the Federal tort claims provisions of title 28, United States Code, to acts or omissions of members of the National Guard, and to provide that the remedy under those provisions shall be exclusive in medical malpractice actions involving members of the National Guard.

Federal tort claim provisions for National Guard members.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2671 of title 28, United States Code, is amended—

(1) in the second paragraph, by inserting "members of the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32," after "naval forces of the United States,"; and

(2) in the third paragraph, by inserting "or a member of the National Guard as defined in section 101(3) of title 32" immediately after "United States".

SEC. 2. Section 1089(a) of title 10, United States Code, is amended by inserting "the National Guard while engaged in training or duty under section 316, 502, 503, 504, or 505 of title 32," after "armed forces,".

Repeal.

SEC. 3. Section 334 of title 32, United States Code, and the item relating to such section in the section analysis of chapter 3 of such title, are repealed.

10 USC 1089 note.

SEC. 4. The amendments made by this Act and the repeal made by section 3 of this Act shall apply only with respect to claims arising on or after the date of the enactment of this Act.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 3799 (S. 267):

HOUSE REPORT No. 97-384, Pt. 1 (Comm. on the Judiciary).
SENATE REPORT No. 97-297 accompanying S. 267 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House.
Dec. 16, considered and passed Senate, in lieu of S. 267.

Public Law 97-125
97th Congress

An Act

To amend the National Visitor Center Facilities Act of 1968 to provide for the rehabilitation and completion of Union Station in Washington, District of Columbia, and for other purposes.

Dec. 29, 1981
[S. 1192]

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 "Union Station Redevelopment Act of 1981".

Union Station Redevelopment Act of 1981.
40 USC 801 note.
40 USC 811 note.

SEC. 2. The Congress finds and declares that—

(1) Union Station in Washington, District of Columbia, commissioned by Congress in 1903, designed by Daniel H. Burnham in monumental Beaux Arts style, and completed by the Washington Terminal Company in 1907, is an important historic and architectural landmark of the Nation's Capital;

(2) Union Station was built and used exclusively as a rail passenger station until Congress decided to make the historic Union Station building a National Visitor Center in 1968, allocating rail passenger operations to a replacement facility behind the historic building;

(3) the use of rail passenger service to and from Washington, District of Columbia, declining when the National Visitor Center Facilities Act of 1968 was enacted, has dramatically increased since that time with the advent of and substantial Federal investment in the National Railroad Passenger Corporation and the northeast corridor improvement project, justifying a reversal of the policy adopted 13 years ago;

40 USC 801 note.

(4) the historic Union Station building is now unsafe and unusable, and the replacement railroad station is inconvenient and inadequate for present and projected rail ridership demand;

(5) it is in the national interest to preserve the architectural features of Union Station and to provide in the Union Station complex a sound and fully operational transportation terminal;

(6) the Union Station complex and its vicinity present an opportunity for successful commercial development integrated with the transportation functions of the facility; and

(7) the purposes of this Act are to achieve the goals of historic preservation and improved rail use of Union Station with maximum reliance on the private sector and minimum requirement for Federal assistance.

SEC. 3. Title I of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 801 et seq.) is amended—

(1) by striking "National Visitor Center" in the caption of title I and inserting in lieu thereof "Union Station";

(2) by inserting a new caption "Subtitle A—National Visitor Center" immediately after the new title I caption; and

(3) by adding at the end of title I the following new subtitle:

"Subtitle B—Union Station Redevelopment

40 USC 811.

"SEC. 111. (a) Upon the request of the Secretary of Transportation, the Secretary shall assign to the Secretary of Transportation all of the Secretary's right, title, and interest in the Union Station complex, including all agreements and leases entered into under subtitle A of this title. Such assignment may reserve to the Secretary the right to lease space for visitor services, to the extent the Secretary and the Secretary of Transportation may agree. For purposes of this title, the "Union Station complex" shall include all the real property, air rights, and improvements leased by the Secretary under subtitle A of this title, together with any property acquired and all improvements made in accordance with this subtitle.

Roof installation.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall, not later than twelve months after the date of enactment of this subsection, complete the installation of new roofs and associated drainage systems on all existing roof surfaces of the historic Union Station building. Of funds appropriated to the Secretary under the construction appropriation for the National Park System for the fiscal year ending September 30, 1982, not less than $8,100,000 shall be available to and allocated by the Secretary for such roof work. In the event the assignment provided for in subsection (a) of this section occurs prior to completion of such roof work, the Secretary shall continue to be responsible for such roof work until its completion, except as the Secretary and the Secretary of Transportation may otherwise agree.

"(c) Prior to the assignment provided for in subsection (a) of this section, the Secretary shall permit the Secretary of Transportation to carry out or cause to be carried out the activities authorized by this subtitle or by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.).

"(d) After both the assignment provided for in subsection (a) of this section and the completion of the roof installation required by subsection (b) of this section, the Secretary shall be relieved of the authority and obligation under subtitle A of this title to construct and operate a National Visitor Center at Union Station. The provisions of subtitle A of this title shall thereafter be deemed superseded by any contrary or inconsistent provisions of subtitle B of this title.

40 USC 812.

"SEC. 112. The Secretary of Transportation shall provide for the rehabilitation and redevelopment of the Union Station complex primarily as a multiple-use transportation terminal serving the Nation's Capital, and secondarily as a commercial complex, in accordance with the following goals:

"(a) Preservation of the exterior facade and other historically and architecturally significant features of the Union Station building;

"(b) Restoration and operation of a portion of the historic Union Station building as a rail passenger station, together with holding facilities for charter, transit, and intercity buses in the Union Station complex;

"(c) Commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex; and

"(d) Withdrawal by the Federal Government from any active role in the operation and management of the Union Station complex as soon as practical and at the least possible Federal expense consistent with the goals set forth in subsections (a) through (c) of this section.

"SEC. 113. (a) There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to meet lease and other obligations, including maintenance requirements, incurred by the Secretary and assigned to the Secretary of Transportation under this subtitle. The Secretary shall transfer to the Secretary of Transportation at the time of such assignment such sums as may have been appropriated to the Secretary to meet such obligations and not yet expended as of the date of such assignment.

Appropriation authorization. 40 USC 813.

"(b) Notwithstanding the provisions of section 102(a)(5) of this title, the Secretary of Transportation is authorized to purchase for the United States any property that was leased by the Secretary under subtitle A of this title and assigned to the Secretary of Transportation under this subtitle. The purchase agreement for such property may provide for payment by the Secretary of Transportation over a term not to exceed six years. There are authorized to be appropriated to the Secretary of Transportation, in addition to the sums authorized by subsection (a) of this section, not to exceed $275,000 per year for not to exceed six years to carry out such purchase. Such purchase shall not be subject to the provisions of title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 et seq.).

40 USC 802.

"SEC. 114. (a) The Secretary of Transportation shall, on an emergency basis, carry out an engineering survey of all existing structures at the Union Station complex for the following purposes:

Engineering survey. 40 USC 814.

"(1) to determine those actions necessary or desirable to preserve the long-term structural integrity of, and provide functional utility systems for, the historic Union Station building;

"(2) in cooperation with Amtrak, to determine those actions necessary or desirable to restore rail passenger handling functions to the historic Union Station building and otherwise improve rail passenger service facilities at Union Station, including improved passenger access to the trains; and

"(3) to prepare detailed estimates of the costs of such rehabilitation and improvement.

"(b) Concurrently with the engineering survey required by subsection (a) of this section, the Secretary of Transportation, in cooperation with the National Railroad Passenger Corporation, shall carry out a planning and market feasibility study to assess the commercial development potential of the Union Station complex. Such study shall also include, but not be limited to, an assessment of the feasibility and desirability of:

Study.

"(1) providing passenger transportation services from Union Station to the commercial airports in the area;

"(2) constructing a heliport at or near the Union Station complex; and

"(3) relocating to office space in Union Station the offices of Federal or other public transportation agencies.

"(c) The Secretary of Transportation shall complete the engineering survey required by this section not later than six months after the date of enactment of this section, and shall complete the planning and market feasibility study required by this section not later than twelve months after the date of enactment of this section.

Survey completion.

"(d) Of amounts appropriated under section 704(a) (1) and (2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a) (1) and (2)), $1,000,000 shall be available to and be utilized by the Secretary of Transportation to carry out the purposes of subsections (a) and (b) of this section.

Report to Congress.

"(e) Within twelve months following the date of enactment of this section, the Secretary of Transportation shall submit a report to the Congress on the results of the engineering survey and planning and market feasibility studies carried out under this section. Such report shall be referred to the Committees on Commerce, Science, and Transportation and Environment and Public Works of the Senate and the Committees on Energy and Commerce and Public Works and Transportation of the House, respectively. Such report shall include a specific commitment of Federal funds for completion of the rehabilitation of the historic Union Station building, together with any necessary request for appropriations, in the amount determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section, from either or both of the following sources:

"(1) funds authorized to be appropriated and not yet appropriated under section 704(a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) that are in excess of the amounts set out in the last sentence of such section 704(a); and

"(2) funds programed or reprogramed from any other appropriation available to the Secretary of Transportation.

Funding prohibition.

Notwithstanding any other provision of this subsection, no funds from the Northeast Corridor Improvement Project and other rail or rail-related programs in excess of $29,000,000 shall be available for the completion of the rehabilitation of the historic Union Station building or other purposes determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section if within ninety calendar days of continuous session of the Congress after any request for such excess funds either the Committee on Energy and Commerce of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate disapproves of the availability of such excess funds for such purposes by majority vote. For purposes of this subsection, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period described in this subsection.

Development agreements. 40 USC 815.

"SEC. 115. (a) In order to achieve the goals set out in section 112 of this subtitle, the Secretary of Transportation is authorized to select and subsequently enter into one or more agreements (hereafter in this Act referred to as 'development agreements') with one or more responsible individuals, corporations, or other private entities with demonstrated experience in the financing, undertaking, and managing of commercial real estate development (hereafter in this Act referred to as 'developers').

Developer selection.

"(b) The Secretary of Transportation shall prescribe the procedures and criteria for selection of a developer for the Union Station complex: *Provided,* That no final developer selection shall be made unless and until at least two developers meeting minimum criteria prescribed by the Secretary of Transportation have submitted to the Secretary of Transportation specific design and financing proposals for the rehabilitation and redevelopment of the Union Station complex, and specific proposals for the acquisition, conveyance, or lease of real property. The Secretary of Transportation is directed to initiate discussions with potential developers as soon as possible following enactment of this section to assure the earliest possible selection of a developer or developers.

"(c) Development agreements entered into under this section shall be considered cooperative agreements for purposes of the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.). With respect to such development agreements, the Secretary of Transportation is authorized to modify or waive the application of regulations otherwise applicable to Federal or Department of Transportation financial assistance agreements, to the extent the Secretary of Transportation determines in his discretion to be necessary to accomplish the purposes of this subtitle at the lowest cost to the Federal Government. Development agreements.

"(d) The Secretary of Transportation is further authorized to enter into such other agreements and contracts, except any agreement or contract to sell property rights at the Union Station complex, with such persons, corporations, financial institutions, Federal, regional, or local agencies, or the Architect of the Capitol as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle. Any such agreement may be made assignable to a selected developer or developers of the Union Station complex.

"SEC. 116. (a)(1) The Secretary of Transportation is authorized to acquire for the United States, by lease, purchase, or otherwise, any interest in real property (including, without limitation, interests in the nature of easements or reservations) and any other property interest (including, without limitation, contract rights) in or relating or adjacent to the Union Station complex that the Secretary of Transportation deems necessary to carry out the purposes of this subtitle. 40 USC 816.

"(2) If the Secretary of Transportation determines that property under the jurisdiction of the Architect of the Capitol in squares 721 and 722 eastward of the historic Union Station building is necessary to carry out the purposes of this subtitle, the Secretary of Transportation may request assignment of such property to the use of the Secretary of Transportation, as a part of the Union Station complex, and subject to the provisions of this subtitle, and the Architect of the Capitol shall so assign such property.

"(b) Notwithstanding any other provision of law, the Secretary of Transportation is authorized to maintain, use, operate, manage, and lease, either directly, by contract, or through development agreements, any property interest held or acquired by the Secretary of Transportation for the United States under this subtitle, in such manner and subject to such terms, conditions, covenants, and easements as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle.

"SEC. 117. (a) The Secretary of Transportation is authorized to use income and proceeds received from activities authorized by this subtitle, including, without limitation, operating and leasing income and payments made to the Federal Government under development agreements, to pay expenses incurred by the Secretary of Transportation in carrying out the purposes of this subtitle, including, without limitation, construction, acquisition, leasing, operation, and maintenance expenses, and payments made to developers under development agreements. 40 USC 817.

"(b) A special deposit account is hereby established in the Treasury of the United States, to be known as the Union Station Fund, which shall be administered as a revolving fund. Such special deposit account shall be credited with receipts of the Secretary of Transportation from activities authorized by this subtitle and the balance in such special deposit account shall be available in such amounts as are Union Station Fund.

specified in annual appropriation Acts for making expenditures authorized by this subtitle.

Parking facility. 40 USC 818.

"SEC. 118. (a) Notwithstanding any other provision of title 23, United States Code, and other Acts pertaining to Federal-Aid Highways, the Secretary of Transportation shall immediately approve the completion of the parking facility, and associated ramps (including any necessary pedestrian access and walkways, escalators, elevators, moving sidewalk access, and connections) at Union Station, to be financed with interstate highway funds apportioned to the District of Columbia. To the extent necessary to complete such project, such apportionment shall not be subject to any obligation limitation enacted for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983. The amount of such apportionment necessary to complete such project, not to exceed $40,000,000, shall remain available to the District of Columbia until expended, without regard to the provisions of section 118(b) of title 23, United States Code. The Federal share shall be 100 per centum of the total cost of such project.

Parking facility, agreement.

"(b) Within sixty days of the enactment of this section, the Secretary of Transportation shall enter into an agreement with the District of Columbia's Department of Transportation for the Secretary of Transportation's administration of the project described in subsection (a) of this section. Such project agreement shall provide that all right, title, and interest in such parking facility shall remain in the United States. The rate of fees charged for use of the parking facility may exceed the rate required for maintenance and operation of the facility, and shall be established in a manner that encourages its use by rail passengers and participants in activities in the Union Station complex and area.

Agreement, release. 40 USC 819.

"SEC. 119. (a) The Secretary of Transportation is authorized, on such terms and conditions as he may prescribe, to release the Washington Terminal Company from any or all of its obligations under agreements and leases entered into under subtitle A of this title, including, without limitation, the obligation to construct a new railroad passenger station as provided in section 102(a)(4) of this title.

40 USC 802.

Waiver.

"(b) The Secretary of Transportation shall waive such statutory or contractual restrictions on the use of the parking structure and associated ramps described in section 118 of this subtitle as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

Supra.

"(c) The Secretary of Transportation is authorized to use funds appropriated under section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)(2)) to carry out the purposes of this subtitle without regard to the matching funds requirement of section 703(1)(B) of such Act (45 U.S.C. 853(1)(B)). Funds appropriated under section 704(a) of such Act may not be used for design, construction, or operation of a heliport at or near Union Station.

Funding prohibition.

Agreements.

"(d) The Architect of the Capitol is authorized to enter into agreements with the Secretary of Transportation or his designee or assign to furnish steam or chilled water or both from the Capitol Power Plant to the Union Station complex, at no expense to the legislative branch.".

Repeals.

SEC. 4. (a) The Act approved November 5, 1966 (Public Law 89-759) and section 108 of the National Visitor Center Facilities Act of 1968 (Public Law 90-264) are repealed.

(b) Section 102(b) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 802(b)) is amended by striking the word "title" and inserting in lieu thereof the word "subtitle".

SEC. 5. As used in section 502(a)(1)(B) of the Rail Passenger Service Act, the term "Amtrak Commuter" shall mean, with respect to the period prior to January 1, 1983, "Conrail".

"Amtrak Commuter."
45 USC 582 note.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1192:

SENATE REPORTS: No. 97-70 (Comm. on Commerce, Science, and Transportation) and No. 97-269 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 23, considered and passed Senate.
Dec. 16, considered and passed House.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-126
97th Congress

An Act

Dec. 29, 1981
[H.R. 2494]

To designate the John Archibald Campbell United States Courthouse.

John Archibald Campbell United States Courthouse. Designation.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That the building located at 113 Saint Joseph Street in Mobile, Alabama (commonly known as the Old Federal Building-Federal Courthouse), shall hereafter be known as the John Archibald Campbell United States Courthouse. Any reference in a law, map, regulation, document, record, or other paper of the United States to such building shall be held to be a reference to the John Archibald Campbell United States Courthouse.**

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 2494:

HOUSE REPORT No. 97-321 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 16, considered and passed House.
Dec. 16, considered and passed Senate.

Public Law 97-127
97th Congress

An Act

To provide for the final settlement of certain claims against Czechoslovakia, and for other purposes.

Dec. 29, 1981
[S. 1946]

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

Czechoslovakian Claims Settlement Act of 1981.

SHORT TITLE

SECTION 1. This Act may be cited as the "Czechoslovakian Claims Settlement Act of 1981".

22 USC note prec. 1642.

APPROVAL OF AGREEMENT

SEC. 2. (a) The Congress hereby approves the Agreement between the Government of the United States of America and the Government of the Czechoslovak Socialist Republic on the Settlement of Certain Outstanding Claims and Financial Issues, initialed at Prague, Czechoslovakia on November 6, 1981.

22 USC note prec. 1642.

(b) The President may, without further approval by the Congress, execute such technical revisions of the Agreement approved by subsection (a) of this section as in his judgment may from time to time be required to facilitate the implementation of that Agreement. Nothing in this subsection shall be construed to authorize any revision of that Agreement to reduce any amount to be paid by the Government of the Czechoslovak Socialist Republic to the United States Government under the Agreement, or to defer the payment of any such amount.

DEFINITIONS

SEC. 3. For the purposes of this Act—

22 USC note prec. 1642.

(1) "Agreement" means the Agreement on the Settlement of Certain Outstanding Claims and Financial Issues approved by section 2(a) of this Act;

(2) "national of the United States" has the meaning given such term by section 401(1) of the International Claims Settlement Act of 1949;

22 USC 1642.

(3) "Commission" means the Foreign Claims Settlement Commission of the United States;

(4) "Fund" means the Czechoslovakian Claims Fund established by section 402(b) of the International Claims Settlement Act of 1949;

22 USC 1642a.

(5) "Secretary" means the Secretary of the Treasury; and

(6) "property" means any property, right, or interest.

THE FUND

SEC. 4. (a) The Secretary shall cover into the Fund the amount paid by the Government of the Czechoslovak Socialist Republic in settlement and discharge of claims of nationals of the United States

22 USC note prec. 1642.

pursuant to article 1(1) of the Agreement, and shall deduct from that amount $50,000 for reimbursement to the United States Government for expenses incurred by the Department of the Treasury and the Commission in the administration of this Act and title IV of the International Claims Settlement Act of 1949. The amount so deducted shall be covered into the Treasury to the credit of miscellaneous receipts. The deduction required by this subsection shall be made in lieu of the deduction provided in section 402(e) of the International Claims Settlement Act of 1949; however, it is the sense of the Congress that the United States Government is entitled to a larger percentage of the total award (generally presumed to be 5 percent) and that the ex gratia payment hereinafter provided to certain claimants, who were otherwise excluded from sharing in this claims settlement under generally-accepted principles of international law and United States practice, is justified only by the extraordinary circumstances of this case and does not establish any precedent for future claims negotiations or payments.

22 USC 1642.

22 USC 1642a.

Accounts establishment.

(b) The Secretary shall establish three accounts in the Fund into which the amount covered into the Fund pursuant to subsection (a) of this section, less the deduction required by that subsection, shall be covered as follows:

(1) An account into which $74,550,000 shall be covered, to be available for payment in accordance with section 8 of this Act on account of awards certified pursuant to section 410 of the International Claims Settlement Act of 1949.

22 USC 1642i.

(2) An account into which $1,500,000 shall be covered, to be available for payment in accordance with section 8 of this Act on account of awards determined pursuant to section 5 of this Act.

(3) An account into which the remainder of amounts in the Fund shall be covered, to be available for payment in accordance with section 8 of this Act on account of awards determined pursuant to section 6 of this Act.

DETERMINATION OF CERTAIN CLAIMS

22 USC note prec. 1642.

SEC. 5. (a) The Commission shall receive and determine, in accordance with applicable substantive law, including international law, the validity and amount of claims by nationals of the United States against the Government of the Czechoslovak Socialist Republic for losses resulting from the nationalization or other taking of property owned at the time by nationals of the United States, which nationalization or other taking occurred between August 8, 1958, and the date on which the Agreement enters into force. In making the determination with respect to the validity and amount of any such claim and the value of the property taken, the Commission is authorized to accept the fair or proved value of such property as of the time when the property taken was last operated, used, managed, or controlled by the national or nationals of the United States asserting the claim, regardless of whether such time is prior to the actual date of nationalization or other taking by the Government of the Czechoslovak Socialist Republic.

(b) The Commission shall certify to the Secretary the amount of any award determined pursuant to subsection (a).

DETERMINATION OF OTHER CLAIMS

Nationality requirements. 22 USC note prec. 1642.

SEC. 6. (a)(1) The Congress finds that—

(A) in the case of certain persons holding claims against the Czechoslovakian Government who became nationals of the United States by February 26, 1948, the date on which the current Communist Government of Czechoslovakia assumed power; and

(B) while the Commission had the authority to deny those claims described in subparagraph (A) on the basis that the properties involved had been taken by the Benes Government while the claimants were not yet nationals of the United States, the effect of that denial is to withhold compensation to persons who have been United States citizens for many years and whose expropriated property has benefited the Communist Government of Czechoslovakia no less than properties expropriated more directly and clearly by the Communist Government.

(2)(A) It is therefore the purpose of this section, in accordance with the intent of the Congress in enacting title IV of the International Claims Settlement Act of 1949 and in the interests of equity, to make ex gratia payments to the claimants described in paragraph (1) of this subsection. 22 USC 1642.

(B) The Congress reaffirms the principle and practice of the United States to seek compensation from foreign governments on behalf only of persons who were nationals of the United States at the time they sustained losses by the nationalization or other taking of their property by those foreign governments. In making payments under this section, the Congress does not establish any precedent for future claims payments.

(b) The Commission shall reopen and redetermine the validity and amount of any claim against the Government of Czechoslovakia which was filed with the Commission in accordance with the provisions of title IV of the International Claims Settlement Act of 1949, which was based on property found by the Commission to have been nationalized or taken by the Government of Czechoslovakia on or after January 1, 1945, and before February 26, 1948, and which was denied by the Commission because such property was not owned by a person who was a national of the United States on the date of such nationalization or taking. The provisions of section 405 of the International Claims Settlement Act of 1949 requiring that the property upon which a claim is based must have been owned by a national of the United States on the date of nationalization or other taking by the Government of Czechoslovakia shall be deemed to be met if such property was owned on such date by a person who became a national of the United States on or before February 26, 1948. The Commission shall certify to the Secretary the amount of any award determined pursuant to this subsection. 22 USC 1642d.

PROCEDURES

SEC. 7. (a) The provisions of sections 401, 403, 405, 406, 407, 408, 409, 414, 415, and 416 of the International Claims Settlement Act of 1949, to the extent that such provisions are not inconsistent with this Act, together with such regulations as the Commission may prescribe, shall apply with respect to any claim determined pursuant to section 5(a) of this Act or redetermined pursuant to section 6(b) of this Act. 22 USC note prec. 1642. 22 USC 1642, 1642b, 1642d, 1642e–1642h, 1642m–1642o.

(b) Not later than sixty days after the date of the enactment of this Act, the Commission shall establish and publish in the Federal Register a period of time within which claims described in section 5 of the Act must be filed with the Commission, and the date for the completion of the Commission's affairs in connection with the deter- Publication in Federal Register.

mination of those such claims and claims described in section 6 of this Act. Such filing period shall be not more than one year after the date of such publication in the Federal Register, and such completion date shall be not more than two years after the final date for the filing of claims under section 5. No person holding a claim to which section 6 of this Act applies shall be required to refile that claim before the Commission makes the redetermination required by that section.

PAYMENT OF AWARDS

22 USC note prec. 1642.

SEC. 8. (a) As soon as practicable after the date of the enactment of this Act, the Secretary shall make payments from amounts in the account established pursuant to section 4(b)(1) of this Act on the unpaid balance of each award certified by the Commission pursuant to section 410 of the International Claims Settlement Act of 1949.

22 USC 1642i.

(b) As soon as practicable after the Commission has completed the certification of awards pursuant to section 5(b) of this Act, the Secretary shall make payments on account of each such award from the amounts in the account established pursuant to section 4(b)(2) of this Act.

(c) As soon as practicable after the Commission has completed the certification of awards pursuant to section 6(b) of this Act, the Secretary shall make payments on account of each such award from the amounts in the account established pursuant to section 4(b)(3) of this Act.

(d) In the event that—

(1) the amounts in the account established pursuant to section 4(b)(2) of this Act exceed the aggregate total of all awards certified by the Commission pursuant to section 5(b) of this Act, or

(2) the amounts in the account established pursuant to section 4(b)(3) of this Act exceed the aggregate total of all awards certified by the Commission pursuant to section 6(b) of this Act,

the Secretary shall cover such excess amounts into the account established pursuant to section 4(b)(1) of this Act. The Secretary shall make payments pursuant to subsection (a) of this section, from such excess amounts, on the unpaid balance of awards certified by the Commission pursuant to section 410 of the International Claims Settlement Act of 1949.

(e) Payments under this section shall be made on the unpaid balance of each award which bear to such unpaid balance the same proportion as the total amount in the account in the Fund from which the payments are made bears to the aggregate unpaid balance of all awards payable from that account. Payments under this section, and applications for such payments, shall be made in accordance with such regulations as the Secretary may prescribe.

Publication in Federal Register.

(f) In the event that—

(1) the Secretary is unable, within three years after the date of the establishment of the account prescribed by section 4(b)(1) of this Act, to locate any person entitled to receive payment under this section on account of an award certified by the Commission pursuant to section 410 of the International Claims Settlement Act of 1949 or to locate any lawful heirs, successors, or legal representatives of that person, or if no valid application for payment is made by or on behalf of that person within six months after the Secretary has located that person or that person's heirs, successors, or legal representatives; or

(2) within six months after the Commission has completed the certification of awards pursuant to sections 5(b) and 6(b) of this Act, no valid application for payment is made by or on behalf of any person entitled to receive payment under this section on account of an award certified by the Commission pursuant to either such section,

the Secretary shall give notice by publication in the Federal Register and in such other publications as the Secretary may determine that, unless valid application for payment is made within sixty days after the date of such publication, that person's award under title IV of the International Claims Settlement Act of 1949 or this Act, as the case may be, and that person's right to receive payment on account of such award, shall lapse. Upon the expiration of such sixty-day period that person's award and right to receive payment shall lapse, and the amounts payable to that person shall be paid pro rata by the Secretary on account of all other awards under title IV of the International Claims Settlement Act of 1949 or this Act, as the case may be.

22 USC 1642.

INVESTMENT OF FUNDS

SEC. 9. The Secretary shall invest and hold in separate accounts the amounts held respectively in the accounts established by section 4 of this Act. Such investment shall be in public debt securities with maturities suitable for the needs of the separate accounts and bearing interest at rates determined by the Secretary, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities. The interest earned on the amounts in each account established by section 4 of this Act shall be used to make payments, in accordance with section 8(e) of this Act, on awards payable from that account.

22 USC note prec. 1642.

IMPLEMENTATION OF AGREEMENT

SEC. 10. (a) If, within sixty days after the date of the enactment of this Act—

22 USC note prec. 1642.

(1) the Government of the Czechoslovak Socialist Republic does not make the payments to the United States Government described in article 6(2) of the Agreement, or

(2) the Czechoslovak Government does not receive the gold provided in article 6(1) of the Agreement,

the provisions of this Act shall cease to be effective, and the provisions of the Agreement may not be implemented unless the Congress approves the Agreement after the end of that sixty-day period.

(b) The sixty-day period for implementation of the Agreement required by subsection (a) shall be extended by an additional period of thirty calendar days if, before the expiration of that sixty-day period, the Secretary of State certifies in writing that such extension is consistent with the purposes of this Act and reports that certification to the Speaker of the House of Representatives and to the Chairman of the Committee on Foreign Relations of the Senate, together with a detailed statement of the reasons for the extension. If at the end of that additional thirty-day period the events set forth in paragraphs (1) and (2) of subsection (a) have not occurred, the provisions of this Act shall cease to be effective and the provisions of the Agreement may not be implemented unless the Congress approves the Agreement after the end of that thirty-day period or unless the Congress, before the expiration of that thirty-day period, authorizes by joint resolution a further extension of time for implementation of the

Implementation period, extension.

Agreement. Such joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976, and in the House of Representatives a motion to proceed to the consideration of such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged.

90 Stat. 765.

SOCIAL SECURITY AGREEMENT

Reciprocal payments, review. 22 USC note prec. 1642.

SEC. 11. The Secretary of State shall conduct a detailed review of the exchange of letters between the United States and Czechoslovakia providing for reciprocal social security payments to residents of the two countries. Such review should include an examination of the extent to which Czechoslovakia is complying with the spirit and provisions of the letters, a comparison of the benefits being realized by residents of Czechoslovakia and of the United States under the letters, and an evaluation of the basis of differences in such benefits.

Report to Congress.

The Secretary of State, in consultation with the Department of Health and Human Services, shall report to the Congress, not later than six months after the date of the enactment of this Act, the results of such review, together with any recommendations for legislation or changes in the agreement made by the letters that may be necessary to achieve greater comparability and equity of benefits for the residents of the two countries. Such report should include specific assessments of the feasibility, likely effects, and advisability of terminating United States social security payments to residents of Czechoslovakia in response to inequities and incomparabilities of benefits payments under the exchange of letters.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1946 (H.R. 5125) (S. 754):

HOUSE REPORT No. 97-385 accompanying H.R. 5125 (Comm. on Foreign Affairs).
SENATE REPORTS: No. 97-189 (Comm. on Finance) and No. 97-211 (Comm. on Foreign Relations) both accompanying S. 754.
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 11, considered and passed Senate.
Dec. 15, H.R. 5125 considered and passed House; passage vacated and S. 1946, amended, passed in lieu.
Dec. 16, Senate concurred in House amendment with an amendment; House concurred in Senate amendment.

Public Law 97-128
97th Congress

An Act

To deauthorize several projects within the jurisdiction of the Army Corps of Engineers.

Dec. 29, 1981
[S. 1493]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 204 of the Flood Control Act of 1965 (Public Law 89-298) is amended as follows: "The Dickey-Lincoln School Lakes project, Saint John River, Maine, is hereby modified to deauthorize that component of the project known and referred to as the Dickey Dam and its associated transmission facilities.".

Army Corps of Engineers projects, deauthorization.
79 Stat. 1074.

(b) No Federal agency or department shall consider any license application relating to hydropower projects above the site of the Lincoln School Dam on the Saint John River and its tributaries, Maine, for a period of two years after the enactment of this Act.

SEC. 2. (a) The authorization for the Meramec Park Lake (hereinafter in this section referred to as the "project") contained in that portion of the general comprehensive plan for flood control and other purposes in the Upper Mississippi River Basin, which plan was authorized by section 4 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 28, 1938 (52 Stat. 1218), as modified by section 203 of the Flood Control Act of 1966 (Public Law 89-789), is hereby terminated.

Authorization, termination.

80 Stat. 1419.

(b) The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this section referred to as the "Secretary"), shall immediately undertake interim management and maintenance of works, structures, and interests in lands related to the project pending the implementation of the subsequent provisions of this section.

(c) The Secretary shall dispose of works, structures, and interests in lands related to the project as follows:

Project disposal.

(1) To the State of Missouri, all right, title, and interest in and to not less than three thousand three hundred and eighty-two acres nor more than five thousand one hundred and twenty-two acres, as determined by the Governor of the State of Missouri.

(2) A perpetual easement sufficient to safeguard for the river user the natural, cultural, and visual resources of the Meramec River and Huzzah and Courtois Creeks shall be conveyed to the State of Missouri. The Secretary is hereby directed to establish such easements in conjunction with the State of Missouri. Said easements shall be not less than one hundred feet nor more than one-quarter mile as measured from the normal highwater mark of said river and creeks, taking into consideration the varying terrain of such lands and the best public interest. Said easement shall be available for the development of the Ozark Trail, which will be constructed and maintained by the State of Missouri.

The Secretary shall submit to the State of Missouri before January 6, 1982, an offer to convey the lands authorized by this section. If the

Land conveyance.

State, by statute, disapproves such conveyance on or before April 30, 1982, the Secretary shall immediately offer all the works, structures, and interests in lands for sale to the previous owners in accordance with paragraph (2) of subsection (d) of this section. If the State fails to disapprove such conveyance on or after April 30, 1982, solely because of a veto by the Governor, the offer to convey by the Secretary shall remain valid until such time as the veto is sustained or overridden in accordance with State law.

(d)(1) Within ninety days of the date a conveyance is made to the State of Missouri in accordance with subsection (c) of this section, the Secretary shall offer the remainder of the works, structures, and interests in lands related to the project for sale to the previous owners at the current appraised value. Such previous owners shall have a period of one year in which to enter into a contract for the repurchase of such properties, after which any remaining works, structures, and interests in lands shall be sold at a public auction, or a series of public auctions, to be conducted following reasonable public notice and advertising of the time and place of such auction or auctions, until such time as all remaining works, structures, and interests in lands have been disposed of.

Land conveyance, disapproval.

(2) If the State of Missouri disapproves such conveyance in accordance with subsection (c) of this section, the Secretary shall offer all the works, structures, and interests in lands related to the project for sale to the previous owners at the current appraised value. Such previous owners shall have a period of one year in which to enter into a contract for the repurchase of such properties, after which any remaining works, structures, and interests in lands shall be sold at a public auction, or a series of public auctions, to be conducted following reasonable public notice and advertising of the time and place of such auction or auctions, until such time as all remaining works, structures, and interests in lands have been disposed of.

Surviving spouse.

(3) For purposes of this subsection, in any case in which the previous owner of any interest in land is dead, the surviving spouse or, if there is no surviving spouse, the heirs at law of such previous owner shall be deemed to be the previous owner of such interest.

(e) The Secretary is authorized either to comply with or to enter into a mutual agreement to cancel any executory contract the United States has entered for the purchase of lands for the project at the request of any landowner who is a party to such a contract, within six months after the date of enactment of this Act.

(f) Nothing in this section shall terminate the authority or responsibility of the United States to satisfy, pursuant to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 U.S.C. 4601 et seq.) and any other applicable provision of law, all relocation assistance, and other obligations arising out of the acquisition, prior to the date of enactment of this Act, of any interest in real estate for the project.

42 USC 4601 *et seq.*

(g) Funds authorized prior to enactment of this Act for the project specified in this section may be utilized by the Secretary, as necessary, to carry out the provisions of this section to deauthorize the project.

(h) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake such structural and nonstructural measures as he determines to be economically and engineeringly feasible to prevent flood damage to communities along the route of the Meramec River in Saint Louis and Jefferson Counties, Missouri. Such structural measures shall not include the construction of any dams or reservoirs. There is authorized to be

Appropriation authorization.

appropriated for those fiscal years which begin on or after October 1, 1982, not to exceed $20,000,000 to carry out the provisions of this subsection.

(i) The Secretary of the Army, acting through the Chief of Engineers, and in consultation with the Governor shall conduct a cooperative water supply study with the State of Missouri for the Meramec River Basin, Missouri, with particular emphasis on Saint Louis and Jefferson Counties, Missouri. In preparing such study, the Secretary of the Army, acting through the Chief of Engineers, and the State of Missouri shall coordinate with appropriate units of local government and shall consult with other individuals and organizations having a direct interest in water supply problems in such river basin. The report required by this section shall be submitted to Congress not later than January 1, 1983. The views of the Governor shall accompany the report of the Secretary of the Army.

Report to Congress.

SEC. 3. The authorizations for the projects described in this section, at the locations described, are terminated upon the date of enactment of this Act:

Authorizations, termination.

(a) ILLINOIS: HELM RESERVOIR.—The project for Helm Reservoir, Skillet Fork of the Wabash River, Illinois, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483), as part of the Wabash River Basin comprehensive plan.

82 Stat. 739.

(b) ILLINOIS: LINCOLN DAM.—The project for Lincoln Dam and Reservoir, Wabash River, Illinois and Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

79 Stat. 1074.

(c) INDIANA: BIG BLUE DAM.—The project for Big Blue Dam, Big Blue River, Indiana, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483).

(d) ILLINOIS: ILLINOIS RIVER DUPLICATE LOCKS.—The project for the Illinois Waterway, Illinois and Indiana, authorized by section 101 of the River and Harbor Act of 1962 (Public Law 87-874).

76 Stat. 1173.

(e) VIRGINIA: NANSEMOND RIVER.—The portion of the project for the Nansemond River, Virginia, from the United States Highway 640 Bridge at Suffolk, Virginia, to the upstream project limits at river mile 18.66, a distance of approximately two thousand five hundred feet, authorized by the first section of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and other purposes", approved August 11, 1888 (25 Stat. 410), and modified by the first section of the Act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved July 3, 1930 (46 Stat. 922).

(f) INDIANA: CLIFTY CREEK DAM.—The project for the Clifty Creek Dam, Clifty Creek, Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(g) DELAWARE-MARYLAND-VIRGINIA: INTRACOASTAL WATERWAY.—The project for the Delaware Bay, Delaware, to Cape Charles, Chesapeake Bay, Virginia, Intracoastal Waterway, authorized under the terms of section 201 of the Flood Control Act of 1965 (Public Law 89-298).

42 USC 1962d-5.

(h) MARYLAND: SIXES BRIDGE.—The project for Sixes Bridge Dam and Lake, Maryland, authorized by section 85 of the Water Resources Development Act of 1974 (Public Law 93-251).

42 USC 1962d-7 note.

SEC. 4. (a) The consent of Congress is hereby given to the City of Boston to construct, maintain, and operate a fixed-span bridge in and over the water of the Fort Point Channel, Boston, Massachusetts, lying between the northeasterly side of the existing Summer Street

Boston, Mass., bridge construction.

Bridge and the northeasterly side of the existing Northern Avenue Bridge.

(b) Work shall not be commenced on such bridge until the location and plans therefor are submitted to and approved by the Secretary of Transportation.

(c) Any project heretofore authorized by an Act of Congress, insofar as such project relates to the above described portions of Fort Point Channel, is hereby abandoned.

(d) In approving the location and plans of any bridge, the Secretary of Transportation may impose any specific conditions relating to the maintenance and operation of the structure which may be deemed necessary in the interest of public navigation.

SEC. 5. The project for the Sandridge Dam and Reservoir, Ellicott Creek, New York, for flood protection and other purposes as authorized in section 201 of the Flood Control Act of 1970 is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct a combination of channel enlargement work and diversion channels along Ellicott Creek mostly in the town of Amherst in accordance with the report of the Chief of Engineers dated April 2, 1979, except that cost sharing for such project shall be as provided in the report of the Board of Engineers for Rivers and Harbors dated July 20, 1978, at an estimated cost of $13,200,000.

84 Stat. 1824.

SEC. 6. (a) The lock authorized by section 114 of the Water Resources Development Act of 1976 (Public Law 94-587), as a replacement for Vermilion Lock, Louisiana, shall hereafter be known as Leland Bowman Lock. Any law, regulation, map, document, or record of the United States which refers to such lock shall hereafter be held and considered to refer to such lock as "Leland Bowman Lock".

90 Stat. 2923.

(b) The dam and reservoir on the Salt River, Missouri, known as the Clarence Cannon Dam and Reservoir, authorized by section 203 of the Flood Control Act of 1962 (Public Law 87-874) as the Joanna Reservoir, shall hereafter be known as the Clarence Cannon Dam and Mark Twain Lake. Any law, regulation, map, document, or record of the United States in which such dam and reservoir are referred to shall be held and considered to refer to such dam as the Clarence Cannon Dam and to such reservoir as the Mark Twain Lake, respectively.

76 Stat. 1180.

Tampa, Fla., bridge construction.

SEC. 7. (a) The consent of Congress is hereby given to the city of Tampa, Florida, or its designee to construct and maintain two fixed-span bridges in and over the waters of the Garrison Channel, Tampa, Florida; one bridge to be at or adjacent to the site of the existing bascule railroad bridge and the other bridge to be at the site of the southerly extension of Franklin Street. Work shall not be commenced on such bridges until the location and plans therefor are submitted to and approved by the Secretary of Transportation.

(b) In the case of any project authorized before the date of enactment of this Act which relates to that portion of Garrison Channel from the point of intersection of the easterly right-of-way line of the existing railroad bridge with the existing pierhead and bulkhead line on the north side of Garrison Channel, westward to, but not to include the turning basin at the junction of Garrison and Seddon Channels, the authorization relating to such portion of Garrison Channel shall be terminated upon approval by the Secretary of Transportation of the location and plans for the first of the bridges referred to in subsection (a) of this section.

(c) Any project authorized before the date of enactment of this Act as it relates to the construction and maintenance of Seddon Channel, is hereby modified to provide for a channel two hundred feet wide by

twelve feet deep from the junction of Sparkman and Seddon Channels northwesterly to its intersection with the Federal navigation project for the Hillsborough River.

(d) In approving the location and plans of any bridge under this section, the Secretary of Transportation may impose any specific conditions relating to the maintenance and operation of the structure which the Secretary deems necessary in the interest of public navigation.

SEC. 8. No houseboat, floating cabin, marina (including any with sleeping facilities), dock, cabin, or other structure of a permanent nature shall be required to be removed before December 31, 1989, from any Federal water resources reservoir or lake project administered by the Secretary of the Army, acting through the Chief of Engineers, on which it was located on the date of enactment of this Act, if such property is maintained in usable condition.

16 USC 460d note.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1493:

SENATE REPORT No. 97-270 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 18, considered and passed Senate.
Nov. 23, considered and passed House, amended.
Dec. 16, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-129
97th Congress

An Act

Dec. 29, 1981
[S. 1211]

To amend the Toxic Substances Control Act to authorize appropriations for fiscal years 1982 and 1983.

Toxic Substances Control Act, amendment.
15 USC 2627.

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 section 28(d) of the Toxic Substances Control Act is amended to read as follows: "For the purpose of making grants under subsection (a), there are authorized to be appropriated $1,500,000 for each of the fiscal years 1982 and 1983.".

15 USC 2628.

(b) Section 29 of the Toxic Substances Control Act is amended by striking out "$10,100,000" and all that follows through "1979" and inserting in lieu thereof the following: "$58,646,000 for the fiscal year 1982 and $62,000,000 for the fiscal year 1983".

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1211 (H.R. 3495):

HOUSE REPORTS: No. 97-86 accompanying H.R. 3495 (Comm. on Energy and Commerce) and No. 97-373 (Comm. of Conference).
SENATE REPORT No. 97-117 (Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed Senate.
Sept. 29, H.R. 3495 considered and passed House; proceedings vacated and S. 1211 passed in lieu, amended.
Dec. 16, House and Senate agreed to conference report.

Public Law 97-130
97th Congress

An Act

To amend the Communications Act of 1934 to eliminate certain provisions relating to consolidations or mergers of telegraph and record carriers and to create a fully competitive marketplace in record carriage, and for other purposes.

Dec. 29, 1981
[S. 271]

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

Record Carrier Competition Act of 1981.

SHORT TITLE

SECTION 1. This Act may be referred to as the "Record Carrier Competition Act of 1981".

47 USC 609 note.

COMPETITION AMONG RECORD CARRIERS

SEC. 2. Section 222 of the Communications Act of 1934 is amended to read as follows:

47 USC 222.

"COMPETITION AMONG RECORD CARRIERS

"SEC. 222. (a) For purposes of this section:

Definitions.

"(1) The term 'primary existing international record carrier' means any record carrier which (A) derives a majority of its revenues during any calendar year from the provision of international record communications services between points of entry into or exit from the United States and points outside the United States; (B) is eligible, on the date of the enactment of the Record Carrier Competition Act of 1981, to obtain record traffic from a record carrier in the United States for delivery outside the United States; and (C) is engaged in the direct provision of record communications services between the United States and four or more continents.

"(2) The term 'record carrier' means a common carrier engaged in the offering for hire of any record communications service, including service on interstate network facilities between two points located in the same State. Such term does not include any common carrier which derives a majority of its revenues during any calendar year from the provision of services other than record communications service.

"(3) The term 'record communications service' means those services traditionally offered by telegraph companies, such as telegraph, telegram, telegram exchange, and similar services involving an interconnected network of teletypewriters.

"(b)(1) The Commission shall, to the maximum extent feasible, promote the development of fully competitive domestic and international markets in the provision of record communications service, so that the public may obtain record communications service and facilities (including terminal equipment) the variety and price of which are governed by competition. In order to meet the purposes of this section, the Commission shall forbear from exercising its author-

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ity under this Act as the development of competition among record carriers reduces the degree of regulation necessary to protect the public.

"(2) In furtherance of the purposes of this section, record carriers shall not impose upon users of any regulated record communications services the costs of any other services or facilities (including terminal equipment), whether regulated or unregulated.

Facilities, availability. 47 USC 201.

"(c)(1)(A)(i) In implementing its responsibilities under section 201(a), the Commission shall require each record carrier to make available to any other record carrier, upon reasonable request, full interconnection with any facility operated by such record carrier, and used primarily to provide record communications service. Such facility shall be made available, through written agreement, upon terms and conditions which are just, fair, and reasonable, and which are otherwise consistent with the purposes of this section.

Agreement.

"(ii)(I) Subject to the provisions of subclause (II), if a request for interconnection under clause (i) is for the purpose of providing international record communications service, then the agreement entered into under clause (i) shall require that the allocation of record communications service between points outside the United States and points of entry in the United States shall be based upon a pro rata share of record communications service between points of exit out of the United States and points outside the United States provided by the carrier making such request for interconnection.

"(II) The requirement established in subclause (I) shall not apply in any case in which the customer requesting any record communications service between a point outside the United States and a point of entry in the United States has the option to specify the international record carrier which will provide such record communications service.

"(B) The Commission shall require that—

"(i) if any record carrier engages both in the offering for hire of domestic record communications services and in the offering for hire of international record communications services, then such record carrier shall be treated as a separate domestic record carrier and a separate international record carrier for purposes of administering interconnection requirements;

"(ii) in any case in which such separate domestic record carrier furnishes interconnection to such separate international record carrier, any interconnection which such separate domestic record carrier furnishes to other international record carriers shall be (I) equal in type and quality; and (II) made available at the same rates and upon the same terms and conditions; and

"(iii) in any case in which such separate international record carrier furnishes interconnection to such separate domestic record carrier, any interconnection which such separate international record carrier furnishes to other domestic record carriers shall be (I) equal in type and quality; and (II) made available at the same rates and upon the same terms and conditions.

The requirements of clauses (i), (ii), and (iii) shall not apply to a record carrier if such record carrier does not have a significant share of the market for record communications services.

"(2) If any request made by a record carrier under paragraph (1)(A)(i) will require an agreement under which any record communications service or facility operated by one of the parties to such agreement will be used by any other party to such agreement, then such agreement shall establish a nondiscriminatory formula for the equitable allocation of revenues derived from such use between the

parties to such agreement, except that each party to such agreement shall have the right to establish the total price charged by such party to the public for any such service which is originated by such party, consistent with the provisions of section 203. To the extent possible, and consistent with the provisions of paragraph (3)(B)(ii), the Commission shall require that such equitable allocation of revenues be based upon the costs of the record communications service or facility employed as a result of such agreement.

47 USC 203.

"(3)(A) The Commission, as soon as practicable (but not later than fifteen days) after the date of the enactment of the Record Carrier Competition Act of 1981, shall convene a meeting among all record carriers which the Commission determines would be parties to any agreement required by paragraph (1)(A)(i). Such meeting shall be held for the purpose of negotiating any such agreement. Representatives of the Commission shall attend such meeting for purposes of monitoring and presiding over such negotitions.

"(B)(i) In the case of any such required agreement, if—

"(I) the record carrier subject to the interconnection requirement; and

"(II) a majority of the primary existing international record carriers involved in the meeting convened by the Commission under subparagraph (A);

fail to enter into an agreement before the end of the forty-five-day period following the beginning of such meeting, then the Commission shall issue an interim or final order which establishes a just, fair, reasonable, and nondiscriminatory agreement which is consistent with the purposes of this section. Any such agreement established by the Commission shall be binding upon such parties.

Interim or final order.

"(ii) Such interim or final order shall be issued not later than ninety days after the date on which the Commission convenes the meeting under subparagraph (A). In the case of any such required agreement, if—

"(I) the record carrier subject to the interconnection requirement; and

"(II) a majority of the primary existing international record carriers involved in the meeting convened by the Commission under subparagraph (A);

reach an agreement which complies with the requirements of this section, and such agreement is entered into before the issuance of such order by the Commission under this subparagraph, then such agreement of the parties shall take effect and the Commission shall not be required to issue any such order.

"(C) Any record carrier which is not subject to the agreement entered into, or established by the Commission, under this paragraph may elect to be subject to the terms of such agreement upon furnishing written notice to the Commission and to all existing parties to such agreement. After a carrier makes such an election, the terms and arrangements established by the agreement shall apply to such carrier to the extent practicable, as determined by the Commission.

Notice.

"(4) The Commission shall have authority to vacate or modify any agreement entered into by any record carriers under this section if the Commission determines that (A) such agreement is not consistent with the purposes of this section; or (B) such agreement unjustly or unreasonably discriminates against any record carrier.

Authority to vacate or modify agreements.

"(5) If the Western Union Telegraph Company submits an application to the Commission for authority to provide international record communications service, the Commission shall not have any authori-

Application, restrictions.

ty to take any final action with respect to such application until the end of the one hundred and twenty-day period following the date a written agreement is entered into between such Company and other record carriers under paragraph (3), or following the effective date of any interim or final order issued by the Commission under paragraph (3)(B) with respect to such carriers. The limitation upon Commission authority established in this paragraph shall expire at the end of the two hundred and ten-day period following the date of the enactment of the Record Carrier Competition Act of 1981.

"(d) Subject to the provisions of subsection (c)(5), each record carrier may provide record communications service in the United States domestic market and in the international market. Any record carrier seeking to provide domestic record communications service may provide such service without submitting an application to the Commission under section 214 unless the Commission requires such a submission. The Commission shall act expeditiously upon any application submitted pursuant to section 214.

47 USC 214.

"(e)(1) At the end of the 36-month period following the date of the enactment of the Record Carrier Competition Act of 1981, the provisions of subsection (c), other than paragraph (1)(B) of such subsection, shall cease to have any force or effect.

"(2) The provisions of paragraph (1) shall not be construed to affect the obligation of any carrier to interconnect with any other carrier pursuant to this Act.".

COMMISSION OVERSIGHT OF DISTRIBUTION FORMULAS

47 USC 222 note.

SEC. 3. (a) Subject to the provisions of subsection (b), the Federal Communications Commission shall exercise its authority under the Communications Act of 1934 to continue its oversight of the establishment of just and reasonable distribution formulas for unrouted outbound telegraph traffic and the allocation of revenues with respect to such traffic, consistent with the purposes of section 222 of the Communications Act of 1934, as amended in section 2.

47 USC 609.

Ante, p. 1687.

(b) The provisions of subsection (a) shall cease to have any force or effect at the end of the 1-year period beginning on the date of the enactment of this Act.

EFFECT OF AMENDMENT UPON CERTAIN CONTRACTS

47 USC 222 note.

SEC. 4. The amendment made in section 2 shall not affect the validity of the terms of any otherwise lawful contract relating to the distribution of outbound international record traffic between any domestic record carrier and any international record carrier if such contract was entered into before June 23, 1981.

AMENDMENT TO OTHER LAW

Rock Island Railroad.
94 Stat. 409
45 USC 1017.

SEC. 5. (a) Section 122(a) of the Rock Island Transition and Employee Assistance Act is amended by adding at the end thereof the following new sentence: "The Commission shall have authority to authorize continued rail service under this section over the lines of the Rock Island Railroad until the disposition of the properties of the estate of the Rock Island Railroad.".

(b) The applicability of the amendment made by subsection (a) to Interstate Commerce Commission Service Order 1498 shall expire at the end of May 15, 1982.

Expiration date. 45 USC 1017 note.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 271 (H.R. 4927):

HOUSE REPORT No. 97-356 accompanying H.R. 4927 (Comm. on Energy and Commerce).
SENATE REPORT No. 97-25 (Comm. on Commerce, Science, and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, 22, considered and passed Senate.
Dec. 8, H.R. 4927 considered and passed House; proceedings vacated and S. 271, amended, passed in lieu.
Dec. 16, Senate concurred in House amendments with an amendment; House concurred in Senate amendment.

Public Law 97-131
97th Congress

Joint Resolution

Dec. 29, 1981
[S.J. Res. 34]

To provide for the designation of the week commencing with the third Monday in February 1982 as "National Patriotism Week".

National Patriotism Week. Designation.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the first section of the joint resolution of October 10, 1980, Public Law 96-421, 94 Stat. 1798, is amended by striking "1981" and inserting "1982".**

SEC. 2. The title of such joint resolution is amended to read as follows: "Joint resolution to designate the week commencing with the third Monday in February 1982 as 'National Patriotism Week'.".

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 34:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 16, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-132
97th Congress

Joint Resolution

To authorize the participation of the United States in a multinational force and observers to implement the Treaty of Peace between Egypt and Israel.

Dec. 29, 1981
[S.J. Res. 100]

Whereas the Treaty of Peace between Egypt and Israel signed on March 26, 1979, calls for the supervision of security arrangements to be undertaken by United Nations Forces and Observers; and

Whereas the United Nations has been unable to assume those responsibilities at this time; and

Whereas a Protocol signed on August 3, 1981, by the Government of the Arab Republic of Egypt and the Government of the State of Israel provides for the creation of an alternative Multinational Force and Observers to implement the Treaty of Peace; and

Whereas the Government of the Arab Republic of Egypt and the Government of the State of Israel have requested that the United States participate in the Multinational Force and Observers: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Multinational Force and Observers Participation Resolution.

SHORT TITLE

SECTION 1. This joint resolution may be cited as the "Multinational Force and Observers Participation Resolution". 22 USC 3401 note.

STATEMENT OF POLICY

SEC. 2. The Congress considers the establishment of the Multinational Force and Observers to be an essential stage in the development of a comprehensive settlement in the Middle East. The Congress enacts this resolution with the hope and expectation that establishment of the Multinational Force and Observers will assist Egypt and Israel in fulfilling the Camp David accords and bringing about the establishment of a self-governing authority in order to provide full autonomy in the West Bank and Gaza. 22 USC 3421.

PARTICIPATION OF UNITED STATES PERSONNEL IN THE MULTINATIONAL FORCE AND OBSERVERS

SEC. 3. (a)(1) Subject to the limitations contained in this resolution, the President is authorized to assign, under such terms and conditions as he may determine, members of the United States Armed Forces to participate in the Multinational Force and Observers. 22 USC 3422.

(2) The Congress declares that the participation of the military personnel of other countries in the Multinational Force and Observers is essential to maintain the international character of the peacekeeping function in the Sinai. Accordingly—

(A) before the President assigns or details members of the United States Armed Forces to the Multinational Force and Notification of Congress.

Observers, he shall notify the Congress of the names of the other countries that have agreed to provide military personnel for the Multinational Force and Observers, the number of military personnel to be provided by each country, and the functions to be performed by such personnel; and

(B) if a country withdraws from the Multinational Force and Observers with the result that the military personnel of less than four foreign countries remain, every possible effort must be made by the United States to find promptly a country to replace that country.

Functions and responsibilities.

(3) Members of the United States Armed Forces, and United States civilian personnel, who are assigned, detailed, or otherwise provided to the Multinational Force and Observers may perform only those functions or responsibilities which are specified for United Nations Forces and Observers in the Treaty of Peace and in accordance with the Protocol.

U.S. Armed Forces, strength limitation.

(4) The number of members of the United States Armed Forces who are assigned or detailed by the United States Government to the Multinational Force and Observers may not exceed one thousand two hundred at any one time.

U.S. civilian observers.

(b) Subject to the limitations contained in this resolution, the President is authorized to provide, under such terms and conditions as he may determine, United States civilian personnel to participate as observers in the Multinational Force and Observers.

Status of U.S. personnel.

(c) The status of United States Government personnel assigned to the Multinational Force and Observers under subsection (a)(1) or (b) of this section shall be as provided in section 629 of the Foreign Assistance Act of 1961.

22 USC 2389.

UNITED STATES CONTRIBUTIONS TO COSTS

22 USC 3423.

SEC. 4. (a) In accordance with the agreement set forth in the exchanges of letters between the United States and Egypt and between the United States and Israel which were signed on August 3, 1981, the United States share of the costs of the Multinational Force and Observers—

(1) shall not exceed 60 per centum of the budget for the expenses connected with the establishment and initial operation of the Multinational Force and Observers during the period ending September 30, 1982; and

(2) shall not exceed 33⅓ per centum of the budget for the annual operating expenses of the Multinational Force and Observers for each financial year beginning after that date.

Appropriation authorization. 22 USC 2348.

(b)(1) There are authorized to be appropriated to the President to carry out chapter 6 of part II of the Foreign Assistance Act of 1961, in addition to amounts otherwise available to carry out that chapter, $125,000,000 for the fiscal year 1982 for use in paying the United States contribution to the budget of the Multinational Force and Observers. Amounts appropriated under this subsection are authorized to remain available until expended.

(2) Expenditures made pursuant to section 138 of the joint resolution entitled "Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes", approved October 1, 1981 (Public Law 97-51), or pursuant to any subsequent corresponding provision applicable to the fiscal year 1982, shall be charged to the appropriation authorized by this subsection.

Ante, p. 967.

U.S. observers, reimbursements.

(c) Unless required by law, reimbursements to the United States by the Multinational Force and Observers shall be on the basis of

identifiable costs actually incurred as a result of requirements imposed by the Multinational Force and Observers, and shall not include administrative surcharges.

NONREIMBURSED COSTS

SEC. 5. (a) Any agency of the United States Government is authorized to provide administrative and technical support and services to the Multinational Force and Observers, without reimbursement and upon such terms and conditions as the President may direct, when the provision of such support or services would not result in significant incremental costs to the United States.

Administrative and technical support. 22 USC 3424.

(b) The provision by the United States to the Multinational Force and Observers under the authority of this resolution or any other law of any property, support, or services, including the provision of military and civilian personnel under section 3 of this resolution, on other than a reimbursable basis shall be kept to a minimum.

(c) The President may provide military training to members of the armed forces of other countries participating in the Multinational Force and Observers.

Military training for participating countries.

REPORTS TO THE CONGRESS

SEC. 6. (a) Not later than April 30, 1982, the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, a detailed written report with respect to the period ending two weeks prior to that date which contains the information specified in subsection (b).

22 USC 3425.

(b) Not later than January 15 of each year (beginning in 1983), the President shall transmit to the Speaker of the House of Representatives, and to the chairman of the Committee on Foreign Relations of the Senate, a written report which describes—

(1) the activities performed by the Multinational Force and Observers during the preceding year;

(2) the composition of the Multinational Force and Observers, including a description of the responsibilities and deployment of the military personnel of each participating country;

(3) All costs incurred by the United States Government (including both normal and incremental costs), set forth by category, which are associated with the United States relationship with the Multinational Force and Observers and which were incurred during the preceding fiscal year (whether or not the United States was reimbursed for those costs), specifically including but not limited to—

(A) the costs associated with the United States units and personnel participating in the Multinational Force and Observers (including salaries, allowances, retirement and other benefits, transportation, housing, and operating and maintenance costs), and

(B) the identifiable costs relating to property, support, and services provided by the United States to the Multinational Force and Observers;

(4) the costs which the United States Government would have incurred in maintaining in the United States those United States units and personnel participating in the Multinational Force and Observers;

(5) amounts received by the United States Government from the Multinational Force and Observers as reimbursement;

(6) the types of property, support, or services provided to the Multinational Force and Observers by the United States Government, including identification of the types of property, support, or services provided on a nonreimbursable basis; and

(7) the results of any discussions with Egypt and Israel regarding the future of the Multinational Force and Observers and its possible reduction or elimination.

(c)(1) The reports required by this section shall be as detailed as possible.

(2) The information pursuant to subsection (b)(3) shall, in the case of costs which are not identifiable, be set forth with reasonable accuracy.

(3) The information with respect to any administrative and technical support and services provided on a nonreimbursed basis under section 5(a) of this resolution shall include a description of the types of support and services which have been provided and an estimate of both the total costs of such support and services and the incremental costs incurred by the United States with respect to such support and services.

STATEMENTS OF CONGRESSIONAL INTENT

22 USC 3426.

SEC. 7. (a) Nothing in this resolution is intended to signify approval by the Congress of any agreement, understanding, or commitment made by the executive branch other than the agreement to participate in the Multinational Force and Observers as set forth in the exchanges of letters between the United States and Egypt and between the United States and Israel which were signed on August 3, 1981.

Limitations.

(b) The limitations contained in this resolution with respect to United States participation in the Multinational Force and Observers apply to the exercise of the authorities provided by this resolution or provided by any other provision of law. No funds appropriated by the Congress may be obligated or expended for any activity which is contrary to the limitations contained in this resolution.

War powers.

50 USC 1541 note.

(c) Nothing in this resolution shall affect the responsibilities of the President or the Congress under the War Powers Resolution (Public Law 93-148).

DEFINITIONS

SEC. 8. As used in this resolution— 22 USC 3427.

(1) the term "Multinational Force and Observers" means the Multinational Force and Observers established in accordance with the Protocol between Egypt and Israel signed on August 3, 1981, relating to the implementation of the security arrangements of the Treaty of Peace; and

(2) the term "Treaty of Peace" means the Treaty of Peace between the Arab Republic of Egypt and the State of Israel signed on March 26, 1979, including the Annexes thereto.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 100 (H.J. Res. 349):

HOUSE REPORT No. 97-310 accompanying H.J. Res. 349 (Comm. on Foreign Affairs).
SENATE REPORT No. 97-197 (Comm. on Foreign Relations).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Oct. 7, considered and passed Senate.
Nov. 19, H.J. Res. 349 considered and passed House; proceedings vacated and S.J. Res. 100, amended, passed in lieu.
Dec. 16, Senate concurred in House amendments with an amendment; House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-133
97th Congress

Joint Resolution

Dec. 29, 1981
[H.J. Res. 377]

Providing for the convening of the second session of the Ninety-seventh Congress.

97th Congress.
Second session.

Resolved by the Senate and House of Representatives of the United States of America in Congress Assembled, **That the second regular session of the Ninety-seventh Congress shall begin at 12 o'clock meridian on Monday, January 25, 1982.**

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.J. Res. 377:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House.
Dec. 16, considered and passed Senate.

Public Law 97-134
97th Congress

An Act

To amend the Surface Transportation Assistance Act of 1978, to establish obligation limitations for fiscal year 1982, and for related purposes.

Dec. 29, 1981
[H.R. 3210]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 105 of the Surface Transportation Assistance Act of 1978 is amended by striking out "per fiscal year for each of the fiscal years ending September 30, 1982 and September 30, 1983." and inserting in lieu thereof "for the fiscal year ending September 30, 1982, not to exceed $800,000,000 for the fiscal year ending September 30, 1983, and not to exceed $800,000,000 for the fiscal year ending September 30, 1984.".

Federal-Aid Highway Act of 1981.
92 Stat. 2692.

SEC. 2. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1983, the sums authorized to be apportioned for such year by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditures on the National System of Interstate and Defense Highways, using the apportionment factors contained in revised table 5 of the committee print numbered 97-28 of the Committee on Public Works and Transportation of the House of Representatives.

23 USC 104 note.

23 USC 101 note.

SEC. 3. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1982 shall not exceed $8,000,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 320 of title 23, United States Code, section 147 of the Surface Transportation Assistance Act of 1978, or section 9 of the Federal-Aid Highway Act of 1981. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

Limitation.
23 USC 104 note.

23 USC 144 note.

(b) For the fiscal year 1982, the Secretary shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for such fiscal year.

Distribution of limitation.

(c) During the period October 1 through December 31, 1981, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(d) Notwithstanding subsections (b) and (c), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned to a State, except in those instances in which a State indicates its

intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1982, revise a distribution of the funds made available under subsection (b) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year; and

(3) not distribute amounts authorized for administrative expenses and forest highways.

23 USC 101 note.

SEC. 4. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,200,000,000 for the fiscal year ending September 30, 1983," and inserting in lieu thereof the following: "the additional sum of $3,100,000,000 for the fiscal year ending September 30, 1983,".

Interstate system, construction.

(b) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is further amended by adding at the end thereof the following: "Effective on and after the date of enactment of this sentence, the obligation of funds authorized by this subsection, except for advance construction interstate projects approved before the date of enactment of this sentence, shall be limited to the construction necessary to provide a minimum level of acceptable service on the Interstate System which shall consist of (1) full access control; (2) a pavement design to accommodate the types and volumes of traffic anticipated for the twenty-year period from date of authorization of the initial basic construction contract; (3) essential environmental requirements; (4) a design of not more than six lanes (exclusive of high occupancy vehicle lanes) in rural areas and all urbanized areas under four hundred thousand population, and up to eight lanes (exclusive of high occupancy vehicle lanes) in urbanized areas of four hundred thousand population or more as shown in the 1980 Federal census; and (5) those high occupancy vehicle lanes (including approaches and all directly related facilities) included in the interstate cost estimate for fiscal year 1981. The obligation of funds authorized by this subsection shall be further limited to the actual costs of only those design concepts, locations, geometrics, and other construction features included in the 1981 interstate cost estimate, except in any case where the Secretary of Transportation determines that a provision of Federal law requires a different design, location, geometric, or other construction feature of a type authorized by this subsection. For purposes of this subsection, construction necessary to provide a minimum level of acceptable service on the Interstate System shall include, but not be limited to, any construction on the Interstate System which is required under a court order issued before the date of enactment of this sentence.".

Cost estimate, transmittal to Congress.

(c) Section 104(b)(5)(A) of title 23, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provisions of this subparagraph, the Secretary in making the revised estimate of the cost of completing the then designated Interstate System for the purpose of transmitting it to the Senate and House of Representatives within ten days subsequent to January 2, 1983, or thereafter, shall include only those costs eligible for funds authorized by subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, including the amendments made by section 4 of the Federal-Aid Highway Act of 1981.".

23 USC 101 note.

SEC. 5. Section 104(b)(5)(B) of title 23, United States Code, is amended to read as follows:

"(B) For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System:

"55 per centum in the ratio that lane miles on the Interstate routes designated under sections 103 and 139(c) of this title (other than those on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978) in each State bears to the total of all such lane miles in all States; and 45 per centum in the ratio that vehicle miles traveled on lanes on the Interstate routes designated under sections 103 and 139(c) of this title (other than those on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978) in each State bears to the total of all such vehicle miles in all States. Notwithstanding the preceding sentence, no State excluding any State that has no interstate lane miles shall receive less than one-half of 1 per centum of the total apportionment made by this subparagraph for any fiscal year.".

23 USC 103.
Post, p. 1702.
92 Stat. 2692.

SEC. 6. (a) Section 119(a) of title 23, United States Code, is amended by striking out the words "and rehabilitating" and by inserting in lieu thereof the words "rehabilitating, and reconstructing" and by striking out the words "those lanes in use for more than five years on the Interstate System" and inserting in lieu thereof the words "routes of the Interstate System designated under sections 103 and 139(c) of this title.".

(b) Section 119 of title 23, United States Code, is further amended by adding the following new subsection:

"(b) Reconstructing as authorized in subsection (a) of this section may include, but is not limited to, the addition of travel lanes and the construction and reconstruction of interchanges and overcrossings along existing completed interstate routes, including the acquisition of right-of-way where necessary.".

SEC. 7. Subsection (a) of section 119 of title 23, United States Code, is amended by adding at the end thereof the following: "Effective on and after the date of enactment of this sentence, the Federal share for projects financed by funds apportioned under section 104(b)(5)(B) of title 23, United States Code, for resurfacing, restoring, rehabilitating, and reconstructing routes of the Interstate System designated under sections 103 and 139(c) of this title shall be that set forth in section 120(c) of this title.".

23 USC 120.

SEC. 8. In any case in which the city of Santa Rosa, California, has incurred costs on behalf of the State of California for the acquisition, between the date of enactment of Public Law 94-154 and the date of enactment of the Federal-Aid Highway Act of 1976 (Public Law 94-280), of land which was utilized in a Federal-aid urban system project at an intersection with a segment of the Federal-aid primary system, the Secretary of Transportation is authorized, notwithstanding any other provision of law, to reimburse the State of California from funds apportioned to the State of California under section 104(b)(6) of title 23, United States Code, 75 per centum of such costs.

Reimbursement to California.
89 Stat. 823.
23 USC 101 note.

SEC. 9. (a) The Secretary of Transportation may approve any project for the reconstruction, resurfacing, restoration, or rehabilitation of any bridge on the Interstate System which is both owned by the United States Government and located in two States and the District of Columbia, whenever both such States and the District shall submit to the Secretary for approval appropriate plans, specifications, and estimates for any such project.

Project plans, approval.

(b) The Secretary of Transportation shall prior to approval of such project enter into an agreement with such States and the District for future maintenance and rehabilitation of the bridge.

Appropriation authorization.

(c) There is hereby authorized to be appropriated $60,000,000, out of the Highway Trust Fund, to be available until expended, to carry out the provisions of this section. Such sums shall be available for obligation in the same manner and to the same extent as if such funds were apportioned for the Interstate System under chapter 1 of title 23, United States Code. The Federal share of the project cost shall be 100 per centum.

23 USC 101 *et seq.*

Cost estimates, transmittal to Congress.

(d) In making any revised estimate of the cost completing the Interstate System, which estimate is required by section 104(b)(5)(A) of title 23, United States Code, to be transmitted to the Congress after the date of enactment of this Act, the Secretary of Transportation shall not include any costs for any bridge eligible for approval under subsection (a). The Secretary shall reduce apportionments made under section 104(b)(5) of title 23, United States Code, to such States or District by an amount, if any, equal to amounts apportioned under such section to any such State or District with respect to any such bridge for any fiscal year ending before October 1, 1982. The reduction, if any, made by the preceding sentence for each State or the District shall be made out of apportionments under such section to such State or the District, beginning with the apportionment for the fiscal year ending September 30, 1983, and shall be made, in equal shares, over the number of fiscal years in which apportionments described in the preceding sentence were made.

Federal-aid system.

SEC. 10. Section 139 of title 23, United States Code, is amended by adding a new subsection (c) as follows:

"(c) The Secretary shall designate those portions of highway segments on the Federal-aid primary system in States which have no Interstate System that are logical components to a system serving the State's principal cities, national defense needs and military installations, and traffic generated by rail, water, and air transportation modes. The designated segments shall have been constructed to the geometric and construction standards adequate for current and probable future traffic demands and the needs of the locality of the segment. The mileage of any highway designated as part of the Interstate System under this subsection shall not be charged against the limitation established by the first sentence of section 103(e)(1) of this title. The designation of a highway under this subsection shall create no Federal financial responsibility with respect to such highway, except that the State involved may use Federal-aid highway funds available to it under sections 104(b)(1) and 104(b)(5)(B) of this title, for the resurfacing, rehabilitation, restoration, and reconstruction of a highway designated as a route on the Interstate System under this subsection.".

23 USC 103.

23 USC 104.

Maine Turnpike. Repayment. 92 Stat. 2713.

SEC. 11. Section 145 of the Federal-Aid Highway Act of 1978 is amended to read as follows:

"SEC. 145. (a) Upon satisfaction by the State of Maine or the Maine Turnpike Authority of the following conditions, the State of Maine and the Maine Turnpike Authority shall be free of all restrictions with respect to the imposition and collection of tolls or other charges on the Maine Turnpike or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder: repayment by the State of Maine or the Maine Turnpike Authority to the Treasurer of the United States of the sum of $8,577,900 which is the amount of Federal-aid highway funds received for construction of interchanges or connections with the Maine Turnpike at West

Gardiner, Kennebec County, Maine, at York, York County, Maine, and at Scarborough-South Portland, Cumberland County, Maine. The amount to be repaid shall be deposited to the credit of the appropriation for 'Federal-Aid Highway (Trust Fund)'. Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the classes determined by the Secretary to and in cooperation with the State of Maine. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code.

"(b) The State of Maine and the Maine Turnpike Authority are deemed to be in compliance with section 129(c) of title 23, United States Code: *Provided,* That the conditions of subsection (a) are satisfied.".

SEC. 12. (a) Section 152 of the Federal-Aid Highway Act of 1978 is amended by adding after "fiscal year 1981" the following "and $55,000,000 for fiscal year 1983". 92 Stat. 2716.

(b) Such section 152 is further amended by adding at the end thereof the following new sentence: "Sums authorized to be appropriated under this section shall not be subject to any State or local law relating to apportionment of funds available for the construction or improvement of highways.".

SEC. 13. This Act may be cited as the "Federal-Aid Highway Act of 1981". Short title. 23 USC 101 note.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 3210 (S. 1024) (S. 1208):

HOUSE REPORT No. 97-92 (Comm. on Public Works and Transportation).
SENATE REPORTS: Nos. 97-202 accompanying S. 1024 and 97-114 accompanying S. 1208 (both from Comm. on Environment and Public Works).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Sept. 24, considered and passed House.
Nov. 16, considered and passed Senate, amended, in lieu of S. 1024.
Dec. 15, House concurred in Senate amendment with an amendment.
Dec. 16, Senate concurred in House amendment.

89-194 O—82——111 : QL3

Public Law 97-135
97th Congress

Joint Resolution

Dec. 29, 1981
[S.J. Res. 57]

To provide for the designation of February 7 through 13, 1982, as "National Scleroderma Week".

National Scleroderma Week Designation.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the President shall issue a proclamation designating February 7 through 13, 1982, as "National Scleroderma Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.**

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 57:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 18, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-136
97th Congress

An Act

To authorize appropriations for the Coast Guard for fiscal year 1982, and for other purposes.

Dec. 29, 1981
[S. 831]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are authorized to be appropriated for necessary expenses of the Coast Guard for fiscal year 1982 as follows:

Coast Guard, appropriation authorization.

(1) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,404,800,000.

(2) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $537,200,000.

(3) For the alteration or removal of bridges over navigable waters of the United States, constituting obstructions to navigation, $17,500,000.

(4) For research, development, test, and evaluation, $29,730,000 of which sufficient funds shall be made available to continue in operation a Coast Guard research and development center through the end of the 1982 fiscal year: *Provided,* That the Coast Guard submits its research, development, test, and evaluation program plan, including the continuation or operation of a research and development center, for fiscal year 1982 to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate for approval before implementation.

Active duty personnel.

SEC. 2. For fiscal year 1982, the Coast Guard is authorized an end-of-year strength for active duty personnel of 42,224. This end-of-year strength shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

Military training students loads.

SEC. 3. For fiscal year 1982, the Coast Guard is authorized average military training student loads as follows:

(1) For recruit and special training, 3,660 student-years.

(2) For flight training, 118 student-years.

(3) For professional training in military and civilian institutions, 655 student-years.

(4) For officer acquisition, 1,038 student-years.

Civilian personnel.

SEC. 4. Notwithstanding any other provision of law, the fiscal 1982 end-of-year civilian personnel strength of the Coast Guard shall be at least 5,484.

SEC. 5. The Act of October 3, 1980 (Public Law 96-376; 94 Stat. 1509), is amended—

(1) in paragraph (1) of the first section, by striking out "$1,248,367,000" and substituting "$1,337,207,000"; and

(2) in section 2, by striking out "39,600" and substituting "39,819".

SEC. 6. (a)(1) Subsection (a) of section 41a of title 14, United States Code, is amended to read as follows:

Active duty promotion list.

"(a) The Secretary shall maintain a single active duty promotion list of officers of the Coast Guard on active duty in the grades of ensign and above. Reserve officers on active duty, other than pursuant to an active duty agreement executed under section 679 of title 10, retired officers, and officers of the permanent commissioned teaching staff of the Coast Guard Academy shall not be included on the active duty promotion list.".

(2) Subsection (b) of such section is amended by striking out the period at the end of the second sentence and substituting ", except that the rear admiral serving as Chief of Staff shall be the senior rear admiral for all purposes other than pay.".

(3) Subsection (d) of such section is amended by striking out "extended".

14 USC 290.

(b) Section 290(a) of such title is amended by inserting "or in the position of Chief of Staff" in the second sentence after "vice admiral".

(c)(1) Section 711 of such title is amended by striking out the first sentence.

(2) The heading of such section is amended to read as follows:

"§ 711. Exclusiveness of service".

(3) The item relating to section 711 in the analysis of chapter 21 is amended to read as follows:

"711. Exclusiveness of service.".

(d) Section 93(p) of such title is amended by inserting "including telephones in residences leased or owned by the Government of the United States when appropriate to assure efficient response to extraordinary operational contingencies of a limited duration," after "of such lines and cables,".

Housing leases.

SEC. 7. Section 475(a) of title 14, United States Code, is amended by inserting after the first sentence thereof the following new sentences: "The Secretary is also authorized to lease housing facilities for assignment as public quarters, without rental charge, to military personnel who are on sea duty or duty at remote offshore Coast Guard stations and who do not have dependents. Such authority shall be effective in any fiscal year only to such extent or in such amounts as are provided in appropriation Acts."

Temporary Reserve members, benefit computation.

5 USC 5332 note.

SEC. 8. (a) The third sentence of section 707(a) of title 14, United States Code, is amended to read as follows: "For benefit computation, regardless of pay or pay status, the member is considered to have had monthly pay of the monthly equivalent of the minimum rate of basic pay in effect for grade GS-9 of the General Schedule on the date the injury is incurred.".

Effective date.
14 USC 707 note.

(b) The amendment made by subsection (a) shall apply only with respect to payments for benefits under section 707(a) of title 14, United States Code, for months beginning on or after the date of the enactment of this Act.

SEC. 9. The Act of July 5, 1884 (46 U.S.C. 2 et seq.), is amended by adding at the end thereof the following new section:

Vessel inspection, examination or documentation.
46 USC 9.

"SEC. 8. (a) The original and periodic inspections or examinations of a vessel documented or to be documented as a vessel of the United States, both in the United States and in foreign countries, may be delegated to the maximum extent practicable by the Secretary of the department in which the Coast Guard is operating to the American Bureau of Shipping, or similar American classification society, or agent thereof, who may issue certificates of inspection, attesting to

compliance with existing Coast Guard regulations, and such other certificates as are essential to documentation.

"(b) The Secretary of the department in which the Coast Guard is operating may also contract or enter into agreements with or utilize the American Bureau of Shipping, or similar American classification society for the review and approval of vessel hull, machinery, piping, and electrical plans.

Contracts and agreements.

"(c) The Secretary of the department in which the Coast Guard is operating shall report to the Congress on the implementation of subsections (a) and (b) within 6 months of the date of the enactment of this section, and annually thereafter for 3 years. Such report shall include the views of the affected industry on the implementation of those subsections.".

Report to Congress.

SEC. 10. Paragraphs (1) and (2) of section 104 of the Vessel Documentation Act (Public Law 96-594; 94 Stat. 3453) are amended to read as follows:

46 USC 65b.

"(1) an individual who is a citizen of the United States, or an association, trust, joint venture, or other entity capable of holding title to a vessel, under the law of the United States, of any State, territory, or possession of the United States, of the District of Columbia, or of the Commonwealth of Puerto Rico, all of the members of which are citizens of the United States;

"(2) a partnership whose general partners are citizens of the United States, and the controlling interest in the partnership is owned by citizens of the United States;".

SEC. 11. Section 7 of the Act of May 21, 1920 (31 U.S.C. 686), is amended by inserting "Coast Guard," in the first proviso of subsection (a) after "Federal Aviation Agency,".

SEC. 12. Nothing in this Act shall be construed to authorize or provide funds for removing facilities of Coast Guard Group Port Angeles from Ediz Hook.

SEC. 13. (a) The Congress, in recognition of the heroic efforts that resulted in the saving, under extremely adverse conditions, of the lives of all 510 passengers aboard the motor vessel Prinsendam which caught fire off the coast of Alaska on October 4, 1980, hereby honors and expresses its thanks to the members of the Coast Guard, the individuals of the United States and Canadian Air Forces, and the crew of the tanker Williamsburg and all others who participated directly in this valiant undertaking, as well as the crew of the Prinsendam.

Prinsendam, congressional recognition of rescue efforts.

(b) The Commandant of the Coast Guard shall determine the names and addresses of those individuals honored under subsection (a), and provide the names and addresses to the Clerk of the House of Representatives who shall convey in appropriate language the appreciation of Congress to each such individual for his or her actions in connection with the Prinsendam rescue.

SEC. 14. The Coast Guard shall deploy at least one helicopter for search and rescue, as well as other missions of the Coast Guard, at each of the following sites: Newport, Oregon; Cordova, Alaska; and Charleston, South Carolina.

Helicopter deployment.

SEC. 15. The Rogue River station in Oregon operated by the Coast Guard shall remain in operation until at least October 31 of each year.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 831 (H.R. 2559):

HOUSE REPORT No. 97-62 accompanying H.R. 2559 (Comm. on Merchant Marine and Fisheries).

SENATE REPORT No. 97-45 (Comm. on Commerce, Science, and Transportation).

CONGRESSIONAL RECORD, Vol. 127 (1981):

May 4, considered and passed Senate.

Dec. 8, 14, H.R. 2559 considered and passed House; passage vacated and S. 831, amended, passed in lieu.

Dec. 16, Senate concurred in House amendment with an amendment; House concurred in Senate amendment.

Public Law 97-137
97th Congress

An Act

To provide for the establishment of the Bandon Marsh National Wildlife Refuge, Coos County, State of Oregon, and for other purposes.

Dec. 29, 1981
[H.R. 2241]

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

Bandon Marsh National Wildlife Refuge. Establishment.

TITLE I—BANDON MARSH NATIONAL WILDLIFE REFUGE

PURPOSES OF REFUGE

16 USC 668dd note.

SEC. 101. For the preservation and enhancement of the highly significant wildlife habitat of the area known as Bandon Marsh, in the estuary of the Coquille River in the State of Oregon, for the protection of migratory waterfowl, numerous species of shorebirds and fish, including Chinook and silver salmon, and to provide opportunity for wildlife-oriented recreation and nature study on the marsh, the Secretary of the Interior (hereinafter in this title referred to as the "Secretary") shall establish as part of the national wildlife refuge system a national wildlife refuge to be known as the Bandon Marsh National Wildlife Refuge (hereinafter in this title referred to as the "refuge").

BOUNDARIES OF THE REFUGE

SEC. 102. There shall be included within the boundaries of the refuge those lands and waters generally depicted on the map entitled "Bandon Marsh National Wildlife Refuge", dated September 1980, comprising approximately three hundred acres. The map shall be on file and available for public inspection in the office of the United States Fish and Wildlife Service, Department of the Interior.

ACQUISITION

SEC. 103. The Secretary may acquire lands or waters, or interests therein, within the boundaries of the refuge by donation, purchase with donated or appropriated funds, or exchange. Any lands, waters, or interests therein owned by the State of Oregon or by any political subdivision thereof may be acquired only with the consent of the owner thereof.

ESTABLISHMENT

Publication in Federal Register.

SEC. 104. The Secretary shall establish the refuge by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable refuge have been acquired.

ADMINISTRATION

SEC. 105. The Secretary shall administer the lands, waters, and interests therein acquired for the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd and 668ee). The Secretary may utilize, to the extent he deems appropriate to carry out the purposes of this title, such additional statutory authority as may be available to him for (1) the development of outdoor recreation opportunities compatible with the wildlife resources of the refuge, and (2) interpretive education.

AUTHORIZATION OF APPROPRIATIONS

SEC. 106. Beginning October 1, 1982, there are authorized to be appropriated $270,000 for the acquisition of lands, waters, or interests therein, for the refuge.

TITLE II—FALLS OF THE OHIO NATIONAL WILDLIFE CONSERVATION AREA

CONGRESSIONAL FINDINGS

16 USC 668dd note.

SEC. 201. The Congress finds that—

(1) the area along the Ohio River near the city of Louisville, Kentucky, contains highly significant and varied wildlife and supports important aquatic nurseries;

(2) the area includes a unique and world-renowned three-hundred-million-year-old fossilized coral reef which is the only place where the Ohio River flows over bedrock;

(3) the wetlands of this area represent one of the most valuable and unique wildlife habitat types in the United States and have extremely high value for fishermen, birdwatchers, nature photographers, paleontologists, and others; and

(4) this area should be preserved to ensure the well-being of these species, to provide wildlife-oriented recreation for the public and encourage the study of fossils.

DEFINITIONS

SEC. 202. For purposes of this title:

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "selection area" means those lands and waters near the McAlpine Dam in the Ohio River located in Jefferson County, Kentucky, and Clark and Floyd Counties, Indiana, depicted on the map entitled "Falls of the Ohio National Wildlife Conservation Selection Area", dated December, 1981, and on file at the United States Fish and Wildlife Service.

(3) The term "wildlife conservation area" means the Falls of the Ohio National Wildlife Conservation Area.

PURPOSES OF WILDLIFE CONSERVATION AREA

SEC. 203. The purposes for which the Falls of the Ohio National Wildlife Conservation Area is established are—

(1) to protect wildlife populations and habitats in their natural diversity including, but not limited to, bald eagle, peregrine falcon, Canada geese, mallard, gadwall, blue-winged teal, black duck, American widgeon, and wood duck;

(2) to conserve fish populations in their natural diversity including, but not limited to, shad, shiner, crappie, largemouth bass, striped bass, and channel catfish;

(3) to ensure, to the maximum extent practicable and in a manner consistent with paragraphs (1) and (2) and compatible with navigation on the Ohio River and operation of the McAlpine locks and dam, the necessary water quantity within the wildlife conservation area;

(4) to protect the fossilized coral reef as a unique paleontological feature; and

(5) to provide opportunities for scientific research and interpretive and environmental uses and fish and wildlife oriented recreational uses.

SELECTION AND ESTABLISHMENT OF WILDLIFE CONSERVATION AREA

SEC. 204. (a) SELECTION.—(1) Within one year after the date of the enactment of this title the Secretary shall, in consultation with the Secretary of the Army acting through the Chief of Engineers—

(A) designate approximately one thousand acres of land and water within the selection area as land which the Secretary considers appropriate for the wildlife conservation area; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service and the Corps of Engineers.

Publication in Federal Register.

(2) The Secretary may make such minor revisions in the boundaries designated under paragraph 1(B) as may be appropriate to carry out the purposes of, or to facilitate the acquisition of property (and interests therein) within, the wildlife conservation area.

(b) ESTABLISHMENT.—The Secretary shall, in consultation with the Secretary of the Army acting through the Chief of Engineers, establish the Falls of the Ohio National Wildlife Conservation Area, by publication of a notice to that effect in the Federal Register, within one year after the date of the enactment of this title.

Publication in Federal Register.

ADMINISTRATION

SEC. 205. The Secretary of the Army, acting through the Chief of Engineers, shall administer all lands, waters, and interests therein within the wildlife conservation area to assure that the wildlife conservation area is managed to carry out the purposes for which it was established, and to that end shall consult with, and utilize the services of, the Secretary. In order to effectively manage the wildlife conservation area, the Secretary of the Army shall acquire by donation, purchase with donated or appropriated funds, or exchange lands, waters or interests therein within the boundaries of such area. The Secretary of the Army and the Secretary may utilize such additional statutory authority as may be available to them to carry out this title.

REGULATIONS

SEC. 206. The Secretary of the Army shall promulgate regulations, within one year after date of the enactment of this title, to carry out this title. Such regulations shall include, but not be limited to, a

prohibition on all hunting, as well as prohibitions on vandalism (including the removal of fossils) and the dumping of refuse, within the boundaries of the wildlife conservation area.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. Beginning October 1, 1982, there are authorized to be appropriated to the Secretary of the Army not to exceed $300,000 to carry out this title; and such sums shall remain available until expended.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 2241:

HOUSE REPORT: No. 97-376 (Comm. on Merchant Marine and Fisheries).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House.
Dec. 16, considered and passed Senate.

Public Law 97-138
97th Congress

Joint Resolution

To proclaim March 19, 1982, "National Energy Education Day".

Dec. 29, 1981
[S.J. Res. 84]

Whereas inexpensive and abundant energy permitted our great Nation to rise to a position of preeminence in the world community of nations; and

Whereas events of recent years have shown that our growing dependence on foreign energy supplies present a serious threat to the national security of the United States and to the health, safety, and welfare of its citizens; and

Whereas the development of new technologies to increase supplies and efficient use of traditional domestic and renewable energy resources promise to reduce our dependence on insecure and financially draining foreign energy supplies; and

Whereas these fundamental changes require the update of our educational system at all grade levels to prepare our youth to meet the new demands which are being created; and

Whereas the celebration of National Energy Education Day (NEED) will bring together students, teachers, school officials, and community members, to focus attention, during the past year, on the growth of an energy educated public, both young and old; and

Whereas NEED must also prompt additional efforts for the upcoming year which will demonstrate that to ignore the plight of an energy shortfall and to fail to seek sound remedies would be an error: Now, therefore, be it

***Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That March 19, 1982, is proclaimed "National Energy Education Day" to expedite and enhance energy education programs in schools, both public and private, at all grade levels, and the President is authorized and requested to (a) issue a proclamation calling upon the general public**

National Energy Education Day. Designation.

and educational institutions of the United States to observe this day with appropriate activities and ceremonies, and (b) to send suitable engrossed copies to all of the Nation's Governors and Members of Congress, and (c) to direct all appropriate Federal agencies to cooperate with and participate in the celebration of "National Energy Education Day".

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 84:

CONGRESSIONAL RECORD, Vol. 127 (1981):
July 24, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-139
97th Congress

Joint Resolution

To provide for the designation of the year 1982 as the "Bicentennial Year of the American Bald Eagle" and the designation of June 20, 1982, as "National Bald Eagle Day".

Dec. 29, 1981
[S.J. Res. 121]

Whereas on June 20, 1782, the Congress adopted the American bald eagle as the symbol of our Nation;

Whereas the American bald eagle was so adopted because of its legendary strength and its single-minded commitment to the protection of its young and the defense of its home;

Whereas the American public has adopted the American bald eagle as a symbol of strength, courage, determination, and beauty;

Whereas the seals of twelve States and the District of Columbia bear the image of the American bald eagle;

Whereas human encroachment on the American bald eagle's natural habitat has resulted in the designation of the American bald eagle as an endangered species throughout most of the United States;

Whereas Federal, State, and local governments and private wildlife conservation groups have adopted programs in recent years to increase the number and dispersal of nesting pairs in the United States;

Whereas the celebration of the Bicentennial Year of the American Bald Eagle and National Bald Eagle Day will serve to make people aware of the current plight of our country's living symbol;

Whereas such celebration will draw attention to the spirit the American bald eagle represents and the pride that it signifies;

Whereas such celebration should be conducted in a manner that encourages additional efforts to keep the American bald eagle a flying symbol of freedom: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the year 1982 is designated as the "Bicentennial Year of the American Bald Eagle" and June 20, 1982, is designated as "National Bald Eagle Day". In order to promote and enhance efforts to inform the American people of the plight of our national bird, the American bald eagle, and to encourage additional efforts to protect and increase the population of this symbol of our Nation, the President of the United States is authorized and requested—

Bicentennial Year of the American Bald Eagle and National Bald Eagle Day. Designation.

(1) to issue a proclamation calling upon the people of the United States, including wildlife conservation organizations and educational institutions, to observe such year and day with appropriate ceremonies and activities;

(2) to send a suitable copy of such proclamation to the Governor of each State and to each Member of Congress; and

(3) to direct all Federal agencies and departments which have activities which affect the bald eagle to cooperate with and participate in the celebration of such year and day.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 121:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed Senate.
Dec. 16, considered and passed House.

Public Law 97-140
97th Congress

An Act

To authorize the Secretary of the Army to contract with the Tarrant County Water Control and Improvement District Numbered 1 and the city of Weatherford, Texas, for the use of water supply storage in Benbrook Lake, and for other purposes.

Dec. 29, 1981
[H.R. 779]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to provide for municipal use of storage water in Benbrook Dam, Texas" approved July 24, 1956 (70 Stat. 632) (as amended by section 6 of Public Law 91-282 (84 Stat. 312) and section 9 of Public Law 92-222 (85 Stat. 799)), is amended—

Benbrook Lake, Tex.
Water supply storage.

(1) in the first sentence, by inserting "and with the Tarrant County Water Control and Improvement District Numbered 1, the city of Grandbury, and with the city of Weatherford," after "Benbrook Water and Sewer Authority,";

(2) in the second sentence, by inserting "or the Tarrant County Water Control and Improvement District Numbered 1, the city of Grandbury, or the city of Weatherford" after "Benbrook Water and Sewer Authority"; and

(3) by adding at the end thereof the following new sentence: "To the extent consistent with the authorized purposes of the project, the Secretary of the Army is authorized to contract with the Tarrant County Water Control and Improvement District Numbered 1 to provide for the use by such district of terminal storage in the Benbrook Reservoir for water of such district delivered into the Benbrook Reservoir from other sources.".

SEC. 2. (a) The third sentence of section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended to read as follows: "Not more than $4,000,000 shall be allotted under this section for a project at any single locality.".

(b) The amendment made by this section shall not apply to any project under contract for construction on the date of enactment of this Act.

33 USC 701s note.

SEC. 3. Section 164 of the Water Resources Development Act of 1976 (Public Law 94-587) is amended by deleting the figure "$21,000,000" and inserting in lieu thereof "$23,200,000".

SEC. 4. The Secretary shall relocate the water supply intake facility on the Missouri River at Springfield, South Dakota, which facility is subject to severe sedimentation, at an estimated cost of $2,190,000.

SEC. 5. (a) The proviso of section 2 of Public Law 84-485 shall not be construed to prohibit the storage of San Juan-Chama project water acquired by contract with the Secretary of the Interior pursuant to Public Law 87-483 in any reservoir, including the storage of water for recreation and other beneficial purposes by any party contracting with the Secretary for project water.

San Juan-Chama water storage project.
43 USC 620a note.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama project pursuant to Public Law 87-483 for storage of

Abiquiu Reservoir.

a total of two hundred thousand acre-feet of such water in Abiquiu Reservoir. The Secretary of the Interior is hereby authorized to release San Juan-Chama project water to contracting entities for such storage. The agreements to thus store San Juan-Chama project water shall not interfere with the authorized purposes of the Abiquiu Dam and Reservoir project and shall include a requirement that each user of storage space shall pay any increase in operation and maintenance costs attributable to the storage of that user's water.

Elephant Butte Reservoir.

(c) The Secretary of the Interior is authorized to enter into agreements with entities which have contracted with the Secretary of the Interior for water from the San Juan-Chama project pursuant to Public Law 87-483 for storage of such water in Elephant Butte Reservoir. The Secretary of the Interior is hereby authorized to release San Juan-Chama project water to contracting entities for such storage. Any increase in operation and maintenance costs resulting from such storage not offset by increased power revenues resulting from that storage shall be paid proportionately by the entities for which the San Juan-Chama project water is stored.

(d) The amount of evaporation loss and spill chargeable to San Juan-Chama project water stored pursuant to subsections (b) and (c) of this section shall be accounted as required by the Rio Grande compact and the procedures established by the Rio Grande Compact Commission.

16 USC 460d note.

SEC. 6. Notwithstanding any other provision of law, no houseboat, floating cabin, marina (including any with sleeping facilities), or lawfully installed dock or cabin and appurtenant structures shall be required to be removed before December 31, 1989, from any Federal water resources reservoir or lake project administered by the Secretary of the Army, acting through the Chief of Engineers, on which it was located on the date of enactment of this Act, if such property is maintained in usable condition, and, in the judgment of the Chief of Engineers, does not occasion a threat to life or property.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 779:

HOUSE REPORT No. 97-95 (Comm. on Public Works and Transportation).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 1, considered and passed House.
Dec. 16, considered and passed Senate, amended; House concurred in Senate amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 53 (1981):
Dec. 29, Presidential statement.

Public Law 97-141
97th Congress

An Act

To amend title 5, United States Code, to extend the Federal Physicians Comparability Allowance Act of 1978, and for other purposes.

Dec. 29, 1981
[S. 1551]

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 "Federal Physicians Comparability Allowance Amendments of 1981".

Federal Physicians Comparability Allowance Amendments of 1981.

SEC. 2. Section 5948 of title 5, United States Code, is amended—

5 USC 5948 note.

(1) in subsection (d)—

(A) by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1983"; and

(B) by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1985";

(2) in subsection (g), by amending so much of paragraph (1) as precedes subparagraph (A) to read as follows:

"Government physician."

"(1) 'Government physician' means any individual employed as a physician or dentist who is paid under—"; and

(3) in subsection (g)(1)(F), by striking out "title 4 of the Foreign Service Act of 1946 (22 U.S.C. 861-890)" and inserting in lieu thereof "chapter 4 of title I of the Foreign Service Act of 1980 (22 U.S.C. 3961 and following)".

SEC. 3. Section 3 of the Federal Physicians Comparability Allowance Act of 1978 (Public Law 95-603; 92 Stat. 3018) is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1985".

5 USC 5948 note.

SEC. 4. (a) Any service agreement entered into on or after the date of the enactment of this Act pursuant to section 5948 of title 5, United States Code, as amended by section 2 of this Act, shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

5 USC 5948 note.

(b) The amendments made by this Act shall not be construed to authorize additional or supplemental appropriations for the fiscal year ending September 30, 1982.

SEC. 5. (a) Section 8344(c) of title 5, United States Code, relating to termination of civil service annuities on reemployment, is amended by adding at the end thereof the following: "Upon separation from such position, an individual whose annuity is so terminated is entitled to have his rights redetermined under this subchapter, except that the amount of the annuity resulting from such redetermination shall be at least equal to the amount of the terminated annuity plus any increases under section 8340 of this title occurring after the termination and before the commencement of the redetermined annuity.".

(b)(1) Subject to paragraph (2), the amendment made by subsection (a) shall apply to individuals whose annuities terminate under section 8344(c) of title 5, United States Code, on or after October 1, 1976.

Effective date.
5 USC 8344 note.

(2) In the case of an individual whose reemployment ended before the date of the enactment of this Act, the amendment shall apply only upon application by the individual to the Office of Personnel

Management within one year after the date of enactment. Upon receipt of such application, the Office shall recompute the annuity, effective as of the day following the day reemployment ended.

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1551 (H.R. 4793):

HOUSE REPORT No. 97-317 accompanying H.R. 4793 (Comm. on Post Office and Civil Service).
SENATE REPORT No. 97-257 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Nov. 9, considered and passed Senate.
Nov. 17, H.R. 4793 considered and passed House; proceedings vacated and S. 1551, amended, passed in lieu.
Dec. 15, Senate concurred in House amendments.

Public Law 97-142
97th Congress

An Act

Dec. 29, 1981
[H.R. 4926]

To authorize the Secretary of the Army to acquire, by purchase or condemnation, such interests in oil, gas, coal, and other minerals owned or controlled by the Osage Tribe of Indians as are needed for Skiatook Lake, Oklahoma, and for other purposes.

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

Osage Indians. Acquisition of mineral interests for Skiatook Lake

(1) Under the Act of June 28, 1906 (34 Stat. 539; Public Law 59-321), the Osage Tribal Council is vested with authority to administer the Osage mineral estate and that such authority includes authority to agree upon compensation to be paid the Osage Tribe of Indians for the subordination to be acquired under the terms of this Act.

Payment.

(2) The Osage Tribal Council and the United States Corps of Engineers have agreed that $7,400,000 should be paid to the Osage Tribe of Indians as compensation for the acquisition of the subordination of the oil, gas, coal, and other minerals owned by the Osage Tribe as is necessary for the construction of works relating to the Skiatook Lake and the operation and maintenance of such lake.

SEC. 2. (a) Immediately upon the payment of $7,400,000, as provided in subsection (b) of this section, there hereby vests in the United States a subordination of such interests in oil, gas, coal, and other minerals owned by the Osage Tribe of Indians or held in trust by the United States for the benefit of the tribe as are necessary for the construction of works relating to Skiatook Lake and the operation and maintenance of such lake as a part of the project for improvement of the Verdigris River and tributaries, Oklahoma and Kansas, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1180; Public Law 87-874). The nature of the subordination and the conditions and restrictions for oil and gas operations within the project area are set forth in the agreement between the Osage Tribe of Indians and the Secretary of the Army as set out in a resolution of the Osage Tribal Council numbered 25-651, dated December 3, 1981, together with appendices "A (Public Use Areas)"; "A (Reservoir Areas)"; "B-1"; and "B-2".

(b) The payment of $7,400,000 for such subordination shall be made by the Secretary of the Army to the Secretary of the Interior, on behalf of the Osage Tribe of Indians.

(c) The Secretary of the Army is authorized to acquire, by purchase or condemnation, a subordination of any interest in oil, gas, coal, and other minerals leased by, or on behalf of, the Osage Tribe of Indians as are necessary for the Skiatook Lake project referred to in subsection (a) of this section.

SEC. 3. The Secretary of the Interior, upon payment by the Secretary of the Army of the amount authorized by section 1 of this Act, is authorized to disburse such payment to the Osage Tribe of Indians in accordance with applicable law.

Attorney fees.

SEC. 4. Funds paid to the Osage Tribe of Indians under the provisions of this Act shall not be subject to the payment of attorney fees.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 4926 (S. 1370):

HOUSE REPORT No. 97-382 Pt. 1 (Comm. on Interior and Insular Affairs).
SENATE REPORT No. 97-295 accompanying S. 1370 (Comm. on Indian Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 15, considered and passed House and Senate.

Public Law 97-143
97th Congress

An Act

To amend the Act of July 31, 1946, as amended (40 U.S.C. 193a).

Dec. 29, 1981
[S. 1976]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946, as amended (40 U.S.C. 193a), is amended by inserting immediately after section 9 thereof the following new section:

United States Capitol Police, authority.

"SEC. 9A. (a) Subject to the direction of the Capitol Police Board, the United States Capitol Police is authorized to protect, in any area of the United States, the person of any Member of Congress, officer of the Congress, as defined in section 431 of the Act of October 26, 1970 (2 U.S.C. 60-1(b)), and any member of the immediate family of any such Member or officer, if the Capitol Police Board determines such protection to be necessary.

40 USC 212a-2.

"(b) In carrying out its authority under this section, the Capitol Police Board, or its designee, is authorized, in accordance with regulations issued by the Board pursuant to this section, to detail, on a case-by-case basis, members of the United States Capitol Police to provide such protection as the Board may determine necessary under this section.

Regulations.

"(c) In the performance of their protective duties under this section, members of the United States Capitol Police are authorized (1) to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony; and (2) to utilize equipment and property of the Capitol Police.

"(d) Whoever knowingly and willfully obstructs, resists, or interferes with a member of the Capitol Police engaged in the performance of the protective functions authorized by this section, shall be fined not more than $300 or imprisoned not more than one year, or both.

"(e) Nothing contained in this section shall be construed to imply that the authority, duty, and function conferred on the Capitol Police Board and the United States Capitol Police are in lieu of or intended to supersede any authority, duty, or function imposed on any Federal department, agency, bureau, or other entity, or the Metropolitan Police of the District of Columbia, involving the protection of any such Member, officer, or family member.

"(f) As used in this section, the term 'United States' means each of the several States of the United States, the District of Columbia, and territories and possessions of the United States.".

"United States."

(b) Section 1114 of title 18, United States Code, is amended by inserting immediately after "any officer or employee of the Secret Service or of the Drug Enforcement Administration," the following: "any officer or member of the United States Capitol Police ".

Approved December 29, 1981.

LEGISLATIVE HISTORY—S. 1976:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 16, considered and passed Senate and House.

Public Law 97-144
97th Congress

Joint Resolution

To authorize and request the President to designate the week of January 17, 1982, through January 23, 1982, as "National Jaycee Week".

Dec. 29, 1981
[S.J. Res. 117]

Whereas the Jaycee idea began with a handful of young men in Saint Louis, Missouri, sixty-two years ago;

Whereas the Jaycee idea embraces today approximately three hundred thousand members in seven thousand five hundred American communities that have chapters in the United States Jaycees;

Whereas the Jaycee idea enriches the lives of communities around the world through affiliation in Jaycees International;

Whereas the Jaycee organization retains a youthful outlook, even in its maturity, and continues to build on the individual member, even with its global scope—first, helping him be the best man he can be, then helping him help his fellow man in need, one to one;

Whereas a Jaycee cares about people, and he shows it;

Whereas a Jaycee cares about progress, and he does something about it;

Whereas a Jaycee lives by the creed that "service to humanity is the best work of life", and throws himself into that work both in his vocation and avocation;

Whereas a Jaycee is the kind of young man this country will need in great numbers to help meet the challenges of our times and the coming century; and

Whereas it is fitting that we should give special recognition and encouragement to the Jaycee and his organization: Now, therefore, be it

National Jaycee Week. Designation authorization.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, **That the President is authorized and requested to issue a proclamation designating the week of January 17, 1982, through January 23, 1982, as "National Jaycee Week", and calling upon all Government agencies and people of the United States to observe the week with appropriate programs, ceremonies, and activities.**

Approved December 29, 1981.

LEGISLATIVE HISTORY—S.J. Res. 117:

CONGRESSIONAL RECORD, Vol. 127 (1981):
Dec. 16, considered and passed Senate and House.

Public Law 97-145
97th Congress

An Act

To authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes.

Dec. 29, 1981
[H.R. 3567]

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 "Export Administration Amendments Act of 1981".

Export Administration Amendments Act of 1981.
50 USC app. 2401 note.

SEC. 2. (a) Section 18(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)(1)) is amended to read as follows:

"(1) $9,659,000 for each of the fiscal years 1982 and 1983; and".

(b) The amendment made by subsection (a) shall be effective as of October 1, 1981.

Effective date.
50 USC app. 2417 note.

SEC. 3. Section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)) is amended by adding at the end thereof the following:

"(3) Departments or agencies which obtain information which is relevant to the enforcement of this Act shall furnish such information to the department or agency with enforcement responsibilities under this Act to the extent consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities. The provisions of this paragraph shall not apply to information subject to the restrictions set forth in section 9 of title 13, United States Code; and return information, as defined in subsection (b) of section 6103 of the Internal Revenue Code of 1954, may be disclosed only as authorized by such section.".

Information disclosure.

26 USC 6103.

SEC. 4. (a) Section 11(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410(b)(1)) is amended by striking out "purposes," and all that follows through the period at the end thereof and inserting in lieu thereof the following: "purposes—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or $1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than $250,000, or imprisoned not more than 10 years, or both.".

(b) Section 11(b)(2) of that Act (50 U.S.C. App. 2410(b)(2)) is amended by striking out "Defense," and all that follows through the period at the end of the first sentence and inserting in lieu thereof the following: "Defense—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or $1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.".

(c) Section 11(c)(1) of that Act (50 U.S.C. App. 2410(c)(1)) is amended by inserting immediately before the period at the end thereof the following: ", except that the civil penalty for each such violation involving national security controls imposed under section 5 of this Act or controls imposed on the export of defense articles and defense

22 USC 2778.

services under section 38 of the Arms Export Control Act may not exceed $100,000.".

Effective date. 50 USC app. 2410 note.

(d) The amendments made by this section apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 5. Section 12(c)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)(2)) is amended to read as follows:

Information disclosure to Congress.

"(2) Nothing in this Act shall be construed as authorizing the withholding of information from the Congress or from the General Accounting Office. All information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available to any committee or subcommittee of Congress of appropriate jurisdiction upon request of the chairman or ranking minority member of such committee or subcommittee. No such committee or subcommittee, or member thereof, shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding of that information is contrary to the national interest. Notwithstanding paragraph (1) of this subsection, information referred to in the second sentence of this paragraph shall, consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities, as determined by the agency that originally obtained the information, and consistent with the provisions of section 313 of the Budget and Accounting Act, 1921, be made available only by that agency, upon request, to the Comptroller General of the United States or to any officer or employee of the General Accounting Office who is authorized by the Comptroller General to have access to such information. No officer or employee of the General Accounting Office shall disclose, except to the Congress in accordance with this paragraph, any such information which is submitted on a confidential basis and from which any individual can be identified.".

31 USC 54.

SEC. 6. Section 6(f) of the Export Administration Act of 1979 (50 U.S.C. 2405(f)) is amended—

50 USC app. 2405.

(1) in the subsection caption by inserting "AND FOR CERTAIN FOOD EXPORTS" immediately after "SUPPLIES";

(2) by inserting the following immediately after the first sentence: "Before export controls on food are imposed, expanded, or extended under this section, the Secretary shall notify the Secretary of State in the case of export controls applicable with respect to any developed country and shall notify the Director of the United States International Development Cooperation Agency in the case of export controls applicable with respect to any developing country. The Secretary of State with respect to developed countries, and the Director with respect to developing countries, shall determine whether the proposed export controls on food would cause measurable malnutrition and shall inform the Secretary of that determination. If the Secretary is informed that the proposed export controls on food would cause measurable malnutrition, then those controls may not be imposed, expanded, or extended, as the case may be, unless the President determines that those controls are necessary to protect the national security interests of the United States, or unless the President determines that arrangements are insufficient to ensure that the food will reach those most in need. Each such determination by the Secretary of State or the Director of the United States International Development Cooperation Agency, and any such determination by the President, shall be reported

to the Congress, together with a statement of the reasons for that determination.";

(3) in the next to the last sentence by striking out "supplies," and inserting in lieu thereof "supplies or of food"; and

(4) in the last sentence by inserting immediately before the period "or to any export control on food which is in effect on the date of the enactment of the Export Administration Amendments Act of 1981".

Soviet or Warsaw Pact embargo.
50 USC app. 2405 note.
50 USC app. 2401 note.

SEC. 7. Notwithstanding any other provision of law, no provision of the Export Administration Act of 1979, as amended by this Act, or of any other Act shall be construed to prohibit the exercise of authorities contained in the Export Administration Act of 1979 to impose a total embargo in the event of Soviet or Warsaw Pact military action against Poland.

Approved December 29, 1981.

LEGISLATIVE HISTORY—H.R. 3567 (S. 1112):

HOUSE REPORTS: No. 97-57 (Comm. on Foreign Affairs) and No. 97-401 (Comm. of Conference).

SENATE REPORT No. 97-91 accompanying S. 1112 (Comm. on Banking, Housing, and Urban Affairs).

CONGRESSIONAL RECORD, Vol. 127 (1981):

June 8, considered and passed House.
Nov. 9, 10, 12, S. 1112 considered in Senate.
Nov. 12, considered and passed Senate, amended, in lieu of S. 1112.
Dec. 15, Senate agreed to conference report.
Dec. 16, House agreed to conference report.

PRIVATE LAWS

FIRST SESSION, NINETY-SEVENTH CONGRESS

Private Law 97-1
97th Congress

An Act

For the relief of Blanca Rosa Luna de Frei.

Nov. 13, 1981
[H.R. 661]

Blanca Rosa Luna de Frei.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, for the purposes of the Immigration and Nationality Act, Blanca Rosa Luna de Frei shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one from the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas which are made available to such natives under section 202(e) of such Act.**

8 USC 1153.

8 USC 1152.

Approved November 13, 1981.

Private Law 97-2
97th Congress

An Act

For the relief of Junior Edmund Moncrieffe.

Nov. 13, 1981
[H.R. 688]

Junior Edmund Moncrieffe.
8 USC 1153, 1154.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That for the purposes of sections 203(a)(2) and 204 of the Immigration and Nationality Act, Junior Edmund Moncrieffe shall be held and considered to be the alien son of Rupert Edmund Moncrieffe, a lawful permanent resident of the United States: *Provided,* That the natural mother or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.**

Approved November 13, 1981.

Private Law 97-3
97th Congress

An Act

For the relief of Roland Karl Heinz Vogel.

Nov. 13, 1981
[H.R. 783]

Roland Karl Heinz Vogel.
8 USC 1182.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Roland Karl Heinz Vogel may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the**

Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

Approved November 13, 1981.

Private Law 97-4
97th Congress

An Act

Nov. 13, 1981
[H.R. 1469]

For the relief of Madeleine Mesnager.

Madeleine Mesnager.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, in the administration of the Immigration and Nationality Act, Madeleine Mesnager, the adoptive mother and aunt of Jeanne Petroff, a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case: *Provided,* That any fee received by any agent or attorney on account of services rendered relating to the introduction of this bill shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.**

8 USC 1151.
8 USC 1154.

Approved November 13, 1981.

Private Law 97-5
97th Congress

An Act

Nov. 13, 1981
[H.R. 1480]

For the relief of Omar Marachi.

Omar Marachi.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That Omar Marachi shall be held and considered to have satisfied the requirements of section 316 of the Immigration and Nationality Act relating to required periods of residence and physical presence within the United States and, notwithstanding the provisions of section 310(d) of that Act, may be naturalized at any time after the date of enactment of this Act if otherwise eligible for naturalization under the Immigration and Nationality Act.**

8 USC 1427.

8 USC 1421.

Approved November 13, 1981.

Private Law 97-6
97th Congress

An Act

Nov. 13, 1981
[H.R. 1550]

For the relief of Aurora Isidra Rullan Diaz.

Aurora Isidra Rullan Diaz.

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

tration of the Immigration and Nationality Act, Aurora Isidra Rullan Diaz may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Peter Banez, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

8 USC 1101.

8 USC 1154.

Approved November 13, 1981.

Private Law 97-7
97th Congress

An Act

For the relief of Gladys Belleville Schultz.

Nov. 13, 1981
[H.R. 1785]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Gladys Belleville Schultz may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Gordon R. and Dolores A. Schultz, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Gladys Belleville Schultz.

8 USC 1101.

8 USC 1154.

Approved November 13, 1981.

Private Law 97-8
97th Congress

An Act

For the relief of Kai-Mee Chen.

Nov. 13, 1981
[H.R. 2010]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kai-Mee Chen may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Wei-Jen and Mei-Suey Chen, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers and sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

Kai-Mee Chen.

8 USC 1101.

8 USC 1154.

Approved November 13, 1981.

89-194 O—82——109 : QL3

Private Law 97-9
97th Congress

An Act

Nov. 13, 1981
[H.R. 2185]

For the relief of Hanife Frantz.

Hanife Frantz.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, in the administration of the Immigration and Nationality Act, Hanife Frantz, the widow of a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case.**

8 USC 1151.
8 USC 1154.

Approved November 13, 1981.

Private Law 97-10
97th Congress

An Act

Nov. 13, 1981
[H.R. 2573]

For the relief of Moses Bank.

Moses Bank.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, in the administration of the Immigration and Nationality Act, Moses Bank, the uncle of a citizen of the United States, shall be deemed to be an immediate relative within the meaning of section 201(b) of such Act, and the provisions of section 204 of that Act shall not be applicable in this case.**

8 USC 1151.
8 USC 1154.

Approved November 13, 1981.

Private Law 97-11
97th Congress

An Act

Nov. 13, 1981
[H.R. 2975]

For the relief of Yuk Yee Li.

Yuk Yee Li.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That, for the purposes of the Immigration and Nationality Act, Yuk Yee Li shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas which are made available to such natives under section 202(e) of such Act.**

8 USC 1153.
8 USC 1152.

Approved November 13, 1981.

Private Law 97-12
97th Congress

An Act

To direct the Secretary of the department in which the United States Coast Guard is operating to cause the vessel Capt Tom to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade.

Dec. 29, 1981
[H.R. 1797]

Capt Tom and Yardarm Knot. U.S. Coast Guard documentation of vessels.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 27 of the Merchant Marine Act of 1920 (46 U.S.C. 883) or any other provision of law to the contrary, the Secretary of the department in which the United States Coast Guard is operating shall cause the vessels Capt Tom, owned by Mr. John W. Coston of Hampstead, North Carolina, and the Yardarm Knot, owned by Mr. Denton Sherry of Seattle, Washington, to be documented as vessels of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwise trade and fishing so long as such vessels are owned by a citizen of the United States.

Approved December 29, 1981.

CONCURRENT RESOLUTIONS

FIRST SESSION, NINETY-SEVENTH CONGRESS

JOINT MEETING

Jan. 5, 1981
[S. Con. Res. 1]

Election of President and Vice President.

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall meet in the Hall of the House of Representatives on Tuesday, the 6th day of January 1981, at 1 o'clock post meridiem, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their Presiding Officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter "A"; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in the manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

Agreed to January 5, 1981.

JOINT COMMITTEE FOR INAUGURAL ARRANGEMENTS

Jan. 6, 1981
[S. Con. Res. 2]

Resolved by the Senate (the House of Representatives concurring), That effective from January 5, 1981, the joint committee created by S. Con. Res. 84, of the Ninety-sixth Congress, to make the necessary arrangements for the inauguration of the President-elect and Vice President-elect of the United States on the 20th day of January 1981, is hereby continued and for such purpose shall have the same power and authority as that conferred by such S. Con. Res. 84, of the Ninety-sixth Congress, except that the size of the joint committee is hereby increased to consist of four Senators and four Representatives, to be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively.

94 Stat. 3648.

Agreed to January 6, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Feb. 6, 1981
[H. Con. Res. 58]

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, February 6, 1981, it stand adjourned until 12 o'clock meridian on Tuesday, February 17, 1981,

and that when the Senate adjourns on Friday, February 6, 1981, it stand adjourned until 12 o'clock meridian on Monday, February 16, 1981.

Agreed to February 6, 1981.

Feb. 17, 1981
[H. Con. Res. 69]

JOINT MEETING

Communications from President.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, February 18, 1981, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Agreed to February 17, 1981.

Mar. 26, 1981
[H. Con. Res. 85]

LAWLESS SEIZURE OF SPANISH PARLIAMENT—RESTORATION AND SUPPORT OF DEMOCRACY

Whereas the lawless seizure of the Spanish parliament by insurrectionist elements of Spain's paramilitary forces constituted a threat to the continuation of democracy in Spain; and

Whereas King Juan Carlos' personal appeal to maintain respect for peaceful constitutional order in Spain indicates the depth of his support for stability and democracy; and

Whereas the commitment of the clear majority of Spain's armed forces to remain loyal to King Juan Carlos and the Spanish democracy was instrumental in restoring lawful control of Spain's parliament; and

Whereas large scale public demonstrations by the Spanish people indicate the broad base of popular support for constitutional democracy government in Spain: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the restoration of the normal business of the Spanish parliament in the aftermath of its outrageous military seizure symbolizes the strength of democracy in Spain and provides inspiration to all people everywhere who love freedom; and

(2) the continued democratic political development in Spain makes an important contribution to the foreign policy interests of the United States and the free countries of Western Europe.

SEC. 2. The Congress congratulates the government and people of Spain on their commitment to democracy and looks forward to the continuation and expansion of close and cordial relations between the United States and Spain.

Agreed to March 26, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Apr. 8, 1981
[S. Con. Res. 17]

Resolved by the Senate (the House of Representatives concurring), That when the two Houses adjourn on Friday, April 10, 1981, they stand adjourned until 12 o'clock noon on Monday, April 27, 1981.

Agreed to April 8, 1981.

JOINT MEETING

Apr. 27, 1981
[H. Con. Res. 116]

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, April 28, at 9 o'clock post meridiem, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Communications from President.

Agreed to April 27, 1981.

CONGRESSIONAL BUDGET FOR FISCAL YEARS 1982–1984 AND REVISION FOR FISCAL YEAR 1981

May 21, 1981
[H. Con. Res. 115]

Resolved by the House of Representatives (the Senate concurring), That—

TITLE I—REVISION OF THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEAR 1981

SEC. 101. The provisions of this title shall supersede the figures set forth in the first section and section 2 of House Concurrent Resolution 448 of the Ninety-sixth Congress for the fiscal year beginning on October 1, 1980.

94 Stat. 3680.

SEC. 102. (a)(1) The recommended level of Federal revenues is $603,300,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $8,600,000,000.

(2) The appropriate level of total new budget authority is $717,500,000,000.

(3) The appropriate level of total budget outlays is $661,350,000,000.

(4) The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is −$58,050,000,000.

(5) The appropriate level of the public debt is $999,800,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $14,800,000,000.

(6) The appropriate level of total gross obligations for the principal amount of direct loans is $73,500,000,000, the appropriate level of total new primary commitments to guarantee loan principal is $85,200,000,000, and the appropriate level of total new secondary commitments to guarantee loan principal is $66,200,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of subsection (a) of this section of this resolution, the Congress hereby determines and declares that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $181,000,000,000;
(B) Outlays, $162,900,000,000.

(2) International Affairs (150):
(A) New budget authority, $23,550,000,000;
(B) Outlays, $11,250,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,200,000,000.

(4) Energy (270):
(A) New budget authority, $7,300,000,000;
(B) Outlays, $9,800,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $10,500,000,000;
(B) Outlays, $13,600,000,000.

(6) Agriculture (350):
(A) New budget authority, $5,600,000,000;
(B) Outlays, $2,700,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $6,600,000,000;
(B) Outlays, $3,400,000,000.

(8) Transportation (400):
(A) New budget authority, $25,000,000,000;
(B) Outlays, $23,900,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $8,300,000,000;
(B) Outlays, $11,400,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $30,800,000,000;
(B) Outlays, $31,800,000,000.

(11) Health (550):
(A) New budget authority, $72,200,000,000;
(B) Outlays, $66,800,000,000.

(12) Income Security (600):
(A) New budget authority, $250,350,000,000;
(B) Outlays, $227,600,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $23,300,000,000;
(B) Outlays, $22,800,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,700,000,000.

(15) General Government (800):
(A) New budget authority, $5,300,000,000;
(B) Outlays, $5,000,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,100,000,000;
(B) Outlays, $6,800,000,000.

(17) Interest (900):
(A) New budget authority, $79,500,000,000;
(B) Outlays, $79,500,000,000.

(18) Allowances (920):
(A) New budget authority, $0;
(B) Outlays, $0.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$28,800,000,000;
(B) Outlays, −$28,800,000,000.

TITLE II—SETTING FORTH THE CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 1982, 1983, AND 1984

SEC. 201. The Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1981— 31 USC 1322.

(1) the recommended level of Federal revenues is $657,800,000,000, and the net amount by which the aggregate level of Federal revenues should be decreased is $51,300,000,000;

(2) the appropriate level of total new budget authority is $770,900,000,000;

(3) the appropriate level of total budget outlays is $695,450,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is −$37,650,000,000; and

(5) the appropriate level of the public debt is $1,079,800,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $80,000,000,000.

SEC. 202. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of section 201 of this resolution, the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1981, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows: 31 USC 1322.

(1) National Defense (050):
(A) New budget authority, $226,300,000,000;
(B) Outlays, $188,800,000,000.
(2) International Affairs (150):
(A) New budget authority, $17,400,000,000;
(B) Outlays, $11,150,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,000,000,000.
(4) Energy (270):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $6,000,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $8,200,000,000;
(B) Outlays, $12,400,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,500,000,000;
(B) Outlays, $4,500,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,700,000,000;
(B) Outlays, $4,000,000,000.
(8) Transportation (400):
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $7,100,000,000;
(B) Outlays, $8,700,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $26,200,000,000;
(B) Outlays, $26,850,000,000.
(11) Health (550):
(A) New budget authority, $83,500,000,000;
(B) Outlays, $73,350,000,000.
(12) Income Security (600):
(A) New budget authority, $262,700,000,000;
(B) Outlays, $239,700,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $24,800,000,000;
(B) Outlays, $24,050,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,450,000,000.
(15) General Government (800):
(A) New budget authority, $5,000,000,000;
(B) Outlays, $4,900,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,500,000,000;
(B) Outlays, $6,400,000,000.
(17) Interest (900):
(A) New budget authority, $85,700,000,000;
(B) Outlays, $85,700,000,000.
(18) Allowances (920):
(A) New budget authority, $0;
(B) Outlays, $0.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$32,900,000,000;
(B) Outlays, −$32,900,000,000.

SEC. 203. (a) There is established a congressional Federal credit budget for fiscal year 1982 of which the appropriate levels of total Federal credit activity for the fiscal year 1982 are—

(1) new direct loan obligations: $51,930,000,000;
(2) new primary loan guarantee commitments: $85,090,000,000; and
(3) new secondary loan guarantee commitments: $70,070,000,000.

(b) Based on the allocations of the appropriate levels of total Federal credit as set forth in subsection (a), the appropriate levels of new direct loan obligations, new primary loan guarantee commitments and new secondary loan guarantee commitments for each functional category are as follows:

(1) National Defense (050):
(A) New direct loan obligations: $0;
(B) New primary loan guarantee commitments: $30,000,000;
(C) New secondary loan guarantee commitments: $0.
(2) International Affairs (150):
(A) New direct loan obligations: $11,180,000,000;
(B) New primary loan guarantee commitments: $8,340,000,000;
(C) New secondary loan guarantee commitments: $0.
(3) General Science, Space, and Technology (250):
(A) New direct loan obligations: $140,000,000;
(B) New primary loan guarantee commitments: −$140,000,000;
(C) New secondary loan guarantee commitments: $0.

(4) Energy (270):
(A) New direct loan obligations: $10,730,000,000;
(B) New primary loan guarantee commitments: $1,390,000,000;
(C) New secondary loan guarantee commitments: $0.
(5) Natural Resources and Environment (300):
(A) New direct loan obligations: $20,000,000;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.
(6) Agriculture (350):
(A) New direct loan obligations: $8,880,000,000;
(B) New primary loan guarantee commitments: $2,430,000,000;
(C) New secondary loan guarantee commitments: $0.
(7) Commerce and Housing Credit (370):
(A) New direct loan obligations: $14,190,000,000;
(B) New primary loan guarantee commitments: $43,590,000,000;
(C) New secondary loan guarantee commitments: $69,540,000,000.
(8) Transportation (400):
(A) New direct loan obligations: $480,000,000;
(B) New primary loan guarantee commitments: $1,140,000,000;
(C) New secondary loan guarantee commitments: $30,000,000.
(9) Community and Regional Development (450):
(A) New direct loan obligations: $1,020,000,000;
(B) New primary loan guarantee commitments: $80,000,000;
(C) New secondary loan guarantee commitments: $0.
(10) Education, Training, Employment and Social Services (500):
(A) New direct loan obligations: $1,420,000,000;
(B) New primary loan guarantee commitments: $5,200,000,000;
(C) New secondary loan guarantee commitments: $500,000,000.
(11) Health (550):
(A) New direct loan obligations: $90,000,000;
(B) New primary loan guarantee commitments: $100,000,000;
(C) New secondary loan guarantee commitments: $0.
(12) Income Security (600):
(A) New direct loan obligations: $2,960,000,000;
(B) New primary loan guarantee commitments: $14,790,000,000;
(C) New secondary loan guarantee commitments: $0.
(13) Veterans Benefits and Services (700):
(A) New direct loan obligations: $650,000,000;
(B) New primary loan guarantee commitments: $7,380,000,000;
(C) New secondary loan guarantee commitments: $0.
(14) Administration of Justice (750):
(A) New direct loan obligations: $0;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.
(15) General Government (800):
(A) New direct loan obligations: $30,000,000;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.
(16) General Purpose Fiscal Assistance (850):
(A) New direct loan obligations: $140,000,000;
(B) New primary loan guarantee commitments: $760,000,000;
(C) New secondary loan guarantee commitments: $0.
(17) Interest (900):
(A) New direct loan obligations: $0;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.

(18) Allowances (920):
(A) New direct loan obligations: $0;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.
(19) Undistributed Offsetting Receipts (950):
(A) New direct loan obligations: $0;
(B) New primary loan guarantee commitments: $0;
(C) New secondary loan guarantee commitments: $0.

(c) It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1982 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $16,450,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $6,530,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

Further, it is the sense of Congress that the President and the Congress, through the appropriations process, should limit in fiscal year 1982 the off-budget lending activity of the Federal Government to a level not to exceed $17,730,000,000; the on-budget lending activity to a level not to exceed $34,200,000,000; new primary loan guarantee commitments to a level not to exceed $85,090,000,000; and new secondary loan guarantee commitments to a level not to exceed $70,070,000,000.

SEC. 204. The Congress sets forth the following budgeting levels for fiscal years 1983 and 1984—

(1) the recommended level of Federal revenues is as follows:
Fiscal year 1983: $713,200,000,000;
Fiscal year 1984: $774,800,000,000;
and the net amount by which the aggregate levels of Federal revenues should be decreased is as follows:
Fiscal year 1983: $97,100,000,000;
Fiscal year 1984: $144,800,000,000;

(2) the appropriate level of total new budget authority is as follows:
Fiscal year 1983: $813,750,000,000;
Fiscal year 1984: $866,450,000,000;

(3) the appropriate level of total budget outlays is as follows:
Fiscal year 1983: $732,250,000,000;
Fiscal year 1984: $773,750,000,000;

(4) the amount of the surplus or deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:
Fiscal year 1983: −$19,050,000,000;
Fiscal year 1984: +$1,050,000,000; and

(5) the appropriate level of the public debt is as follows:
Fiscal year 1983: $1,137,650,000,000;
Fiscal year 1984: $1,176,650,000,000;
and the amount by which the statutory limit on such debt should be accordingly increased is as follows:
Fiscal year 1983: $57,850,000,000;
Fiscal year 1984: $38,950,000,000.

SEC. 205. Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1983 and 1984 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1983:
(A) New budget authority, $257,000,000,000;
(B) Outlays, $223,100,000,000.
Fiscal year 1984:
(A) New budget authority, $292,100,000,000;
(B) Outlays, $250,600,000,000.
(2) International Affairs (150):
Fiscal year 1983:
(A) New budget authority, $16,900,000,000;
(B) Outlays, $11,650,000,000.
Fiscal year 1984:
(A) New budget authority, $16,750,000,000;
(B) Outlays, $12,100,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1983:
(A) New budget authority, $7,700,000,000;
(B) Outlays, $7,300,000,000.
Fiscal year 1984:
(A) New budget authority, $7,200,000,000;
(B) Outlays, $7,200,000,000.
(4) Energy (270):
Fiscal year 1983:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $5,400,000,000.
Fiscal year 1984:
(A) New budget authority, $4,000,000,000;
(B) Outlays, $4,800,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1983:
(A) New budget authority, $10,700,000,000;
(B) Outlays, $11,400,000,000.
Fiscal year 1984:
(A) New budget authority, $10,600,000,000;
(B) Outlays, $10,600,000,000.
(6) Agriculture (350):
Fiscal year 1983:
(A) New budget authority, $6,400,000,000;
(B) Outlays, $4,700,000,000.
Fiscal year 1984:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $4,900,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1983:
(A) New budget authority, $5,300,000,000;
(B) Outlays, $3,900,000,000.
Fiscal year 1984:
(A) New budget authority, $5,800,000,000;
(B) Outlays, $3,500,000,000.
(8) Transportation (400):
Fiscal year 1983:
(A) New budget authority, $21,100,000,000;
(B) Outlays, $20,100,000,000.
Fiscal year 1984:
(A) New budget authority, $21,300,000,000;
(B) Outlays, $20,400,000,000.

(9) Community and Regional Development (450):
Fiscal year 1983:
(A) New budget authority, $7,500,000,000;
(B) Outlays, $7,700,000,000.
Fiscal year 1984:
(A) New budget authority, $7,600,000,000;
(B) Outlays, $7,500,000,000.
(10) Education, Training, Employment and Social Services (500):
Fiscal year 1983:
(A) New budget authority, $26,200,000,000;
(B) Outlays, $26,000,000,000.
Fiscal year 1984:
(A) New budget authority, $25,700,000,000;
(B) Outlays, $25,300,000,000.
(11) Health (550):
Fiscal year 1983:
(A) New budget authority, $90,900,000,000;
(B) Outlays, $81,300,000,000.
Fiscal year 1984:
(A) New budget authority, $99,300,000,000;
(B) Outlays, $89,600,000,000.
(12) Income Security (600):
Fiscal year 1983:
(A) New budget authority, $285,500,000,000;
(B) Outlays, $256,550,000,000.
Fiscal year 1984:
(A) New budget authority, $305,500,000,000;
(B) Outlays, $273,700,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1983:
(A) New budget authority, $26,250,000,000;
(B) Outlays, $25,450,000,000.
Fiscal year 1984:
(A) New budget authority, $28,500,000,000;
(B) Outlays, $27,150,000,000.
(14) Administration of Justice (750):
Fiscal year 1983:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,300,000,000.
Fiscal year 1984:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
Fiscal year 1983:
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,000,000,000.
Fiscal year 1984:
(A) New budget authority, $5,100,000,000;
(B) Outlays, $5,000,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1983:
(A) New budget authority, $6,600,000,000;
(B) Outlays, $6,600,000,000.
Fiscal year 1984:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.

(17) Interest (900):
Fiscal year 1983:
(A) New budget authority, $90,200,000,000;
(B) Outlays, $90,200,000,000.
Fiscal year 1984:
(A) New budget authority, $91,500,000,000;
(B) Outlays, $91,500,000,000.
(18) Allowances (920):
Fiscal year 1983:
(A) New budget authority, −$20,400,000,000;
(B) Outlays, −$20,400,000,000.
Fiscal year 1984:
(A) New budget authority, −$27,800,000,000;
(B) Outlays, −$27,800,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1983:
(A) New budget authority, −$38,000,000,000;
(B) Outlays, −$38,000,000,000.
Fiscal year 1984:
(A) New budget authority, −$43,400,000,000;
(B) Outlays, −$43,400,000,000.

TITLE III—PROVIDING RECONCILIATION INSTRUCTIONS AND OTHER ENFORCEMENT MEASURES

PART A—RECONCILIATION INSTRUCTIONS

SEC. 301. Pursuant to section 301(b)(2) of the Budget Act— 31 USC 1322.

(1)(A) the House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $232,000,000 and outlays by $693,000,000 in fiscal year 1982; to reduce budget authority by $400,000,000 and outlays by $362,000,000 in fiscal year 1983; and to reduce budget authority by $580,000,000 and outlays by $525,000,000 in fiscal year 1984; and 31 USC 1351.

(B) the House Committee on Agriculture shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,976,000,000 in budget authority and $1,828,000,000 in outlays for fiscal year 1982; $2,606,000,000 in budget authority and $2,480,000,000 in outlays for fiscal year 1983; and $3,091,000,000 in budget authority and $3,000,000,000 in outlays for fiscal year 1984;

(2) the House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984;

(3) the House Committee on Banking, Finance and Urban Affairs shall report changes in laws within the jurisdiction of

that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $13,177,000,000 in budget authority and $640,000,000 in outlays for fiscal year 1982; $15,572,000,000 in budget authority and $1,398,000,000 in outlays for fiscal year 1983; and $17,827,000,000 in budget authority and $3,369,000,000 in outlays for fiscal year 1984;

(4) the House Committee on the District of Columbia shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $39,000,000 in budget authority and $40,000,000 in outlays for fiscal year 1982; $56,000,000 in budget authority and $64,000,000 in outlays for fiscal year 1983; and $72,000,000 in budget authority and $69,000,000 in outlays for fiscal year 1984;

(5)(A) the House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $1,963,000,000 and outlays by $1,946,000,000 in fiscal year 1982; to reduce budget authority by $2,916,000,000 and outlays by $2,777,000,000 in fiscal year 1983; and to reduce budget authority by $3,995,000,000 and outlays by $3,801,000,000 in fiscal year 1984; and

(B) the House Committee on Education and Labor shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $10,136,000,000 in budget authority and $8,138,000,000 in outlays for fiscal year 1982; $11,991,000,000 in budget authority and $10,745,000,000 in outlays for fiscal year 1983; and $14,349,000,000 in budget authority and $13,219,000,000 in outlays for fiscal year 1984;

(6)(A) the House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $787,000,000 and outlays by $1,103,000,000 in fiscal year 1982; to reduce budget authority by $1,082,000,000 and outlays by $1,716,000,000 in fiscal year 1983; and to reduce budget authority by $1,355,000,000 and outlays by $2,247,000,000 in fiscal year 1984; and

31 USC 1351.

(B) the House Committee on Energy and Commerce shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,598,000,000 in budget authority and $4,081,000,000 in outlays for fiscal year 1982; $4,898,000,000 in budget authority and $4,599,000,000 in outlays for fiscal year 1983; and $4,930,000,000 in budget authority and $4,789,000,000 in outlays for fiscal year 1984;

(7) the House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $250,000,000 in budget authority and $130,000,000 in outlays for fiscal year 1982; $275,000,000 in

budget authority and $200,000,000 in outlays for fiscal year 1983; and $300,000,000 in budget authority and $300,000,000 in outlays for fiscal year 1984;

(8) the House Committee on Interior and Insular Affairs shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $755,000,000 in budget authority and $309,000,000 in outlays for fiscal year 1982; $736,000,000 in budget authority and $504,000,000 in outlays for fiscal year 1983; and $714,000,000 in budget authority and $594,000,000 in outlays for fiscal year 1984;

(9)(A) the House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $192,000,000 and outlays by $192,000,000 in fiscal year 1982; to reduce budget authority by $379,000,000 and outlays by $379,000,000 in fiscal year 1983; and to reduce budget authority by $491,000,000 and outlays by $491,000,000 in fiscal year 1984; and

(B) the House Committee on Merchant Marine and Fisheries shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $147,000,000 in budget authority and $15,000,000 in outlays for fiscal year 1982; $60,000,000 in budget authority and $32,000,000 in outlays for fiscal year 1983; and $71,000,000 in budget authority and $60,000,000 in outlays for fiscal year 1984;

(10)(A) the House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $000,000 and outlays by $513,000,000 in fiscal year 1982; to reduce budget authority by $000,000 and outlays by $414,000,000 in fiscal year 1983; and to reduce budget authority by $000,000 and outlays by $357,000,000 in fiscal year 1984; and

31 USC 1351.

(B) the House Committee on Post Office and Civil Service shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,737,000,000 in budget authority and $4,650,000,000 in outlays for fiscal year 1982; $6,304,000,000 in budget authority and $6,324,000,000 in outlays for fiscal year 1983; and $7,390,000,000 in budget authority and $7,371,000,000 in outlays for fiscal year 1984;

(11)(A) the House Committee on Public Works and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2) of Public Law 93-344 sufficient to reduce budget authority by $000,000 and outlays by $185,000,000 in fiscal year 1982; to reduce budget authority by $000,000 and outlays by $900,000,000 in fiscal year 1983; and to reduce budget authority by $000,000 and outlays by $1,365,000,000 in fiscal year 1984; and

(B) the House Committee on Public Works and Transportation shall also report changes in laws within the jurisdiction of that

committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $6,346,000,000 in budget authority and $1,033,000,000 in outlays for fiscal year 1982; $5,122,000,000 in budget authority and $2,665,000,000 in outlays for fiscal year 1983; and $6,241,000,000 in budget authority and $4,355,000,000 in outlays for fiscal year 1984;

(12) the House Committee on Science and Technology shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $78,000,000 in budget authority and $39,000,000 in outlays for fiscal year 1982; $90,000,000 in budget authority and $59,000,000 in outlays for fiscal year 1983; and $102,000,000 in budget authority and $83,000,000 in outlays for fiscal year 1984;

(13) the House Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984;

(14) the House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $110,000,000 and outlays by $110,000,000 in fiscal year 1982; to reduce budget authority by $108,000,000 and outlays by $108,000,000 in fiscal year 1983; and to reduce budget authority by $106,000,000 and outlays by $106,000,000 in fiscal year 1984;

31 USC 1351.

(15)(A) the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344 sufficient to reduce budget authority by $3,699,000,000 and outlays by $8,247,000,000 in fiscal year 1982; to reduce budget authority by $3,660,000,000 and outlays by $9,247,000,000 in fiscal year 1983; and to reduce budget authority by $3,511,000,000 and outlays by $9,573,000,000 in fiscal year 1984; and

(B) the House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to reduce appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $978,000,000 in budget authority and $994,000,000 in outlays for fiscal year 1982; $1,294,000,000 in budget authority and $1,312,000,000 in outlays for fiscal year 1983; and $1,647,000,000 in budget authority and $1,675,000,000 in outlays for fiscal year 1984.

31 USC 1322.

SEC. 302. Pursuant to section 301(b)(2) of the Budget Act—

(1)(A) the Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $163,000,000 in fiscal year 1981; to reduce budget authority by $474,000,000 and outlays by $928,000,000 in fiscal year 1982; to reduce budget authority by $659,000,000 and out-

lays by $618,000,000 in fiscal year 1983; and to reduce budget authority by $854,000,000 and outlays by $795,000,000 in fiscal year 1984; and

(B) the Senate Committee on Agriculture, Nutrition, and Forestry shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $140,000,000 in budget authority for fiscal year 1981; $3,193,000,000 in budget authority and $3,096,000,000 in outlays for fiscal year 1982; $3,961,000,000 in budget authority and $3,825,000,000 in outlays for fiscal year 1983; and $4,551,000,000 in budget authority and $4,451,000,000 in outlays for fiscal year 1984;

(2) the Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $233,000,000 and outlays by $233,000,000 in fiscal year 1981; to reduce budget authority by $966,000,000 and outlays by $966,000,000 in fiscal year 1982; to reduce budget authority by $899,000,000 and outlays by $899,000,000 in fiscal year 1983; and to reduce budget authority by $511,000,000 and outlays by $511,000,000 in fiscal year 1984;

(3) the Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $5,846,000,000 in budget authority and $133,000,000 in outlays for fiscal year 1981; $14,498,000,000 in budget authority and $840,000,000 in outlays for fiscal year 1982; $17,450,000,000 in budget authority and $2,133,000,000 in outlays for fiscal year 1983; and $20,341,000,000 in budget authority and $3,779,000,000 in outlays for fiscal year 1984;

(4)(A) the Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $100,000,000 and outlays by $100,000,000 in fiscal year 1982; to reduce budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1983; and to reduce budget authority by $300,000,000 and outlays by $300,000,000 in fiscal year 1984; and

31 USC 1351.

(B) the Senate Committee on Commerce, Science, and Transportation shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,558,000,000 in budget authority and $884,000,000 in outlays for fiscal year 1982; $1,598,000,000 in budget authority and $1,328,000,000 in outlays for fiscal year 1983; and $1,465,000,000 in budget authority and $1,337,000,000 in outlays for fiscal year 1984;

(5) the Senate Committee on Energy and Natural Resources shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $1,331,000,000 in

budget authority and $94,000,000 in outlays for fiscal year 1981; $3,714,000,000 in budget authority and $3,398,000,000 in outlays for fiscal year 1982; $3,660,000,000 in budget authority and $3,627,000,000 in outlays for fiscal year 1983; and $3,604,000,000 in budget authority and $3,711,000,000 in outlays for fiscal year 1984;

(6)(A) the Senate Committee on Environment and Public Works shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2) of Public Law 93-344, sufficient to reduce outlays by $185,000,000 in fiscal year 1982; to reduce outlays by $900,000,000 in fiscal year 1983; and to reduce outlays by $1,365,000,000 in fiscal year 1984; and

(B) the Senate Committee on Environment and Public Works shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,350,000,000 in budget authority and $68,000,000 in outlays for fiscal year 1981; $4,835,000,000 in budget authority and $793,000,000 in outlays for fiscal year 1982; $3,035,000,000 in budget authority and $1,840,000,000 in outlays for fiscal year 1983; and $3,500,000,000 in budget authority and $2,800,000,000 in outlays for fiscal year 1984;

(7)(A) the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $212,000,000 and outlays by $286,000,000 in fiscal year 1981; to reduce budget authority by $4,394,000,000 and outlays by $9,218,000,000 in fiscal year 1982; to reduce budget authority by $4,563,000,000 and outlays by $10,744,000,000 in fiscal year 1983; and to reduce budget authority by $4,675,000,000 and outlays by $11,589,000,000 in fiscal year 1984; and

31 USC 1351.

(B) the Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $96,000,000 in budget authority and $112,000,000 in outlays for fiscal year 1982; $114,000,000 in budget authority and $132,000,000 in outlays for fiscal year 1983; and $149,000,000 in budget authority and $177,000,000 in outlays for fiscal year 1984;

(8) the Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $250,000,000 in budget authority and $130,000,000 in outlays for fiscal year 1982; $275,000,000 in budget authority and $200,000,000 in outlays for fiscal year 1983; and $300,000,000 in budget authority and $300,000,000 in outlays for fiscal year 1984;

(9)(A) the Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $513,000,000 in fiscal year 1982; to reduce outlays by $414,000,000 in fiscal year 1983; and to reduce outlays by $357,000,000 in fiscal year 1984; and

(B) the Senate Committee on Governmental Affairs shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $4,776,000,000 in budget authority and $4,690,000,000 in outlays for fiscal year 1982; $6,360,000,000 in budget authority and $6,388,000,000 in outlays for fiscal year 1983; and $7,462,000,000 in budget authority and $7,440,000,000 in outlays for fiscal year 1984;

(10) the Senate Committee on the Judiciary shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $116,000,000 in budget authority and $13,000,000 in outlays for fiscal year 1982; $133,000,000 in budget authority and $81,000,000 in outlays for fiscal year 1983; and $144,000,000 in budget authority and $124,000,000 in outlays for fiscal year 1984;

(11)(A) the Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $39,000,000 and outlays by $49,000,000 in fiscal year 1981; to reduce budget authority by $596,000,000 and outlays by $575,000,000 in fiscal year 1982; to reduce budget authority by $1,481,000,000 and outlays by $1,395,000,000 in fiscal year 1983; and to reduce budget authority by $2,452,000,000 and outlays by $2,311,000,000 in fiscal year 1984; and

31 USC 1351.

(B) the Senate Committee on Labor and Human Resources shall also report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $2,388,000,000 in budget authority and $414,000,000 in outlays for fiscal year 1981; $10,492,000,000 in budget authority and $8,225,000,000 in outlays for fiscal year 1982; $12,539,000,000 in budget authority and $11,069,000,000 in outlays for fiscal year 1983; and $15,048,000,000 in budget authority and $13,746,000,000 in outlays for fiscal year 1984;

(12) the Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $97,000,000 in budget authority and $67,000,000 in outlays for fiscal year 1981; $526,000,000 in budget authority and $390,000,000 in outlays for fiscal year 1982; $564,000,000 in budget authority and $541,000,000 in outlays for fiscal year 1983; and $554,000,000 in budget authority and $533,000,000 in outlays for fiscal year 1984;

(13) the Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $14,000,000 and outlays by $14,000,000 in fiscal year 1981; to reduce budget authority by $110,000,000 and outlays by $110,000,000 in fiscal year 1982; to reduce budget authority by $108,000,000 and outlays by $108,000,000 in fiscal year 1983; and to reduce budget authority by $106,000,000 and outlays by $106,000,000 in fiscal year 1984.

SEC. 302A. The Committee on Appropriations of the Senate shall report not later than June 5, 1981, legislation to reduce previously enacted appropriations by $13,300,000,000 in budget authority and $1,500,000,000 in outlays for fiscal year 1981; by $3,200,000,000 in outlays for fiscal year 1982; by $1,800,000,000 in outlays for fiscal year 1983; and by $1,100,000,000 in outlays for fiscal year 1984.

SEC. 303. In order to give the committees named in sections 301 and 302 flexibility in meeting the reconciliation instructions, a committee may at its option, substitute in whole or in part reductions in spending authority as defined by section 401(c)(2) of Public Law 93-344 for reductions specified to be made in authorizations under that committee's jurisdiction in order to reduce appropriations, so long as the total amount of budget authority and outlay reductions for each fiscal year is the same as or greater than the amounts assigned to that committee in section 301 or 302 above.

SEC. 304. Not later than June 12, 1981, the committees named in sections 301 and 302 shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by such sections. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SEC. 304A. The Senate Committee on Governmental Affairs should report changes in laws within the jurisdiction of that committee which would reduce the costs to the Government which result from waste, fraud, and abuse. Savings in appropriations and expenditures from trust funds from such statutory changes are estimated to be $700,000,000 in budget authority and $1,300,000,000 in outlays in fiscal year 1982; $1,000,000,000 in budget authority and $2,000,000,000 in outlays in fiscal year 1983; and $1,500,000,000 in budget authority and $3,000,000,000 in outlays in fiscal year 1984.

PART B—ENFORCEMENT MEASURES

SEC. 305. No bill or resolution providing—

(1) new budget authority for fiscal year 1982, or

(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1982—

31 USC 1351.

which exceeds the appropriate allocation or subdivision made pursuant to section 302 of such Act shall be enrolled until after Congress has completed action on the second concurrent resolution on the budget required to be reported under section 310 of such Act, and on any reconciliation legislation required by such resolution.

31 USC 1323.

31 USC 1331.

SEC. 306. (a) It is the sense of the Congress that due to the extreme rate of inflation in the United States economy, the possible cost-of-living effects of Federal regulations and legislation shall be carefully monitored as part of a program of fiscal restraint. Cost-of-living effects should therefore be a prime consideration in developing both regulations and legislation. In order to coordinate the aggregate economic impact of regulations with Federal fiscal policy, it is the sense of Congress that the President should implement a "zero net inflation impact" policy for the regulations promulgated in the remainder of fiscal year 1981 and for fiscal year 1982. This policy will require the President to keep an accounting for fiscal year 1981 of all new regulations which have a significant, measurable cost to the economy. Cost-saving modification need not affect the same area of

economic activity as the cost-inducing regulations. The President should institute an exemption procedure to assure the promulgation of regulations necessary to avert any imminent threat to health and safety.

(b) It is also the sense of Congress that the Director of the Congressional Budget Office should issue a periodic "inflation score-keeping" report which shall contain an estimate of the positive or negative cost-of-living effects, wherever measurable, of legislation enacted to date in the current session of Congress. The report shall also indicate for each bill, promptly after it is reported by a committee of Congress, whether—

(1) it is judged to have no significant positive or negative impact on cost of living;

(2) it is judged to have a positive or negative cost-of-living impact on the amount specified in terms of both dollar amounts and change in the Consumer Price Index; or

(3) it is judged likely to have a significant positive or negative impact on cost of living, but the amount cannot be determined immediately.

Agreed to May 21, 1981.

AMERICAN RED CROSS—ONE HUNDREDTH ANNIVERSARY

May 21, 1981
[H. Con. Res. 120]

Whereas in 1881 Clara Barton and her associates founded the American Red Cross to mitigate suffering from wars and disasters, in the spirit of the first Geneva Convention on humanitarian law which the United States ratified in 1882; and

Whereas because of the importance of that work the Congress later chartered the American Red Cross with the mandate to help our Government meet commitments under that and subsequent humanitarian treaties; the mandate to serve as an independent medium of communication between the American people and their Armed Forces; and the mandate to maintain a system of local, national, and international disaster preparedness and relief; and

Whereas the American Red Cross was thus established as an instrumentality of the United States to ensure the permanence of its work, public confidence in its integrity, and the support of the people; and

Whereas the American Red Cross has faithfully carried out those mandates and for one hundred years has gained the confidence, respect, and involvement of our people and Government, and through its development of nationwide volunteer blood services and other vital health, safety, and volunteer services in communities across our country has improved the quality of human life by helping people avoid emergencies, prepare for emergencies, and cope with them when they occur: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States, on behalf of the Government and its people, extends greetings to the American Red Cross upon its one hundredth anniversary, pays tribute for the century of services to

people it has given, notes with gratitude its readiness for a second century of service, and urges all Americans to rededicate themselves to the ideals of voluntary service to mankind so evident in the work of the American Red Cross.

Agreed to May 21, 1981.

NATIONAL SYMPHONY ORCHESTRA—CONCERTS ON THE CAPITOL GROUNDS

May 21, 1981
[H. Con. Res. 133]

Whereas the National Symphony Orchestra has expressed a desire to perform free concerts on the United States Capitol Grounds for the entertainment of the citizenry of our Nation; and

Whereas these performances would be similar to those presently given by the service bands under authority of 40 U.S.C. 193l: Now, therefore, be it

40 USC 193l.

Resolved by the House of Representatives (the Senate concurring), That the National Park Service shall be permitted to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds annually, such concerts to be free to the public and arranged not to interfere with the needs of Congress, under conditions to be provided by the Architect of the Capitol. For the purposes of this resolution, the National Park Service and the National Symphony Orchestra are authorized to erect upon the United States Capitol Grounds, subject to the approval of the Architect of the Capitol, such bandstand, sound amplification devices and other related structures and equipment as may be required for performance of the concert series.

Agreed to May 21, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

May 21, 1981
[H. Con. Res. 138]

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, May 21, 1981, it stand adjourned until 12 o'clock meridian on Wednesday, May 27, 1981, and that when the Senate adjourns on Thursday, May 21, 1981, it stand adjourned until 12 o'clock meridian on Monday, June 1, 1981.

Agreed to May 21, 1981.

OMNIBUS RECONCILIATION ACT OF 1981 AND CONFERENCE REPORT

June 17, 1981
[H. Con. Res. 149]

Printing of additional copies.

Resolved by the House of Representatives (the Senate concurring), That at such time as the Omnibus Reconciliation Act of 1981 and the accompanying report are filed, passed by each body, and agreed upon

in conference, there shall be printed on each occasion additional copies as indicated below, unless otherwise ordered by the Joint Committee on Printing:

(1) for the House version of the Omnibus Reconciliation Act of 1981, an additional 4,500 copies of the bill and accompanying report; and

(2) for the Senate version of the Omnibus Reconciliation Act of 1981, an additional 3,000 copies of the bill and report.

Agreed to June 17, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

June 25, 1981
[S. Con. Res. 23]

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Thursday, June 25, 1981 or Friday, June 26, 1981, pursuant to a motion made by the Majority Leader in accordance with this resolution, it stand adjourned until 12:00 noon on Wednesday, July 8, 1981, and that when the House adjourns on the legislative day of Friday, June 26, 1981, it stand adjourned until 12:00 noon on Wednesday, July 8, 1981.

Agreed to June 25, 1981.

ADJOURNMENT PERIOD FOR HOUSE OF REPRESENTATIVES AND SENATE

July 31, 1981
[H. Con. Res. 164]

Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198), as amended by section 461 of the Legislative Reorganization Act of 1970 (Public Law 91-510; 84 Stat. 1193), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain, or for adjournment sine die.

2 USC 198.

Agreed to July 31, 1981.

CORRECTIONS OF ENROLLED BILL H.R. 3982

July 31, 1981
[H. Con. Res. 167]

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 3982), to provide for reconciliation pursuant to section 301 of the first concurrent resolution on the budget for fiscal year 1982, the Clerk of the House of Representatives shall make the corrections specified in the succeeding sections of this concurrent resolution.

Ante, p. 357.

Ante, p. 1751.

SEC. 2. In title VI of the bill:

(1) In section 623(C)(2) of the bill, strike out "Fund" the second place it appears therein and insert in lieu thereof "fund", and strike out "the Fund" and insert in lieu thereof "such fund".

(2) In the first sentence of section 662(a) of the bill, insert "of Education (hereinafter in this subchapter referred to as the 'Secretary')" after "Secretary".

(3) In section 663(a)(1) of the bill, strike out the comma after "1984" and insert in lieu thereof a period.

(4) In section 669 of the bill, insert "(other than section 637(1))" after "637".

(5) In section 674(b)(1) of the bill—

(A) strike out "the" the first place it appears therein;

(B) strike out "remaining in" and insert in lieu thereof "of the amount appropriated under section 672 for"; and

(C) strike out "between" and insert in lieu thereof "among".

(6) In section 675(d)(1) of the bill, insert "officer" after "executive" each place it appears therein.

(7) In section 682(e) of the bill, insert a comma after "records", and insert a comma after "allocations".

SEC. 3. In title VIII of the bill:

(1) In section 11 of the National School Lunch Act (as amended by section 813(b) of the bill) strike out "(e)" and insert in lieu thereof "(f)".

(2) In section 820(a)(1) redesignate subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively.

(3) In section 820(a)(1) insert after subparagraph (A) the following new subparagraph:

"(B) that portion of the amendment made by section 810(c) pertaining to the reimbursement rate for supplements;".

(4) In section 820(a)(6) redesignate subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively.

(5) In section 820(a)(6) insert after "except that—" the following new subparagraph:

"(A) the amendment made by section 810(c) pertaining to the reimbursement rate for supplements shall take effect as provided under paragraph (1) of this subsection;".

SEC. 4. (a) In the proposed section 1904(a)(2) of the Public Health Service Act (as contained in section 901 of the bill), strike out "and amounts transferred by the State for use under this part".

(b) In the proposed section 1912(b)(1) of the Public Health Service Act (as contained in section 901 of the bill), strike out in the matter following subparagraph (B) "for the Community Mental Health Centers Act" and insert in lieu thereof "under the Community Mental Health Centers Act".

(c) In the proposed section 1914(b) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 103" and insert in lieu thereof "section 1913".

(d) In the proposed section 1914(c) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 1902" and insert in lieu thereof "section 1912".

(e) In the proposed section 1915(c)(1) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 1902" and insert in lieu thereof "section 1912".

(f) In the proposed section 1915(c)(2) of the Public Health Service Act (as contained in section 901 of the bill), strike out "fiscal year 1980" and insert in lieu thereof "fiscal year 1981".

(g) In the proposed section 1915(c)(4)(B) of the Public Health Service Act (as contained in section 901 of the bill), strike out "emergengy" and insert in lieu thereof "emergency".

(h) In the proposed section 1915(c)(9) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 1907" and insert in lieu thereof "section 1917".

(i) In the proposed section 1915(c)(11) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 1903" and insert in lieu thereof "section 1913".

(j) In the proposed section 1915(d) of the Public Health Service Act (as contained in section 901 of the bill), (1) strike out "section 1903" and insert in lieu thereof "section 1913", and (2) strike out in the second sentence "after its transmittal" and insert in lieu thereof "and after its transmittal".

(k) In the proposed section 1916(b)(3) of the Public Health Service Act (as contained in section 901 of the bill), (1) strike out "section 1916" and insert in lieu thereof "section 1915", and (2) strike out "section 1913" and insert in lieu thereof "section 1912".

(l) In the proposed section 1917(a)(2) of the Public Health Service Act (as contained in section 901 of the bill), strike out "section 1905" and insert in lieu thereof "section 1915".

(m) In the matter proposed to be inserted in section 330(g)(2) of the Public Health Service Act by section 903(a) of the bill, strike out "$284,000,000" and insert in lieu thereof "$280,000,000".

(n) In the heading of section 986, strike out the semicolon and all that follows.

SEC. 5. (a) In the proposed amendment to section 15(a)(4) of the Airport and Airway Development Act of 1970 (as contained in section 1102(h) of the bill) strike out "fiscal years 1980 and 1981" and insert in lieu thereof "each of the fiscal years 1980 and 1981".

(b) In section 1111(a), amend paragraph (5) to read as follows:

(5) Section 5(a)(1)(B) is amended by striking out "$900,000,000 in each fiscal year for the fiscal years ending September 30, 1981, and September 30, 1982." and inserting in lieu thereof "$900,000,000 for the fiscal year ending September 30, 1981, and $850,000,000 for the fiscal year ending September 30, 1982.".

SEC. 6. (a) In subtitle E of title XI:

(1)(A) In section 1135(a)(7), strike out "or the representative authorized by the Secretary to carry out the responsibilities of the Secretary under this subtitle".

(B) In section 1137, strike out "(a)" after "SEC. 1137.".

(2) In proposed title V of the Rail Passenger Service Act (as contained in section 1137 of the bill)—

(A) in proposed section 501(c)(1), strike out "with respect to safety and with respect to the" the second place it appears;

(B) in proposed section 502(a)(1)—

(i) insert the following before subparagraph (B):

"(A) The President of Amtrak Commuter, ex officio.

(ii) strike out "selected by the President to serve on the Board of Directors of the Corporation" in subparagraph (B) and insert in lieu thereof "of the Board of Directors of the Corporation who was selected", and

(iii) strike out "the effective" in subparagraph (D)(ii);

(C) in proposed section 504(b)(3), strike out "506" and insert in lieu thereof "508"; and

(D) in proposed section 506(a), insert "than" after "Not later".

(3) In proposed section 217(a) of the Regional Rail Reorganization Act of 1973 (as contained in section 1140(a) of the bill) strike

out "during the period between the effective date of the Northeast Service Act of 1981 and August 1, 1983," and insert in lieu thereof "after the effective date of the Northeast Rail Service Act of 1981".

(4) In proposed title IV of the Regional Rail Reorganization Act of 1973 (as contained in section 1142 of the bill)—

(A) insert after and below subparagraph (C) of section 401(a)(2) the following:

"(3) Any plan submitted under paragraph (2) shall be deemed approved at the end of the 60-calendar-day period of continuous session of the Congress beginning on the date the plan was submitted, unless during such period both Houses of Congress pass a concurrent resolution the substance of which states that the Congress does not favor such plan. The Secretary shall implement any plan deemed approved under this paragraph. For purposes of this subsection—",

(B) strike out "90-day period" in the matter in the subparagraph (B) immediately before subsection (b) of section 401 and insert in lieu thereof "60-day period",

(C) strike out "subsection (a)(1)" in subsections (b) and (c) of section 401 and insert in lieu thereof "subsection (a)(2)",

(D) strike out "subsection (a)(1)" and all that follows through "of this Act" in subsection (e) of section 401 and insert in lieu thereof "subsection (a)(2), the Secretary shall first offer for sale, to any employees whose wages are reduced pursuant to any agreement entered into in accordance with the goal set forth in section 1134(4) of the Northeast Rail Service Act of 1981",

(E) strike out "section" in section 403(a)(2) and insert in lieu thereof "subsection",

(F) strike out "which would" and all that follows through "were excused" in section 403(a)(2) and insert in lieu thereof "will be able to borrow capital in the private market sufficient to meet all its capital needs",

(G) strike out "subsection (a)(1)" in section 403(b) and insert in lieu thereof "subsection (a)(2)",

(H) amend the proposed paragraph (2) of section 403(b) to read as follows:

"(2) As used in this subsection, 'profitable carrier' means a carrier that generates sufficient revenues to meet its expenses, including reasonable maintenance of necessary equipment and facilities, and would have been able to borrow capital in the private market sufficient to meet all its capital needs. For the purpose of making such determination the USRA Board shall assume that the interest of the United States in any debt or preferred stock of the Corporation has been limited as required under section 402 of this Act.",

(I) insert at the end of subsection (a) of section 404 the following:

"The USRA Board shall approve or disapprove such determination within 15 days after the date of such notification.",

(J) strike out "it is notified" and all that follows through "of such approval" in section 404(b)(1) and insert in lieu thereof "of which it is notified under subsection (a)(2), the employees of the Corporation may, within 90 days after the date the Secretary's determination was submitted to the USRA Board",

(K) insert at the end of paragraph (2) of section 404(b) the following:

"The Secretary shall consider whether the plan ensures continued rail service and maximizes the return to the United States on its investment.",

(L) strike out "has determined that" in section 404(c)(2) and all that follows through "Northeast corridor." in the first proposed section 405(a), and

(M) insert "or if at any time the Corporation requires funding from the Federal Government in excess of amounts authorized on or before the effective date of the Northeast Rail Service Act of 1981," in the second proposed section 405(a) after "is not approved by the Secretary,".

(5) In proposed title VII of the Regional Rail Reorganization Act of 1973 (as contained in section 1143(a) of the bill)—

(A) amend proposed paragraph (2) of section 701(d) to read as follows:

"(2) No individual shall become eligible for benefits under this section after the last day of the eighteen-month period beginning on the date of transfer under section 401 or 404 of this Act.",

(B) in section 702(e)(1), insert ", or in commuter service where applicable," after "in freight service",

(C) in section 702(g), strike out "PASSENGER" and insert in lieu thereof "COMMUTER", and

(D) in section 710(b), strike out "1 The Corporation" and insert in lieu thereof "(1) The Corporation, Amtrak Commuter, and commuter authorities".

(6) In section 1144(a)(2)(A) of the bill, strike out "October 1, 1981," the first place it appears and insert in lieu thereof "the effective date of this subsection".

(7) In section 1147, strike out "(a)" after "SEC. 1147." and strike out subsection (b).

(8) In the subsections proposed to be inserted in section 201 of the Regional Rail Reorganization Act of 1973 (as contained in section 1147 of the bill)—

(A) amend proposed subparagraph (A) of subsection (d)(1) to read as follows:

"(A) The Chairman, who shall be the individual serving as Chairman on the effective date of this subsection, until the expiration of his term of office or his resignation, or his replacement, who shall be selected by the outgoing Chairman and the other members of the Board.",

(B) strike out "for an additional term of" in subsection (e) and insert in lieu thereof "and the term of the Chairman shall be",

(C) insert ", or their representatives," in subsection (f) after "Directors",

(D) strike out the closing quotation marks (and period that follows them) at the end of subsection (f) and insert after and below that subsection the following subsections:

"(g) The Board of Directors shall, on the effective date of this subsection, assume the functions previously performed by the Finance Committee.

"(h) The members of the Board of Directors may send representatives to meetings of such Board, and such representatives may exercise full powers of the members.".

(9) In section 203 of the Regional Rail Reorganization Act of 1973 (as proposed to be amended in section 1149 of the bill), strike out "to determine if the conditions of this Act are met" and insert in lieu thereof "to fulfill its functions under this Act".

(10) In proposed section 219 of the Regional Rail Reorganization Act of 1973 (as contained in section 1150(a) of the bill), strike out "$300 per diem when engaged in the actual performance of his duties, plus".

(11) In proposed paragraph (2)(A) of section 305(f) of the Regional Rail Reorganization Act of 1973 (as contained in section 1155(a)(1) of the bill), strike out "the date of enactment" and insert in lieu thereof "the effective date of the Northeast Rail Service Act of 1981".

(12) In proposed section 308 of the Regional Rail Reorganization Act of 1973 (as contained in section 1156(a) of the bill)—

(A) strike out "November" in subsection (b) and insert in lieu thereof "December",

(B) strike out "1981" in subsection (c) and insert in lieu thereof "1983",

(C) strike out "Any application" and all that follows through "October 1, 1983," in subsection (c)(2) and insert in lieu thereof "At any time after the 90-day period beginning with the filing of a notice of insufficient revenues for a line, the Corporation may file an application for abandonment for such line. An application for abandonment that is filed by the Corporation under this subsection", and

(D) strike out "or less" in subsection (e)(3)(A).

(13) In proposed section 9A(a) of the Railway Labor Act (contained in section 1157 of the bill), strike out "The" and insert in lieu thereof "Except as provided in section 510(h) of the Rail Passenger Service Act, the".

(14) In section 1161—

(A) strike out "hereafter" in subsection (c) and insert in lieu thereof "hereinafter in this section referred to as",

(B) insert ", except those provided for in subsection (f)," in subsection (d) after "carrier obligations and other requirements", and

(C) add at the end the following subsection:

"(f) The Commission shall establish fair and equitable divisions of revenues on joint rates until a final order is issued.".

(15) In section 1163A—

(A) add the section heading "COMMISSION PROCEEDINGS", and

(B) strike out "1163A." and insert in lieu thereof "1164. (a)".

(16) In section 1163B, strike out "SEC. 1163B. (a)" and insert in lieu thereof "(b)" and redesignate the existing subsection (b) as subsection (c) and amend it to read as follows:

"(c)(1) If the Secretary determines under subsection (b) that there is an agreement between a profitable railroad in the Region (as defined in section 102 of the Regional Rail Reorganization Act of 1973) which received a loan under section 211(a) of such Act and a prospective purchaser for the sale of such railroad, the Secretary shall limit the interest of the United States in any debt of such a railroad to an interest which attaches to such debt in the event of bankruptcy, substantial sale, or liquidation of the assets of the railroad. The Secretary shall substitute for the evidence of such debt contingency notes conforming to the limited terms set forth in this subsection.

"(2) If the interest of the United States is limited under paragraph (1), any new debt issued by such a railroad subsequent to the issuance of the debt described in paragraph (1) shall have higher priority in the

event of bankruptcy, liquidation, or abandonment of the assets of the Corporation than the debt described in such paragraph.".

(17) In section 1163C—

(A) add the section heading "INTERCITY PASSENGER SERVICE EMPLOYEES",

(B) redesignate the section as section 1165,

(C) strike out "Not later than" and all that follows through "the Corporation" and insert in lieu thereof "After January 1, 1983, Conrail shall be relieved of the responsibility to provide crews for inter-city passenger service on the Northeast Corridor. Amtrak, Amtrak Commuter, and Conrail", and

(D) insert before the last sentence the following sentence: "Such agreement shall ensure that Conrail, Amtrak, and Amtrak Commuter have the right to furlough one employee in the same class or craft for each employee who returns through the exercise of seniority rights.".

(b) In subtitle F of title XI:

(1) In proposed paragraph (1) of section 303(a) of the Rail Passenger Service Act (as contained in section 1174(a)(1) of the bill)—

(A) at the end of proposed clause (ii) of subparagraph (C) add the following sentence: "Such Governor may select an individual to represent him at meetings of the Board.", and

(B) by striking out the period at the end of proposed clause (ii) of subparagraph (D) and "(I) If Amtrak Commuter" that follows and insert in lieu thereof the following:

", except that—

"(I) if Amtrak Commuter".

(2) In proposed subsection (e)(2) of section 304 of the Rail Passenger Service Act (as contained in section 1175(3) of the bill), insert "not" after "shall".

(3) In section 1178—

(A) strike out "subsections" and insert in lieu thereof "subsection",

(B) insert closing quotation marks and a period at the end of proposed subsection (n) to section 306 of the Rail Passenger Service Act, and

(C) strike out proposed subsection (o) to that section of that Act.

(4) In proposed section 404(c)(4) of the Rail Passenger Service Act (as contained in section 1183(b) of the bill), strike out "shall include" in subparagraph (D)(ii) and insert in lieu thereof "may include".

(5) Redesignate the subsection (1), proposed to be added to section 602 of the Rail Passenger Service Act by section 1186(b) of the bill, as subsection (k).

(6) In section 1189, strike out "The" and insert in lieu thereof "Except as otherwise provided, the".

(c) In subtitle G of title XI:

(1) In section 1191—

(A) insert "(49 U.S.C. 1654(p))" after "Act", and

(B) in the matter proposed to be inserted, strike out "in the fiscal year" and insert in lieu therefor "for the fiscal year" each place it appears.

(2) In section 1192(e)—

(A) strike out "and" at the end of paragraph (2),

(B) redesignate paragraph (3) as paragraph (5), and

(C) insert after paragraph (2) the following paragraphs:

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"(3) in paragraph (2), as redesignated, by striking out 'paragraphs (3) and (5)' and inserting in lieu thereof 'paragraphs (2) and (4)';

"(4) in paragraph (3), as redesignated, by striking out 'paragraph (4)' and inserting in lieu thereof 'paragraph (3)'"; and

(3) In section 1192(h), by inserting after "is amended" the following: "by striking out 'paragraph (3)' each place it appears and inserting in lieu thereof 'paragraph (2)'", and

(4) In proposed subsection (p) of section 5 of the Department of Transportation Act (as contained in section 1192(i) of the bill), strike out "shall exercise" and insert in lieu thereof "may exercise".

(5) In proposed section 17(2) of the Department of Transportation Act (as contained in section 1194(a) of the bill), strike out "not to exceed" and all that follows through "1982" and insert in lieu thereof "not to exceed $40,000,000 for the fiscal year ending September 30, 1982, to remain available until expended".

(d)(1) In proposed paragraph (4) of section 102 of the Rail Passenger Service Act (as contained in section 1172(2) of the bill), strike out "beverages" and insert in lieu thereof "beverage".

(2) In proposed paragraph (1)(D)(i) of section 303(a) of the Rail Passenger Service Act (as contained in section 1174(a)(1) of the bill), strike out "December 31, 1983" and insert in lieu thereof "December 31, 1982".

(3) In proposed paragraph (2)(A) of section 303(a) of the Rail Passenger Service Act (as contained in section 1174(a)(1) of the bill), strike out "three" and insert in lieu thereof "two".

(4) In proposed subparagraph (B) of section 404(c)(3) of the Rail Passenger Service Act (as contained in section 1183(a)(2) of the bill), strike out "Whenever" and insert in lieu thereof "Beginning on the effective date of the Amtrak Improvement Act of 1981, if".

(5) In proposed subparagraph (F) of section 404(c)(4) of the Rail Passenger Service Act (as contained in section 1183(b) of the bill), insert "or section 403(b) of this Act" after "pursuant to this paragraph" each place it appears.

(6) In section 1187(a)(3) of the bill, strike out "for the funding of rail corridor development".

(e) In section 1193—

(1) strike out "Title VII" and insert in lieu thereof "Section 704(a)", and

(2) strike out "by inserting at the end thereof" in paragraph (2) and insert in lieu thereof "by adding after paragraph (4)".

(f) In subtitle E of title XI:

(1) In section 1134(2), strike out "which".

(2) In section 1136, strike out the comma at the end and insert in lieu thereof a period.

(3) In proposed section 504(e) of the Rail Passenger Service Act (as contained in section 1137 of the bill), strike out "1164" and insert in lieu thereof "1163".

(4) In proposed section 506(h) of the Rail Passenger Service Act (as contained in section 1137 of the bill)—

(A) strike out "or" of the Rail Passenger Service Act",

(B) strike out "the Corporation" and insert in lieu thereof "Conrail" each place it appears,

(C) strike out "a owner" in paragraph (2)(A)(iii) and insert in lieu thereof "an owner", and

(D) strike out "and of the Rail Passenger Service Act" in paragraph (2)(B).

(5) In proposed section 506(j) of the Rail Passenger Service Act (as contained in section 1137 of the bill)—

(A) strike out "nor is it intended",

(B) strike out "the Corporation" and insert in lieu thereof "Conrail" each place it appears, and

(C) insert "of 1973" after "Act".

(6) In proposed section 507 of the Rail Passenger Service Act (as contained in section 1137 of the bill) strike out "Commission" and insert in lieu thereof "Secretary".

(7) In proposed section 217 of the Regional Rail Reorganization Act of 1971 (as contained in section 1140(a) of the bill)—

(A) strike out "The" in subsection (a) and insert in lieu thereof "In addition to the authority provided under section 216 of this Act, the",

(B) strike out "section 409 of the Regional Rail Reorganization Act of 1973" and "section 409 of this Act" in subsection (b)(1) and insert in lieu thereof "section 1163 of the Northeast Rail Service Act of 1981" and "such section", respectively,

(C) strike out "section 216 or 217, the Association shall purchase" in subsection (b)(2) and insert in lieu thereof "this section or section 216 of this Act, the Association shall purchase series A", and

(D) strike out the second sentence of subsection (f).

(8) In proposed title IV of the Regional Rail Reorganization Act of 1973 (as contained in section 1142 of the bill)—

(A) strike out "possible" in section 401(a)(1) and insert in lieu thereof "practicable",

(B) strike out "corporaiton" in section 403(b)(3)(B) and insert in lieu thereof "the Corporation",

(C) strike out "section" in section 404(b)(3) the first place it appears and insert in lieu thereof "subsection", and

(D) in section 408(d), insert ", except that if the Corporation requires further Federal financing before such date, such sale may be made before such date" before the period at the end.

(9) In proposed title VII of the Regional Rail Reorganization Act of 1973 (as contained in section 1143 of the bill)—

(A) in section 701(c), strike out the Rail Passenger Service Corporation" and insert in lieu thereof "National Railroad Passenger Corporation", and

(B) in section 714, insert "of 1981" after "Act" the second place it appears.

(10) In proposed section 508 of the Rail Passenger Service Act (as contained in section 1145 of the bill)—

(A) strike out "Amtrak or commuter" in subsection (c)(7) and insert in lieu thereof "Amtrak Commuter or a commuter",

(B) insert "in" in clause (D) of subsection 508(c)(7) after "in any manner which results", and

(C) strike out "the" in subsection (f) before "Conrail".

(11) In proposed subsection (a)(2) of section 202 of the Regional Rail Reorganization Act of 1973 (as contained in section 1148(a)(1)), strike out "determine" and "conditions" and insert in lieu thereof "review" and "goals", respectively.

(12) In proposed section 214(c) of the Regional Rail Reorganization Act of 1973 (as contained in section 1151 of the bill), insert "and" after "1982,".

(13) In section 1161, strike out "subtitle" and insert in lieu thereof "subsection" each place it appears in subsection (b) and the first place it appears in subsection (d).

(14) In section 1162, insert "(a)" after "SEC. 1162.", and add at the end the following subsections:

(b) Section 501(8) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 821(8)) is amended to read as follows:

"(8) 'restructuring' means (A) any activity (including a consolidation, coordination, merger or abandonment) which (i) involves rehabilitation, or improvement of a facility or the transfer of a facility, and (ii) improves the long-term profitability of any railroad freight system through the achievement of higher average traffic densities or improved asset utilization; or (B) the transfer from the Corporation to any railroad or financially responsible person (as defined in section 10910(a)(1) of title 49, United States Code) for common carrier rail service of ownership or operating rights on any rail line owned or operated by the Corporation where the Secretary determines that such acquisition will provide needed transporation benefits, and that such line will not require further Federal subsidy;".

(c) Section 505(a)(1) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(a)(1)) is amended by inserting immediately after "railroad" the following: "(or any financially responsible person, as defined in section 10910(a)(1) of title 49, United States Code, who acquires from the Corporation for common carrier rail service any rail line owned by the Corporation on the effective date of the Northeast Rail Service Act of 1981)".

(d) Section 505(b)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(b)(2)) is amended by amending clause (C) to read as follows: "(C) the public benefits, including any significant railroad restructuring, to be realized from the project to be financed in relation to the public costs of such financing and whether the proposed project will return public benefits sufficient to justify such public costs or, where the application relates to a rail line owned or operated by the Corporation immediately prior to its acquisition by a railroad or financially responsible person (as defined in section 10910(a)(1) of title 49, United States Code) for common carrier rail service, whether the financial assistance applied for under this section will further the public interest in transferring rail lines from the corporation to the private sector, and avoid the need for any further Federal subsidy.".

(e) Section 509(b) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 829(b)) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following:

"(3) Not more than 50 percent of the funds received by the Secretary from amounts appropriated under subsection (a) of this section shall be reserved to provide rehabilitation and improvement assistance for facilities transferred from the Corporation after the effective date of the Northeast Rail Service Act of 1981.".

(f) Section 509(b)(4) of the Railroad Revitalization and Regulatory Reform Act of 1976, as redesignated by subsection (e) of this section, is amended by striking "and (2)" and inserting in lieu thereof ", (2) and (3)".

(15) Insert after section 1163D the following sections:

"TECHNICAL AMENDMENTS

"SEC. 1167. (a) Section 303(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(c)) is amended by striking the following wherever they appear: 'securities,'; 'securities and'; 'at least one share of series B preferred stock and'; 'other securities of the Corporation or'; and 'securities or'.

"(b) For the purpose of computing the amount for which certificates of value shall be redeemable under section 306 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 746), the series B preferred stock and the common stock conveyed to the Secretary under section 1154 of this subtitle shall be deemed to be without fair market value unless in a proceeding brought under section 1152(a)(4) of this subtitle the special court shall have determined that such securities had a value and shall have entered a judgment against the United States for that value. In such an event, the securities shall for purposes of section 306 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 746) be deemed to have that value found by the special court.

"(c)(1) The clerk of the special court shall convey to the Secretary within 10 days after the effective date of this subtitle the series B preferred stock and the common stock of Conrail which are then on deposit with the special court pursuant to section 303 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743).

"(2) The Secretary is authorized to hold and to exercise all rights that pertain to the Conrail securities conveyed under paragraph (1) of this subsection, and any other securities of Conrail that have been or may be conveyed to the Secretary under any agreement or pursuant to the terms of part 5 of this subtitle or the terms of any other law.

"APPLICABILITY OF OTHER LAWS

"SEC. 1168. (a) The provisions of the chapters 5 and 7 of title 5 of the United States Code (popularly known as the Administrative Procedure Act and including provisions popularly known as the Government in the Sunshine Act), the Federal Advisory Committee Act, section 102(2)(C) of the National Environmental Policy Act of 1969, the National Historic Preservation Act of 1966, and section 4(f) of the Department of Transportation Act of 1966 are inapplicable to actions taken in negotiating, approving, or implementing service transfers under title IV of the Regional Rail Reorganization Act of 1973.

"(b) The operation of trains by Conrail shall not be subject to the requirement of any State or local law which specifies the minimum number of crew members who must be employed in connection with the operation of such trains.".

(16) Redesignate sections 1163D and 1164 as sections 1166 and 1169, respectively.

(17) Conform the table of contents of the subtitle to the changes in section headings, and additions in sections, made in this concurrent resolution.

SEC. 7. In subtitle B of title XII of the bill:

(1) In proposed section 396(k)(3)(A)(i)(II) of the Communications Act of 1934 (as contained in section 1227(c)(1) of the bill) strike out "clause (iv)" and insert in lieu thereof "clause (iv)(I)".

(2) In proposed section 396(k)(3)(A)(v)(III) of the Communications Act of 1934 (as contained in section 1227(c)(1) of the bill) strike out "clause (iv)" and insert in lieu thereof "clause (iv)(I)"

(3) In the amendment to section 307(d) of the Communications Act of 1934 made in section 1241(a)(4) of the bill, insert "not to exceed" after "term of".

(4) In the amendment to section 307(d) of the Communications Act of 1934 made in section 1241(a)(6) of the bill, insert "not to exceed" after "term of".

SEC. 8. In title XVIII of the bill:

(1) In the proposed amendment to section 1007 of the Public Works and Economic Development Act of 1965 (as contained in section 1821(a)(12)) strike out "and September 30, 1981." and insert in lieu thereof "September 30, 1981.".

(2) In the second sentence of section 1807(a), strike out "of 1965".

SEC. 9. (a) In subtitle C of title XXI:

(1) In proposed subsection (s)(5)(A)(i)(II) of section 1903 of the Social Security Act (as contained in section 2161(a) of the bill), strike out "its operation" and insert in lieu thereof "the operation".

(2) In proposed subsection (t)(3) of section 1903 of the Social Security Act (as contained in section 2161(b) of the bill), strike out "yer" and insert in lieu thereof "year".

(3) In proposed section 1915(b) of the Social Security Act (as contained in section 2175(b) of the bill), insert after the comma at the end of paragraph (2) the following: "if such restriction does not substantially impair access to services of adequate quality where medically necessary,".

(b) In the heading of section 2178, strike out "PREPAID PROVIDER (HMO)" and insert in lieu thereof "HMO AND PREPAID PROVIDER", and amend the table of contents of title XXI accordingly.

SEC. 10. In subtitle D of title XXI, in the proposed title V of the Social Security Act (as contained in section 2192(a))—

(1) in section 501(a), insert "to" in paragraph (3) after "(3)" and in paragraph (4) after "(4)",

(2) in section 502(a)(3), insert "be" before "submitted" and strike out "containing and" and insert in lieu thereof "contain and be",

(3) in section 502(b)(2), strike out "alloted" and insert in lieu thereof "allotted" each place it appears,

(4) redesignate subsection (d) of section 504 as subsection (c) and transfer and insert such subsection at the end of section 503, and

(5) in section 506(b)(3), strike out "the requirements of" and all that follows through "section 505(2)" and insert in lieu thereof "this title".

SEC. 11. In title XXVI of the bill:

(1) In section 2604(b)(1) of the bill, strike out "between" and insert in lieu thereof "among".

(2) In section 2604(d)(1)(A) of the bill, strike out "organizations" and insert in lieu thereof "organization".

SEC. 12. In section 532 of the bill—

(1) insert after "repealed." in subsection (b)(2) thereof the following new sentence: "Nothing in this paragraph or in any other provision of this title, or in any provision of the Higher Education Act of 1965 as amended by this title, shall be construed to permit any analysis of need for the purposes of loans under part B of title IV of such Act other than that expressly required by section 428(a)(2) of such Act as amended by this section or to

require a student seeking to qualify under section 428(a)(2)(B)(i) to prove any element of need other than compliance with the adjusted gross income amount specified in such section."; and

(2) in section 438(b)(5) of the Higher Education Act of 1965 as amended by subsection (b)(4) of section 532 of the bill, insert "or" at the end of clause (A)(ii).

SEC. 13. In section 1199A, strike out "July 31, 1981" and insert in lieu thereof "August 4, 1981".

Agreed to July 31, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Aug. 4, 1981
[S. Con. Res. 27]

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Monday, August 3, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981, and that when the House adjourns on Tuesday, August 4, 1981, it stand adjourned until 12:00 o'clock noon on Wednesday, September 9, 1981.

Agreed to August 4, 1981.

CORRECTIONS OF ENROLLED BILL H.R. 4242

Aug. 4, 1981
[S. Con. Res. 30]

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 4242), to amend the Internal Revenue Code of 1954 to encourage economic growth through reductions in individual income tax rates, the expensing of depreciable property, incentives for small businesses, and incentives for savings, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

Ante, p. 172.

(1) In the table of contents, in the item relating to section 102, strike out ", decrease in holding period".

(2) In the table of contents, in the item relating to section 601, strike out "$22,500" and insert in lieu thereof "$2,500".

(3) In the table of contents, after the item relating to section 823, insert the following:

Subtitle D—Other Provisions

Sec. 831. Technical amendments relating to dispositions of investment in United States real property.
Sec. 832. Modification of foreign investment company provisions.

(4) In the section heading to section 102 of the bill, strike out ", DECREASE IN HOLDING PERIOD".

(5) In section 209(c)(1)(B) of the bill, strike out "subparagraph (B)" and insert in lieu thereof "subparagraph (B)(i)".

(6) In paragraph (2) of section 313(b) of the bill, strike out "Sections 219(c)(2)" and insert in lieu thereof "Sections 219(d)(2) (as amended by section 311(a) of this Act)".

(7) In section 305(e)(3)(A) of the Internal Revenue Code of 1954, as added by section 321(a) of the bill, strike out "tangible personal depreciable property" and insert in lieu thereof "tangible property described in section 1245(a)(3) (other than subparagraphs (C) and (D) thereof)".

(8) In subparagraph (B) of section 2032A(e)(7) of the Internal Revenue Code of 1954, as added by section 421(f)(1) of the bill—

(A) strike out "average net share rental" each place it appears and insert in lieu thereof "average annual net share rental", and

(B) strike out "average gross cash rental" and insert in lieu thereof "average annual gross cash rental".

(9) In paragraph (5) of section 509(a), strike out "section 6601(b)" and insert in lieu thereof "section 6601".

(10) Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 to encourage economic growth through reduction of the tax rates for individual taxpayers, acceleration of capital cost recovery of investment in plant, equipment, and real property, and incentives for savings, and for other purposes.".

Agreed to August 4, 1981.

TECHNICAL CORRECTION OF ENROLLED BILL S. 917

Oct. 6, 1981
[S. Con. Res. 38]

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate is authorized and directed, in the enrollment of S. 917, an Act to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, to increase the rates of dependency and indemnity compensation for the surviving spouses and children of disabled veterans, to authorize the Administrator of Veterans' Affairs to guarantee home loans with provisions for graduated-payment plans, to increase the maximum amount payable under the Veterans' Administration automobile assistance and specially adapted housing programs, to expand eligibility for memorial markers, to require advance notification to Congress regarding certain Veterans' Administration reorganizations, and to limit expenditures of medical appropriations in connection with contracting-out studies; and for other purposes, to make the following technical and conforming change: In section 101(a)(7), strike out "$520" and insert in lieu thereof "$521".

Ante, p. 1026.

Agreed to October 6, 1981.

ANWAR EL-SADAT—EXPRESSIONS OF GRATITUDE AND SYMPATHY

Oct. 6, 1981
[S. Con. Res. 39]

Whereas, the Congress of the United States has learned with profound sorrow and deep regret of the tragic death of President Anwar el-Sadat of the Arab Republic of Egypt; and

Whereas, President Sadat has been a true friend of the United States and a true partner in the search for peace in the Middle East; and

Whereas, President Sadat has earned the affection and respect of the people of the United States for his historic leadership and statesmanship in the cause of international peace; and

Whereas, the Congress has confidence that Egypt's leaders and institutions will carry on the responsibilities of government with full competence and dedication, including moving forward in the search for an enduring peace settlement in the Middle East and in promoting the economic well being of all Egyptians; and

Whereas, the leaders of Egypt have today reaffirmed their intent to follow the policies of President Sadat: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That:

(1) the United States expresses its deep sympathies to the family of President Sadat and the people of Egypt for their tragic loss; and

(2) the United States reaffirms its friendship with and full support for the Government and people of Egypt.

Agreed to October 6, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Oct. 7, 1981
[H. Con. Res. 201]

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, October 7, 1981, it stand adjourned until 12 o'clock meridian on Tuesday, October 13, 1981, and that when the Senate adjourns on Wednesday, October 7, 1981, it stand adjourned until 12 o'clock meridian on Wednesday, October 14, 1981.

Agreed to October 7, 1981.

STRATEGIC ARMS REDUCTION TALKS WITH THE SOVIETS

Nov. 19, 1981
[H. Con. Res. 224]

Whereas President Ronald Wilson Reagan has called upon Soviet leader Leonid Brezhnev to engage in Strategic Arms Reduction Talks (START);

Whereas the President's willingness to cancel deployment of Pershing II and ground-launch cruise missiles if the Soviet Union dismantles its SS-20, SS-4, and SS-5 missiles is a dramatic and bold step toward real nuclear arms reduction;

Whereas the President's call for "equality at lower levels of conventional forces in Europe" is a necessary part of his goal of reducing the threat of war;

Whereas the President's invitation to President Brezhnev to join in a conference that would "develop effective measures that would reduce the dangers of war arising out of uncertainty and miscal-

culation" demonstrates this Nation's belief in the need for mutual restraint between the superpowers; and

Whereas the President's goal of "mutual reduction of conventional, intermediate range nuclear and strategic forces" is in the great American tradition of seeking and keeping the peace through realistic methods: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress expresses its commendation of and support for the President's initiatives for peace and reaffirms its desire to work with him so that the threats of nuclear war can be reduced and, perhaps, eliminated in our lifetime.

Agreed to November 19, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Nov. 23, 1981
[H. Con. Res. 228]

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Monday, November 23, 1981, and that when the Senate adjourns on Tuesday, November 24, 1981, or on Wednesday, November 25, 1981, pursuant to a motion made by the majority leader in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Monday, November 30, 1981.

Agreed to November 23, 1981.

JOINT COMMITTEE FOR FRANKLIN DELANO ROOSEVELT—COMMEMORATION OF HIS BIRTH

Nov. 24, 1981
[H. Con. Res. 220]

Whereas the year 1982 marks the one hundredth anniversary of the birth of Franklin Delano Roosevelt on January 30, 1882;

Whereas Franklin Delano Roosevelt was an inspiring leader during a great economic depression and a majestic Commander in Chief and was four times elected President of the United States; and

Whereas it is appropriate that the Congress should commemorate the centennial year of President Franklin Delano Roosevelt's birth: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) in order to provide for an appropriate commemoration by the Congress of the centennial of the birth of Franklin Delano Roosevelt, thirty-second President of the United States of America, there is established a Special Joint Committee on Arrangements (hereinafter referred to in this concurrent resolution as the "joint committee") which shall be composed of sixteen members as follows:

(1) The President pro tempore of the Senate and the Speaker of the House of Representatives.

(2) Seven members of the Senate to be appointed by the President pro tempore of the Senate, four upon recommendation of the majority leader of the Senate and three upon recommendation of the minority leader of the Senate.

(3) Seven members of the House of Representatives to be appointed by the Speaker of the House of Representatives, three upon recommendation of the minority leader of the House of Representatives.

(b) The members of the joint committee shall select a chairman and a vice chairman from among its members. A majority of the members shall constitute a quorum for the transaction of business. Any vacancy in the membership of the joint committee shall be filled in the same manner in which the original appointment was made.

(c) For the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member or chairman of the joint committee shall not be taken into account.

SEC. 2. It shall be the duty of the joint committee to—

(1) make arrangements for a joint meeting of the Congress to be held on Wednesday, January 27, 1982, or such other day as may be designated by the Speaker, in the Hall of the House of Representatives in commemoration of the centennial of the birth of Franklin Delano Roosevelt;

(2) plan the proceedings of and issue appropriate invitations for such joint meeting; and

(3) coordinate the joint committee's arrangements with the activities of such organizations as it deems appropriate which have been established to observe such centennial.

SEC. 3. The joint committee may—

(1) appoint an Executive Director, who shall serve without compensation, and accept such other volunteer services of individuals as it deems appropriate;

(2) adopt rules respecting its organization and procedures; and

(3) sit and act at such times and places as it shall deem appropriate.

SEC. 4. The expenses of the joint committee under this concurrent resolution may not exceed $25,000 and shall be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

Agreed to November 24, 1981.

"HOW OUR LAWS ARE MADE"

Dec. 8, 1981
[H. Con. Res. 106]

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", as set out in House Document Numbered 96-352 of the Ninety-sixth Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, with emendations, and with a foreword by the Honorable Peter W. Rodino, Junior; and that there be printed two hundred and forty-six thousand additional copies, of which twenty-five thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

Printing as House document.

SEC. 2. There shall be printed for the use of the Senate fifty-two thousand additional copies of the document specified in section 1 of this concurrent resolution.

Additional copies.

Agreed to December 8, 1981.

Dec. 10, 1981
[S. Con. Res. 50]

SENATE REAFFIRMATION OF CONGRESSIONAL BUDGET FOR FISCAL YEAR 1982

Resolved by the Senate (the House of Representatives concurring), That pursuant to section 310(a) of the Congressional Budget Act of 1974, the concurrent resolution on the budget most recently agreed to with respect to the fiscal year 1982 (H. Con. Res. 115, Ninety-seventh Congress) is hereby re-affirmed.

31 USC 1331.

Ante, p. 1743.

SEC. 2. It is the sense of the Congress that—

Whereas the current budget projections are for large deficits in the range of $76,000,000,000 to $92,000,000,000 in fiscal year 1982; in the range of $96,000,000,000 to $136,000,000,000 in fiscal year 1983; and in the range of $103,000,000,000 to $165,000,000,000 in the fiscal year 1984; and

Whereas these large deficits are a primary cause of the historically high interest rates now prevailing; and

Whereas these interest rates are bringing many small businessmen, the automobile industry, farmers, and the housing sector near collapse; and

Whereas the unemployment rate has reached 8 per centum and is likely to increase further; and

Whereas the economy has entered into a recession which could last for many months:

Now therefore it is the sense of the Congress that the economic crisis now facing the American people is so severe that solutions must be found immediately; and

Further, it is the sense of the Congress that the President should submit a plan as soon as possible, to bring interest rates down, to decrease unemployment, to decrease substantially inflation, and to balance the budget in fiscal year 1984; and

Further, it is the sense of the Congress that Presidential guidance and leadership is essential to reach these goals.

SEC. 3. Further, it is the sense of the Senate that prompt congressional action is required to bring interest rates down, decrease unemployment, decrease substantially inflation, and to balance the budget in fiscal year 1984; therefore, it is the sense of the Senate that the Budget Committee report no later than March 31, 1982, a combined revised second concurrent resolution on the budget for fiscal year 1982 and a proposed first resolution on the budget for fiscal year 1983, which resolution shall also contain a budget for fiscal year 1984 that shall balance revenues and outlays;

Further, it is the sense of the Senate that Federal outlays be reduced and the Federal budget be balanced through spending reductions in all parts of the budget, including entitlement programs, and revenue increases achieved other than through changes in the accelerated cost recovery system or the individual rate reductions recently enacted in the Economic Recovery Tax Act; and

Further, it is the sense of the Senate that the plan to be submitted by the committee should be a balanced plan which provides for Federal outlays no greater than 20½ per centum of gross national production in fiscal year 1984.

Agreed to December 10, 1981.

ALEXANDER PARITSKY—U.S. SUPPORT FOR RELEASE FROM PRISON IN U.S.S.R.

Dec. 15, 1981
[H. Con. Res. 215]

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all citizens the rights to freedom of religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory nations to respect individual rights and freedom, specifically the right to immigrate to the country of one's choice to rejoin their relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe, is a party to the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Alexander Paritsky and his family first applied to emigrate from the Soviet Union in 1976 and have been repeatedly denied permission;

Whereas Alexander Paritsky was dismissed from his position as a scientist at the Kharkov Institute for Metrology in 1977 as a direct result of requesting permission to emigrate;

Whereas Alexander Paritsky and his family have been continually harassed by Soviet authorities as a result of his involvement in the Kharkov Jewish University;

Whereas Soviet officials have confiscated numerous books, letters, and medicines from the Paritsky's apartment;

Whereas Soviet officials have published slanderous articles in the Kharkov press accusing Alexander Paritsky of black marketeering and racism;

Whereas Dorina Paritsky, aged fifteen, has been harshly interrogated by Soviet investigators at her school and told to denounce her family;

Whereas Paulina Paritsky has been threatened with arrest and informed that she will lose custody of her two daughters;

Whereas Alexander Paritsky was arrested on August 28 and charged with anti-Soviet agitation and propaganda;

Whereas Alexander Paritsky is scheduled to be tried by Soviet officials on November 11 and has been denied the legal counsel of his choice; and

Whereas Paulina Paritsky was forcefully prevented from obtaining an independent lawyer for her husband: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) continue to express at every suitable opportunity and in the strongest terms the opposition of the United States Government to the imprisonment of Alexander Paritsky;

(2) urge the Government of the Soviet Union to—

(A) release Alexander Paritsky from prison,

(B) halt all further harassment of Alexander Paritsky and his family, and

(C) permit Alexander, Paulina, Dorina, and Anna Paritsky to emigrate to Israel to join their relatives, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(3) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

Agreed to December 15, 1981.

GENERAL EXPLANATION OF THE ECONOMIC RECOVERY TAX ACT OF 1981

Dec. 16, 1981
[S. Con. Res. 54]

Printing of copies.

Resolved by the Senate (the House of Representatives concurring), That three thousand copies of the General Explanation of the Economic Recovery Tax Act of 1981, prepared by the staff of the Joint Committee on Taxation, be printed for the use of the Joint Committee on Taxation.

Agreed to December 16, 1981.

INVESTIGATION OF SENATOR HARRISON A. WILLIAMS, JR., COMMITTEE PRINT

Dec. 16, 1981
[S. Con. Res. 56]

Reprints for committee use.

Resolved by the Senate (the House of Representatives concurring), That there shall be reprinted for the use of the Senate Select Committee on Ethics three hundred copies of its committee print entitled "Investigation of Senator Harrison A. Williams, Jr.: Response of Senator Williams to Report of the the Select Committee on Ethics on S. Res. 204", Ninety-seventh Congress, first session, September 18, 1981.

Agreed to December 16, 1981.

ADJOURNMENT—HOUSE OF REPRESENTATIVES AND SENATE

Dec. 16, 1981
[S. Con. Res. 57]

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall adjourn on Wednesday,

December 16, 1981, and that when they adjourn on said day, they stand adjourned sine die.

Agreed to December 16, 1981.

CORRECTIONS OF ENROLLED BILL S. 884

Dec. 16, 1981
[S. Con. Res. 55]

Ante, p. 1213.

Resolved by the Senate (the House of Representatives concurring), That the Secretary of the Senate, in the enrollment of the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes, is hereby authorized and directed to make the following corrections:

(1) In the introductory text of section 101(a) of the bill, insert a comma after "1937".

(2) In clause (1) of the matter proposed to be inserted by section 103(1) of the bill, strike out "provision" and insert in lieu thereof "sentence".

(3) In section 107B(b)(1)(D) of the Agricultural Act of 1949, as proposed to be added by section 301 of the bill, strike out "section 1015" and insert in lieu thereof "section 1101".

(4) In section 105B(b)(1)(D) of the Agricultural Act of 1949, as proposed to be added by section 401 of the bill, strike out "section 1015" and insert in lieu thereof "section 1101".

(5) In section 105B(e)(3) of the Agricultural Act of 1949, as proposed to be added by section 401 of the bill, strike out "wheat" the first 2 times it appears and insert in lieu thereof "feed grains", and strike out "wheat-producing" and insert in lieu thereof "feed grain-producing".

(6) In subsection (g)(3)(A) of section 103 of the Agricultural Act of 1949, as proposed to be added by section 502 of the bill, insert "or paragraph (9)(A)" after "paragraph (7)".

(7) In subsection (g)(9)(A) of section 103 of the Agricultural Act of 1949, as proposed to be added by section 502 of the bill, strike out "wheat" in the fifth sentence and insert in lieu thereof "cotton".

(8) In subsection (i)(1) of section 101 of the Agricultural Act of 1949, as proposed to be added by section 602 of the bill, strike out "the preceding sentence" in the proviso and insert in lieu thereof "this sentence".

(9) In subsection (l)(3) of section 359 of the Agricultural Adjustment Act of 1938, as proposed to be added by section 704 of the bill, insert a comma after "interest".

(10) In subsection (l)(4) of section 359 of the Agricultural Adjustment Act of 1938, as proposed to be added by section 704 of the bill, strike out "office or agency of the Government or any court of law" and insert in lieu thereof "officer or agency of the Government".

(11) In section 1005 of the bill, strike out "hereinafter" and insert in lieu thereof "hereafter".

(12) In section 1305 of the bill, strike out the first period following the word "reimbursement".

(13) In subsection (b) of section 14 of the Food Stamp Act of 1977, as proposed to be added by section 1320(b) of the bill, insert a comma after "Act".

(14) In section 1402 of the bill, strike out clause (1) and insert in lieu thereof "(1) striking out 'and' at the end of paragraph (8) and changing the period at the end of paragraph (9) to a semicolon; and".

(15) In paragraph (10) of section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as proposed to be added by section 1402 of the bill, strike out the period at the end thereof and insert in lieu thereof "; and".

(16) In paragraph (11) of section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as proposed to be added by section 1402 of the bill, strike out "Long-range" and insert in lieu thereof "long-range".

(17) In subsection (b)(3) of section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as proposed to be amended by section 1412(4) of the bill, insert a comma after "agencies".

(18) In subsection (a)(1) of section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as proposed to be amended by section 1413 of the bill, strike out "cochairperson" and insert in lieu thereof "cochairpersons".

(19) In section 1476(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as proposed to be added by section 1440(a) of the bill, strike out "sections 5701 and 5707" and insert in lieu thereof "sections 5701 through 5707".

(20) In section 1447 of the bill, insert "the" immediately before "Interior".

(21) In section 1546 of the bill, strike out "section 1544(a)" and insert in lieu thereof "section 1542(a)".

Agreed to December 16, 1981.

ANDREI SAKHAROV—U.S. SUPPORT FOR RELEASE FROM INTERNAL EXILE IN U.S.S.R.

Dec. 16, 1981
[S. Con. Res. 58]

Whereas Article 12 of the International Covenant of Civil and Political Rights explicitly states that "Everyone lawfully within the territory of a state shall, within that territory, have the right to liberty of movement and freedom to choose his residence";

Whereas Article 13 of the Universal Declaration of Human Rights explicitly states that "Everyone has the right to freedom of movement and residence within the borders of each state";

Whereas the Government of the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe, is a party to the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Nobel Laureate Andrei Dimitriyevich Sakharov has been an undaunted leader of the human rights movement in the Union of Soviet Socialist Republics and has courageously spearheaded efforts to secure the most basic of human rights for the citizens of the Soviet Union;

Whereas Andrei Sakharov was forcibly and without trial exiled to the city of Gorki in the Soviet Union last year for his outspoken and eloquent dissent against the systematic violation of basic human rights by the Government of the Soviet Union;

Whereas Andrei Sakharov and his wife, Yelena Bonner, recently ended a 17-day hunger strike after the Government of the Soviet Union decided to allow Yelizaveta Alekseyeva to join her husband, Alexey Semyonov, in the United States; and

Whereas Andrei Sakharov's internal exile is a clear and flagrant violation of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights, the Government of the Union of Soviet Socialist Republics should release Andrei Sakharov from internal exile immediately and should allow him and his wife, Yelena Bonner, to freely choose their place of residence.

SEC. 2. The Congress, commending the President for his past efforts in behalf of the Sakharovs, urges the President, acting directly or through the Secretary of State—

(1) to protest, in the strongest possible terms and at the highest levels of government, the continued internal exile of Andrei Sakharov,

(2) to call upon all other signatory nations of the Final Act of the Conference on Security and Cooperation in Europe to join in such protests, and

(3) to inform the Government of the Soviet Union, that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, including commitments with respect to the protection of human rights.

SEC. 3. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of the Soviet Socialist Republics to the United States.

Agreed to December 16, 1981.

MARTIN LUTHER KING, JR., COMMEMORATION OF BIRTH—STRUCTURES AND EQUIPMENT ON CAPITOL GROUNDS

Dec. 16, 1981
[H. Con. Res. 231]

Resolved by the House of Representatives (the Senate concurring), That, in accordance with such conditions as the Architect of the Capitol may impose, a photographic platform, two media towers, a telephone bank, sound amplification devices, a speakers platform, and related structures and equipment may be erected under the auspices of the Stevie Wonder-Martin Luther King Memorial Committee at the west front of the Capitol in connection with a rally to be held on January 15, 1982, in commemoration of the birth of Doctor Martin Luther King, Junior.

Agreed to December 16, 1981.

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Whereas Andrei Sakharov and his wife, Yelena Bonner, recently made a 14-day hunger strike after the Government of the Soviet Union refused to allow Yelena's Alekseyeva to join her husband, Alexey Semyonov, in the United States; and

Whereas Andrei Sakharov's internal exile is a clear and flagrant violation of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights, the Government of the Union of Soviet Socialist Republics should release Andrei Sakharov from internal exile immediately and should allow him and his wife, Yelena Bonner, to freely choose their place of residence.

Sec. 2. The Congress, commending the President for his past efforts in behalf of the Sakharovs, urges the President, acting directly or through the Secretary of State—

(1) to protest, in the strongest possible terms and at the highest levels of government, the continued internal exile of Andrei Sakharov;

(2) to call upon all other signatory nations of the Final Act of the Conference on Security and Cooperation in Europe to join in such protests; and

(3) to inform the Government of the Soviet Union, that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, including commitments with respect to the protection of human rights.

Sec. 3. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

Agreed to December 16, 1981.

MARTIN LUTHER KING, JR., COMMEMORATION OF BIRTH—STRUCTURES AND EQUIPMENT ON CAPITOL GROUNDS

Dec. 16, 1981
H. Con. Res. 321

Resolved by the House of Representatives (the Senate concurring), That, in accordance with such conditions as the Architect of the Capitol may impose, a photographic platform, two media towers, a telephone kiosk, sound amplification devices, a speakers platform, and related structures and equipment may be erected under the auspices of the Steve Wonder-Martin Luther King Memorial Committee on the west front of the Capitol in connection with a rally to be held on January 18, 1982, in commemoration of the birth of Doctor Martin Luther King, Junior.

Agreed to December 16, 1981.

PROCLAMATIONS

Proclamation 4809 of December 17, 1980

Proclamation To Make Effective the Amendments of Section 3(b) of Public Law 96–490 and for Other Purposes

By the President of the United States

A Proclamation

1. Proclamation No. 4768 of June 28, 1980, implementing the Customs Valuation Code, made numerous changes to the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202) and established staged reductions in the rates of duty proclaimed therein, pursuant to the General Agreement on Tariffs and Trade and other trade agreements. 19 USC 2111 note.

2. Pursuant to the authority of sections 503(a)(1) and 503(a)(2)(A) of the Trade Agreements Act of 1979 (93 Stat. 251), and by Proclamation No. 4768, I designated certain articles, identified by specific TSUS item numbers, to receive advanced staging of reductions in the rates of duty applicable to such items.

3. Section 3 of the Act to Approve and Implement the Protocol to the Trade Agreement relating to Customs Valuation, and for Other Purposes (Public Law 96–490 of December 2, 1980) made a number of technical amendments to schedule 4 of the TSUS and authorized the President to proclaim the effective date for certain of those amendments. 94 Stat. 2557.

4. In order to continue the previously proclaimed staged reductions and the provisions for advanced staging established pursuant to sections 503(a)(1) and 503(a)(2)(A) of the Trade Agreements Act of 1979 for those products affected by the technical amendments made by P.L. 96–490, it is necessary to make certain conforming modifications to the TSUS. 93 Stat. 251. 94 Stat. 2556.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes, including but not limited to Section 604 of the Trade Act of 1974, Titles II and V of the Trade Agreements Act of 1979, and Section 3(b) of P.L. 96–490, do proclaim that: 19 USC 2483; 93 Stat. 194, 250. 94 Stat. 2557.

(1) The amendments to the TSUS set forth in section 3(b) of P.L. 96–490 shall be effective on the date of this Proclamation and shall be effective as to articles exported to the United States on or after the date of this Proclamation;

(2) Schedule 4, part 1C of the TSUS is modified by deleting items 411.40 (as amended by P.L. 96–490) and 411.42 and by substituting the following in lieu thereof:

	"Papaverine and its salts:			
411.40	Products provided for in the Chemical Appendix to the Tariff Schedules.	26.9 pct ad val..	11.6 pct ad val..	7¢ per lb.+104 pct ad val..
411.42	Other	11.6 pct ad val		7¢ per lb.+104 pct ad val.";.

(3) The rates of duty established for products of least developed developing countries (LDDC's) by Proclamation No. 4768 for item numbers 404.32, 406.36, and 408.24 of the TSUS shall be the rates inserted in the column entitled "LDDC" for items 403.74, 406.73, and 408.31, respectively, as added by section 3(a) of P.L. 96–490;

94 Stat. 3765.

94 Stat. 2557.

(4) The rates of duty, including rates in the column entitled "LDDC", and the staged reductions in those rates, established by Proclamation No. 4768 for item numbers 403.76, 408.32, 411.40, and 411.42, shall continue to apply to such item numbers, whether the provisions of the TSUS referred to by these item numbers were amended by P.L. 96–490 or modified by this Proclamation;

(5) The amendments made by paragraphs 2, 3, and 4 of this Proclamation shall be effective on the date of this Proclamation and shall be effective with respect to articles exported on or after the date of this Proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of December, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4810 of December 23, 1980

National Patriotism Week

By the President of the United States of America

A Proclamation

We are a Nation with many blessings. We have liberties enjoyed by no other Nation on Earth. We have a government admired by many. We have fought hard to preserve our independence and the independence of others, and to gain equal rights and responsibilities for all our citizens. We have much to be thankful for and much to be proud of.

Together we have built a great Nation, a Nation founded on freedom, a Nation forged by patriots. We have made America strong with our strength. We have made America a Nation at peace with our love of peace.

We live in a Nation we all care about deeply. It is important that we continue to care, that we continue to respect ourselves and each other, and that we honor our past and present by reaffirming our commitment to the greatness that is ours.

To recognize our freedoms and honor this great Nation, the Congress, by joint resolution of October 10, 1980 (P.L. 96–421), designated the week commencing with the third Monday in February of 1981 as "National Patriotism Week" and requested the President to issue a proclamation calling upon the people of the United States to commemorate that week with appropriate celebrations and observances.

94 Stat. 1798.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby call upon the people of the United States to observe the

week beginning with the third Monday in February 1981 as National Patriotism Week.

I call upon all primary and secondary schools to adopt an appropriate curriculum for that week which should include such elements as the study of the Pledge of Allegiance and the national anthem, national symbols, seals and mottos, and national monuments, heroes, and accomplishments.

I request each Federal agency recognize that week by taking such action as it may deem appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of December, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4811 of December 30, 1980

Proclamation To Amend the Tariff Schedules of the United States With Respect to the Quantitative Limitations of Certain Cheeses

By the President of the United States of America

A Proclamation

1. Import limitations have been imposed on certain cheeses pursuant to the provisions of Section 22 of the Agircultural Adjustment Act, as amended, 7 U.S.C. 624. Section 701 of the Trade Agreements Act of 1979, P.L. 96–39 (the "Act"), requires that the President proclaim limitations on the quantity of cheese of the types specified therein, which may enter the United States in any calendar year after 1979. The Act provides that the annual aggregate quantity of such types of cheese entered shall not exceed 111,000 metric tons. Such quantitative limitations appear in Part 3 of the Appendix to the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202). The present limitations became effective on January 1, 1980, pursuant to Proclamation 4708 of December 11, 1979.

93 Stat. 268.

93 Stat. 1805.

2. In order to permit imports at a level more nearly in line with current trade requirements, the quantitative limitations set forth in the Appendix to the TSUS must be modified.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including the provisions of Section 22 of the Agricultural Adjustment Act of 1933, as amended, and the Trade Agreements Act of 1979, do hereby proclaim that Part 3 of the Appendix to the Tariff Schedules of the United States is modified effective January 1, 1981, as set forth in the Annex to this Proclamation.

19 USC 2501.

IN WITNESS WHEREOF, I have hereunto set my hand this thirtieth day of December, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4812 of December 31, 1980

Proclamation To Terminate Proclamation No. 4600 of September 21, 1978, Implementing Certain Temporary Tariff Concessions

By the President of the United States of America

A Proclamation

1. On July 26, 1978, the President, pursuant to his authority in section 101(a) of the Trade Act of 1974 (Trade Act) (19 U.S.C. 2111(a)), entered into a temporary trade agreement with India. This agreement provided for temporary modifications in the rates of duty for certain products to be implemented in stages. The agreement further provided for its termination upon initial implementation of an overall agreement on tariffs pursuant to the Multilateral Trade Negotiations (MTN).

92 Stat. 3953.

2. On September 21, 1978, the President issued Proclamation No. 4600 implementing the July 26 temporary trade agreement, which proclamation modified the Tariff Schedules of the United States (TSUS) by inserting the necessary rates of duty in the appendix thereto and provided for further staged reductions of such rates.

19 USC 2111 note.

3. On January 1, 1980, the United States, by Proclamation No. 4707, of December 11, 1979, initially implemented its overall agreement on tariffs reached during the MTN as provided in Schedule XX to the Geneva (1979) Protocol to the General Agreement on Tariffs and Trade. Pursuant to section 125(e) of the Trade Act (19 U.S.C. 2135(e)), the tariff concessions granted in the temporary agreement have continued in force for a one-year period which will terminate at the close of December 31, 1980.

4. After complying with the requirements of section 125(f) of the Trade Act (19 U.S.C. 2135(f)), I have decided to terminate Proclamation No. 4600, pursuant to the authority of section 125(b) of the Trade Act (19 U.S.C. 2135(b)), effective January 1, 1981.

19 USC 2111.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including Title I and section 604 of the Trade Act (19 U.S.C. 2483), do proclaim that:

(1) Proclamation No. 4600, identified in the second recital of this proclamation, is terminated at the close of December 31, 1980.

19 USC 1202.

(2) Part 2C of the Appendix to the Tariff Schedules of the United States (TSUS) is deleted, with the result that articles presently subject to the column 1 rates of duty provided in part 2C of the Appendix to the TSUS shall be subject to the rates of duty established for such articles in schedules 1–7 of the TSUS by Proclamation No. 4707 of December 11, 1979. These rates shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after January 1, 1981.

19 USC 2111 note.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of December, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4813 of January 13, 1981

Second Continuation of Emergency Building Temperature Restrictions

By the President of the United States of America

A Proclamation

I find that continued implementation of the Emergency Building Temperature Restrictions, Energy Conservation Plan No. 2, is required in the national interest. This Plan was transmitted by me to the Congress on March 1, 1979, and approved by resolution of each House of Congress in the manner provided by law. 44 FR 12911.

This Conservation Plan was implemented by me approximately eighteen months ago because it was clear in view of the unstable world production of crude oil that we could not rely on imports to meet our normal demand. On April 15, 1980, I continued this Plan in effect because of the decline in worldwide crude oil production compared to the previous year, the prohibition on imports of Iranian oil, and the threat to the stability of commerce in the countries of the oil-producing Persian Gulf resulting from tensions between Iran and Iraq and the Soviet Union's actions in Afghanistan.

Since then, war has broken out between Iran and Iraq, substantially interrupting crude oil production in those countries. This disruption is of significant scope and is likely to be of substantial duration. New worldwide crude oil production is now and is likely to continue to be at least two million barrels a day less than consumption through the first quarter of 1981. This shortage has resulted in increased petroleum prices, and the combined effects of the shortage and present and future price increases resulting from it may have a major adverse impact on the national economy. The war between Iran and Iraq, as well as border tensions between Syria and Jordan and the Soviet actions in Afghanistan, have also greatly increased the threat to other sources of petroleum supplies in the Middle East. Should other disruptions result, they are likely to be of an emergency nature and to further disrupt the Nation's economy.

Because of these events, the risk to the Nation from our reliance on insecure oil imports is greater than when the Plan was renewed approximately nine months ago, as well as when the Plan was implemented approximately eighteen months ago. Under applicable law, the findings that a shortage of energy supply requires implementation of the Plan must be considered anew every nine months. I therefore renew the findings and determination contained in Proclamation No. 4667 of July 10, 1979, and renewed in Proclamation No. 4750 of April 15, 1980, under sections 201(b) and 3(8) of the Energy Policy and Conservation Act (42 U.S.C. Sections 6261(b) and 6202(8)). 93 Stat. 1522. 94 Stat. 3749.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, including section 201(b) of the Energy Policy and Conservation Act (42 U.S.C. 6261(b)), do hereby proclaim that:

1–101. The finding and determination under sections 3(8) and 201(b) of the Energy Policy and Conservation Act (42 U.S.C. 6202(8) and 6261(b)) contained in Proclamation No. 4667 of July 10, 1979, and renewed in Proclamation No. 4750 of April 15, 1980, are hereby renewed.

1-102. This Proclamation shall be transmitted to the Congress.

1-103. The provisions of the Emergency Building Temperature Restrictions, Energy Conservation Contingency Plan No. 2 (44 FR 12911 of March 8, 1979) and the regulations thereunder, or any amendments thereto, shall continue in effect until October 16, 1981, unless earlier rescinded.

1-104. In accordance with the provisions of this Plan and the regulations thereunder, the Secretary of Energy is hereby authorized to continue the administration of the program in all respects.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of January, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4814 of January 14, 1981

National Inventors' Day, 1981

By the President of the United States of America

A Proclamation

As the progress of science and technology is fundamental to the economic and social welfare of our society, so is the patent system essential to the advance of science and technology. This relationship is recognized in the first Article of our Constitution, which empowers the Congress "to promote the progress of science and useful arts" by securing for limited times to inventors an exclusive right to their discoveries.

Established in accordance with this constitutional mandate, our patent system dates back to the very beginning of our Nation. Since George Washington signed the first patent act into law on April 10, 1790, the patent system has encouraged our dramatic progress from a small agrarian Nation to a great technological and industrial world leader. From the cotton gin, telephone, and electric lamp, through the transistor, modern medicines and space vehicles, the history of our creativity, ingenuity and determination is reflected in the records of our patent system.

The incentive offered by patent protection to invent and innovate has created new markets, new industries and more jobs. As a consequence, a strong and reliable patent system is a substantial element in our efforts to develop alternative energy sources, increase our productivity, improve our environment, and solve the technological challenges which will confront us in the future.

In honor of the important role played by inventors in promoting progress in the useful arts, and in recognition of the invaluable contribution of inventors to the welfare of our people, the 96th Congress, by House Joint Resolution 337, has designated February 11, 1981, as "National Inventors' Day." Because February 11 is the birthday of Thomas Alva Edison, this Nation's most prolific inventor, it is an especially appropriate day on which to honor

94 Stat. 3357.

Editorial Note: The President's message to the Congress, dated Jan. 13, 1981, transmitting Proclamation 4813, is printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 2877).

one of our most valuable national resources, the inventive genius of our people.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby call upon the people of the United States to honor all inventors by observing February 11, 1981, as National Inventors' Day, with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of January, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4815 of January 14, 1981

National Salute to Hospitalized Veterans' Day

By the President of the United States of America

A Proclamation

There are today more than 30 million living veterans of the United States Armed Forces whose military service to their Nation has significantly influenced the role of the United States in world affairs.

During Fiscal Year 1979, approximately 1.3 million of these men and women were hospitalized in the 172 Veterans Administration medical centers across the country. A similar number will be admitted for care and treatment this year and in the years to come.

In order to encourage a continuing awareness of the service and sacrifice of these Americans, I urge citizens of all ages to participate in their communities in honoring our sick and disabled hospitalized veterans. I believe it essential that we do as much as possible to express our collective appreciation to the many hospitalized men and women who have served this Nation faithfully.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim February 14, 1981, as "National Salute to Hospitalized Veterans' Day." I invite all of our citizens to join with me in observing this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of January, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4816 of January 15, 1981

American Heart Month, 1981

By the President of the United States of America

A Proclamation

Diseases of the heart and blood vessels afflict 40 million Americans, cause 950,000 deaths annually, and cost the Nation more than $60 billion each year in lost wages and productivity and in direct costs of medical care.

Cardiovascular diseases, still our Nation's leading cause of death, have been the target of a continuing national effort since 1948. Leading this assault on illness, disability, and premature death are the American Heart Association, a private health organization supported by individual contributions, and the National Heart, Lung and Blood Institute, part of the National Institutes of Health, a Federal agency supported by tax dollars. For more than 30 years, the two organizations have worked closely together conducting and supporting research, training, education and community service directed against heart diseases. In that joint effort, they have enlisted the cooperation and resources of numerous organizations and agencies—both public and private.

Diseases of the heart and blood vessels remain the number one killer in the United States, but we have made substantial and heartening progress toward reducing the devastating toll. Deaths from coronary heart disease have declined by 25 percent during the past decade. Deaths from stroke have declined by 37 percent during the same period. These dramatic declines are a significant factor in the marked increase over the past decade in life expectancy for all Americans.

We have developed a much better understanding of the disease process and in the detection and treatment of cardiovascular disease. As a people, we have improved our overall health practices. For example, there has been a sharp drop in cigarette smoking among middle-aged men who are at the highest risk of heart attack. There has been much progress in the control of high blood pressure which is the major cause of stroke and gratifying and productive changes in our approach to diet and physical fitness.

We still have a long way to go before diseases of the heart and blood vessels are brought under control or eliminated as a major cause of suffering and premature death. In recognition of the seriousness of this menace to the Nation's health and well-being, and to encourage the consolidation and extension of our efforts against cardiovascular disease, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 843; 36 U.S.C. 169b) has requested the President to issue annually a proclamation designating February as American Heart Month.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the month of February 1981, as American Heart Month. I invite the Governors of the States, the Commonwealth of Puerto Rico, the officials of other areas subject to the jurisdiction of the United States, and the American people, to join with me in reaffirming our commitment to the fight against cardiovascular disease.

IN WITNESS WHEREOF, I have hereunto set my hand this fifteenth day of January, in the year of our Lord nineteen hundred and eighty-one, and of

the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

Proclamation 4817 of January 16, 1981

Proclamation To Modify the Suspension in Part of the Tariff Concessions on Certain Lead Products

By the President of the United States of America

A Proclamation

1. On October 31, 1979, under the authority of section 101(a)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2111(a)(1)), the United States entered into a trade agreement with the United Mexican States (Mexico) containing certain tariff concessions by the United States. These tariff concessions were implemented by Proclamation No. 4707 of December 11, 1979, beginning January 1, 1980. This agreement provides that, under certain circumstances which now exist, the United States may suspend or withdraw these concessions in whole or in part. 19 USC 2111 note.

2. An expectation, which this agreement stated to be the basis for the United States concessions therein, not having materialized, and only partially equivalent substitute concessions having been received from Mexico, the President, by Proclamation 4792 of September 15, 1980 (45 Fed. Reg. 61589), suspended in part tariff concessions which were granted to Mexico in the October 31, 1979 agreement because adequate substitute compensatory concessions had not been provided by Mexico at that time. 94 Stat. 3793.

3. In view of the temporary modification of the rate of duty on unwrought lead other than lead bullion by section 114 of Public Law 96-609, of December 28, 1980, and of the extent of concessions which have been received from Mexico, I determine that the suspension of the concessions under the Agreement of October 31, 1979 should be modified as set forth below. 94 Stat. 3557.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 125 and 604 of the Trade Act (19 U.S.C. 2135 and 2483), do proclaim that:

The tariff concessions proclaimed by Proclamation No. 4707 on litharge and red lead provided for in items 473.52 and 473.56 of the Tariff Schedules of the United States (19 U.S.C. 1202), (in the case of litharge as partially suspended by Proclamation 4792) are suspended as set forth in the Annex of this proclamation. 19 USC 2111 note.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of January, in the year of our Lord nineteen hundred and eighty-one, and of

the Independence of the United States of America the two hundred and fifth.

JIMMY CARTER

ANNEX

Part 2D of the Appendix to the Tariff Schedules of the United States is modified to read as follows:

Item	Articles	Rates of Duty 1	Rates of Duty 2	Effective period
	Subpart D.—Temporary Duties, Pursuant to Section 125 of the Trade Act of 1974.			
	Subpart D headnote: 1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive.			
948.10	Litharge (provided for in item 473.52).	3% ad val. or such other rate may be proclaimed by the President.	No change	On and after Jan. 19, 1981.
948.12	Red lead (provided for in item 473.56).	3.4% ad val. or such other rate as may be proclaimed by the President.	No change	On and after Jan. 19, 1981.

Proclamation 4818 of February 6, 1981

International Year of Disabled Persons

By the President of the United States of America

A Proclamation

We seek, in the 1980s, an era of national renewal, an era that will set loose again the energy and ingenuity of the American people.

Today there are 35 million disabled Americans who represent one of our most underutilized national resouces. Their will, their spirit, and their hearts are not impaired, despite their limitations. All of us stand to gain when those who are disabled share in America's opportunities.

To increase the participation of disabled persons in our national life and in the lives of other nations the United Nations has designated 1981 the International Year of Disabled Persons. America has long been a world leader in this area, and the United States Council for the International Year of Disabled Persons and our Federal government have already responded to the United Nations challenge. Programs are underway throughout the Nation.

Through partnerships of disabled and nondisabled persons; of our private sector and our government; and of our national, state, and community organizations, we can expand the opportunities for disabled Americans to make a fuller contribution to our national life. I am proud to pledge the cooperation of my Administration and the Federal agencies under my jurisdication, including the Federal Interagency Committee for the International Year of Disabled Persons.

NOW, THEREFORE, in keeping with the goals of the International Year, I, RONALD REAGAN, President of the United States of America, do hereby proclaim 1981 the International Year of Disabled Persons in the United States.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of February, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4819 of February 13, 1981

National Agriculture Day

By the President of the United States of America

A Proclamation

Agriculture is among America's most vital and far-reaching industries. Its production, processing, and marketing segments together provide as many as 17 million jobs.

The productivity and efficiency of American agriculture are basic ingredients in our national strength. Agricultural productivity is a major weapon in the war against inflation and in the struggle to eliminate world hunger. The efficiency of the American farmer is the envy of the world.

American farmers are, in reality, fiercely independent businessmen whose job it is to provide food and fiber. With the profit motive and freedom of enterprise, these businessmen of the soil have supplied this Nation with an abundance never before witnessed in the history of man.

Today, our farmers are also making enormous contributions to America's trade balance. In the past year alone, farm exports amounted to $41 billion.

To achieve a better understanding of, and appreciation for, agriculture's role in the Nation's way of life and of each individual's stake in a reliable food and fiber supply, the Congress enacted a Joint Resolution, Public Law 96–416, to set aside March 19, 1981, as "National Agriculture Day." 94 Stat. 1726.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim March 19, 1981, "National Agriculture Day"

Editorial Note: The President's remarks of Feb. 6, 1981, on signing Proclamation 4818, are printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 98).

and do call upon the people of the United States to observe this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of February in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4820 of February 17, 1981

Rescission of Emergency Building Temperature Restrictions

By the President of the United States of America

A Proclamation

93 Stat. 1522.
94 Stat. 3749;
46 FR 3489.

Emergency Building Temperature Restrictions were first implemented on July 16, 1979, by Proclamation No. 4667. They were twice extended, first by Proclamation No. 4750 and second by Proclamation No. 4813. Those restrictions set forth in Energy Conservation Contingency Plan No. 2 (44 FR 12911, March 8, 1979) are effective until October 16, 1981, unless earlier rescinded.

Although restrictions on building temperatures may result in reduced consumption of fuel, I have concluded that the regulatory scheme designed to accomplish that objective imposes an excessive regulatory burden and that voluntary restraint and market incentives will achieve substantially the same benefit without the regulatory cost.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by the authority vested in me by the Constitution and laws of the United States, including Section 201(a) of the Energy Policy and Conservation Act (42 U.S.C. 6261(a)), do hereby proclaim that:

46 FR 3489.

Section 1. The Energy Building Temperature Restrictions as provided for in Energy Conservation Contingency Plan No. 2 (44 FR 12911, March 8, 1979) are no longer required. Therefore, the effectiveness of that Plan as provided for in Proclamation No. 4813 is hereby rescinded.

Section 2. Proclamation No. 4813 is revoked.

Section 3. The Secretary of Energy shall take such action as may be necessary to ensure the implementation of this Proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of February, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4821 of February 23, 1981

Save Your Vision Week

By the President of the United States of America

A Proclamation

Of all God's gifts, the ability to see is one of the most precious. It is the sense of sight that saves mankind from living in darkness. It is the sense of sight that permits individuals to communicate with each other and to future generations through literature and art. It enables man to enjoy the magnificence of a sunset and the promise of a rainbow.

Unfortunately, sight is often taken for granted. Few realize how many of our citizens lose their sight every year. Yet many forms of blindness can be cured if discovered soon enough, and many blinded by accident could have kept their sight had they taken only minor eye safety precautions.

Each of us has the responsibility to care for that which is ours. Our eyesight and the eyesight of our children should be paramount on the list of personal responsibilities. Money cannot buy it, but a check-up and early care can preserve it.

To remind all Americans of the importance of good vision and of the ways we can safeguard our eyesight, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week in March of each year as "Save Your Vision Week."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning March 1, 1981, as Save Your Vision Week. I urge all of our citizens to join this observance by showing greater concern for preserving vision and preventing eye injury at home, at work, and at play. Also, I call upon educators and communicators, as well as eye care professionals, to stress to the public the importance of eye care and eye safety for Americans of all ages.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-third day of February, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America and two hundred and fifth.

RONALD REAGAN

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Proclamation 4822 of February 27, 1981

Red Cross Month, 1981

By the President of the United States of America

A Proclamation

This year we celebrate the 100th Anniversary of the American National Red Cross, a humanitarian movement born in Europe in time of war and founded in our Nation in 1881 by a small group headed by Clara Barton, a woman nearing the age of 60 who was known during the Civil War as the "Angel of the Battlefield."

With unfailing resourcefulness, zeal, and compassion, Red Cross volunteers have proved equal to the challenges of our time. In peace and in war, they have reflected the humanitarian instincts of the American people.

The Red Cross teaches individuals, families, and communities to avoid emergencies; prepares individuals, families, and communities for those emergencies that cannot be avoided; and helps individuals, families, and communities cope with crises when they do come.

The Red Cross serves beside our armed forces at home and abroad; provides blood and its components to our ill and injured; and helps those stricken by disaster.

The primary support of the American Red Cross always has been contributions, given voluntarily. This voluntary support reflects admirably the freedom and generosity of the American people. To insure that the Red Cross emblem continues to fly on banners across this Nation for another 100 years, I urge all Americans to continue this support with undiminished vigor.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America and Honorary Chairman of the American National Red Cross, do hereby designate March 1981 as Red Cross Month, a month when every citizen is asked to join, serve, and contribute in the same example of unselfish spirit that has characterized the Red Cross since its founding a century ago.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of February, in the year of the Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Editorial Note: The President's memorandum to heads of departments and agencies, dated Feb. 27, 1981, on signing Proclamation 4822, printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 203).

Proclamation 4823 of March 3, 1981

World Trade Week, 1981

By the President of the United States of America

A Proclamation

International trade is an important means of furthering America's friendly international relations and of bettering the lives of all Americans.

Trade stimulates competition, stirs our creative energies, rewards individual initiative and increases national productivity. Among nations, it speeds the exchange of new ideas and technology.

As products made in this country compete successfully in world markets, we contribute to the strength and stability of our dollar, the expansion of our industry and fuller employment of our labor force.

For these reasons, the United States remains firmly committed to an active world trade role in the context of an increasingly interrelated international economy. A reciprocal spirit of world cooperation, permitting fair trade and investment between our country and the rest of the world, is indispensable to all of us.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning May 17, 1981, as World Trade Week, and I urge the people of the United States to cooperate in observing that week with activities that promote the importance of trade to our national well-being at home and abroad.

IN WITNESS WHEREOF, I have hereunto set my hand this third day of March in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4824 of March 13, 1981

National Poison Prevention Week, 1981

By the President of the United States of America

A Proclamation

The care and protection of children is a primary responsibility of all parents. This task should not be taken lightly because the stakes are high and, often, irreversible. Such is the case when dealing with poisons and other potentially hazardous material.

Thanks to child-protection packaging and greater awareness of parents, in the past two decades we have witnessed a reduction in the accidental poisoning of children. While progress has been made, we must remain vigilant. The death of even one child due to the ingesting of poison is too many.

A tragedy involving any family's child is a tragedy for us all. Parents around the Nation should be keenly aware that the danger of accidental

poisoning knows no boundary and that only parental attention to the hazards around them will protect their children from needless suffering and possible death. Even heightened community awareness, even new safety packaging, even new laws on the books are less important than strict parental supervision when avoiding a tragedy from the misuse or abuse of common pharmaceutical and household products.

By Joint Resolution on September 26, 1961 (75 Stat. 681, 36 U.S.C. 165) Congress requested that the President issue an annual proclamation designating the third week in March as National Poison Prevention Week, to alert the American people to the problems of accidental poisoning among children and urge preventive measures for their solution.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning March 15, 1981, as National Poison Prevention Week.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of March, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4825 of March 16, 1981

National Farm Safety Week, 1981

By the President of the United States of America

A Proclamation

American farmers and ranchers are at the core of our Nation's economy, providing food not only for our own people, but for millions of others around the world.

Yet we must not take the miracle of American agricultural abundance for granted. An unacceptable number of farm accidents cripples people and threatens production. Last year, nearly 400,000 farmers and ranchers were injured or killed in accidents at work, at home, during recreation, or on roads.

Powerful equipment, chemicals and variable working conditions are potential agricultural hazards, but safe work practices, protective equipment and other measures can minimize the risks. Special vigilance by the agricultural community is also necessary to reduce the toll of off-the-job injuries.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week of July 25 through July 31, 1981, as National Farm Safety Week. I urge all persons engaged in farming and ranching and all persons and organizations allied with agriculture to redouble their personal and group efforts for farm, home, recreation and highway safety.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of March, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4826 of March 19, 1981

National Day of Prayer, 1981

By the President of the United States of America

A Proclamation

Our Nation's motto—"In God We Trust"—was not chosen lightly. It reflects a basic recognition that there is a divine authority in the universe to which this Nation owes homage.

Throughout our history Americans have put their faith in God and no one can doubt that we have been blessed for it. The earliest settlers of this land came in search of religious freedom. Landing on a desolate shoreline, they established a spiritual foundation that has served us ever since.

It was the hard work of our people, the freedom they enjoyed and their faith in God that built this country and made it the envy of the world. In all of our great cities and towns evidence of the faith of our people is found: houses of worship of every denomination are among the oldest structures.

While never willing to bow to a tyrant, our forefathers were always willing to get to their knees before God. When catastrophe threatened, they turned to God for deliverance. When the harvest was bountiful the first thought was thanksgiving to God.

Prayer is today as powerful a force in our Nation as it has ever been. We as a Nation should never forget this source of strength. And while recognizing that the freedom to choose a Godly path is the essence of liberty, as a Nation we cannot but hope that more of our citizens would, through prayer, come into a closer relationship with their Maker.

Recognizing our great heritage, the Congress, by Joint Resolution approved April 17, 1952 (36 U.S.C. 169h; 66 Stat. 64), has called upon the President to set aside a suitable day each year as a National Day of Prayer.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Thursday, May 7, 1981, National Day of Prayer. On that day I ask all who believe to join with me in giving thanks to Almighty God for the blessings He has bestowed on this land and the protection He affords us as a people. Let us as a Nation join together before God, fully aware of the trials that lie ahead and the need, yes, the necessity, for divine guidance. With unshakable faith in God and the liberty which is heritage, we as a free Nation will surely survive and prosper.

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of March, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4827 of March 20, 1981

Pan American Day and Pan American Week, 1981

By the President of the United States of America

A Proclamation

Since its first observance fifty years ago, Pan American Day has served as an annual reminder of the common ideals of the nations of this hemisphere, further strengthening our peoples' bonds.

Commitment to such common goals among nations is an example for the world. Such cooperation has as its first priority the resolution of differences through peaceful conciliation and arbitration. The Organization of American States has provided a valuable framework for such progress to be made.

Through increased awareness and mutual cooperation, the Pan American nations strive to promote peace and stability in the region, as well as economic, social and cultural development. Pan American Day commemorates the voluntary cooperation of our countries in achieving solidarity of purpose while maintaining individuality of culture and tradition.

On this Pan American Day of 1981, the people of the United States extend warm greetings to their neighbors in the Americas, and reaffirm their commitment to the spirit of solidarity, the ideals and purposes of the Inter-American system, and their active support of the Organization of American States.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Tuesday, April 14, 1981, as Pan American Day, and the week beginning on April 12, 1981, as Pan American Week; and I urge the Governors of the fifty States, and the Governor of the Commonwealth of Puerto Rico, and officials of the other areas under the flag of the United States of America to honor these observances with appropriate activities and ceremonies.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of March in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred fifth.

RONALD REAGAN

Proclamation 4828 of March 20, 1981

Cancer Control Month

By the President of the United States of America

A Proclamation

This year an estimated 805,000 Americans will be diagnosed as having cancer. About 134,000 cancer patients will die who might have been saved by earlier diagnosis and prompt treatment.

While cancer is often called the disease Americans fear most, it is also now one of the most manageable chronic diseases in our country. We are approaching the day when, through surgery, chemotherapy and radiotherapy, half of the most serious forms of cancer can be cured.

Although we still face an enormous struggle in treating this disease, we must reaffirm today our ultimate goal—the cure of all those struck by this dread disease.

In addition to improving treatment for cancer patients, we must also reduce the incidence of this disease. In view of increasing evidence that a majority of cancers are related to environment and life-style, the major effort of Federal research today is in these areas.

Vigorous cancer research, directed to both treatment and prevention, must continue. All of us look to the day when this disease has been eradicated as a major threat to American lives.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the month of April 1981 as Cancer Control Month, and I invite the Governors of the States and the Commonwealth of Puerto Rico, and the appropriate officials of all other areas under the United States flag to issue similar proclamations.

To give emphasis to this serious problem and to encourage the determination of the American people to meet it, I also ask the medical and health professions, the communications industries, and all other interested persons and groups to unite during this appointed time in public reaffirmation of our Nation's abiding commitment to control cancer.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of March in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4829 of March 23, 1981

Small Business Week, 1981

By the President of the United States of America

A Proclamation

Two centuries ago in this country, small business owners—the merchants, the builders, the traders—rebelled against excessive taxation and government interference and helped found this Nation. Today we are working to bring about another revolution, this time against the intolerable burdens inflation, over-regulation, and over-taxation have placed upon the Nation's 12 million small businesses, which provide the livelihood for more than 100 million of our people.

To revitalize the Nation, we must stimulate small business growth and opportunity. Small business accounts for over 60 percent of our jobs, half of our business output, and at least half of the innovations that keep American industry strong. The imagination, skills, and willingness of small business men and women to take necessary risks symbolize the free enterprise foundation of the American economy and must be encouraged.

I urge all Americans who own or work in a small business to continue their resourcefulness and successes, for these efforts contribute so much to the entrepreneurial spirit which made this Nation great. It is with justifiable pride that the American small business man can point to himself as the backbone of our Nation.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning May 10, 1981, as Small Business Week. I call upon every American to join me in this tribute.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of March, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4830 of April 2, 1981

Law Day, U.S.A., 1981

By the President of the United States of America

A Proclamation

America was founded on the principles of liberty and the rule of law. And throughout our Nation's history, the preservation of individual rights has been dependent upon the dedication of our people to liberty and the institutionalization of its principles in the law of the land.

Our forefathers' dedication to liberty is clearly expressed in this Nation's great Charters of Freedom: the Declaration of Independence, the Constitution and the Bill of Rights. These documents, which are the very foundation of American law, guarantee certain inalienable rights and privileges to every citizen. Among these are: freedom of speech, freedom of the press, freedom of religion, freedom of contract, the right to assemble and petition, the right of property ownership, and the right to due process of law.

This year marks the Nation's twenty-fourth annual celebration of Law Day, U.S.A.—a special day for reflection on our heritage of individual freedom and for rededication to maintaining, through law, the principles of liberty which govern this land.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, invite the American people to celebrate Friday, May 1, 1981, as Law Day, U.S.A., and to mark its observance with programs and ceremonies as befits our great heritage of liberty under law.

I urge clergymen of all faiths to bring to public attention through sermons and suitable programs the moral and ethical dimensions of law and liberty.

I also urge schools, civic, service and fraternal organizations, public bodies, libraries, the courts, the legal profession, all media of public information and interested individuals and organizations to participate in the observance through programs which will focus on the Law Day 1981 theme: Law—the Language of Liberty. To that end, I call upon all public officials to display the flag of the United States on all government buildings on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4831 of April 8, 1981

Victims Rights Week, 1981

By the President of the United States of America

A Proclamation

For too long, the victims of crime have been the forgotten persons of our criminal justice system. Rarely do we give victims the help they need or the attention they deserve. Yet the protection of our citizens—to guard them from becoming victims—is the primary purpose of our penal laws. Thus, each new victim personally represents an instance in which our system has failed to prevent crime. Lack of concern for victims compounds that failure.

Statistics reported by the Federal Bureau of Investigation and other law enforcement agencies indicate that crime continues to be a very serious national problem. But statistics cannot express the human tragedy of crime felt by those who are its victims. Only victims truly know the trauma crime can produce. They have lived it and will not soon forget it. At times, whole families are entirely disrupted—physically, financially and emotionally. Lengthy and complex judicial processes add to the victim's burden. Such experiences foster disillusionment and, ultimately, the belief that our system cannot protect us. As a Nation, we can ill afford this loss of faith on the part of innocent citizens who have been victimized by crimes.

We need a renewed emphasis on, and an enhanced sensitivity to, the rights of victims. These rights should be a central concern of those who participate in the criminal justice system, and it is time all of us paid greater heed to the plight of victims.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning April 19, 1981, as Victims Rights Week. I urge all Federal, state and local officials involved in the criminal justice system to devote special attention to the needs of victims of crime, and to redouble their efforts to make our system responsive to those needs. I urge all other elected and appointed officials to join in this effort to make our justice system more helpful to those whom it was designed to protect. And I urge all citizens, from all walks of life, to remember that the personal tragedy of the victim is their own tragedy as well.

IN WITNESS WHEREOF, I have hereunto set my hand this eighth day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two-hundred and fifth.

RONALD REAGAN

Proclamation 4832 of April 9, 1981

Death of General Bradley

By the President of the United States of America

A Proclamation

To the People of the United States:

With sadness, I announce the death of General of the Army Omar Nelson Bradley, who died yesterday in New York City.

For sixty-nine years General Bradley wore the color of an American soldier—with courage, integrity, professionalism and, above all, honor. Even as he rose in rank, humility never left his side. He was the "G.I.'s General" because he was, always, a G.I.

In World War II his conspicuously brilliant leadership thrust him to the top of the U.S. military command. Whether at Normandy, North Africa, or Sicily, the Bradley command always meant good fortune for freedom's defenders.

General Bradley's memory will be revered by his countrymen. He left to us exemplary qualities that long will be the standard of every soldier who takes the solemn pledge to defend this Nation.

As a mark of respect for the memory of General Bradley, I hereby order that the flag of the United States shall be flown at half-staff upon all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions until his interment. I also direct that the flag shall be flown at half-staff for the same length of time at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Editorial Note: The President's statement of April 9, 1981, on the death of General Bradley, is printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 415).

Proclamation 4833 of April 9, 1981

African Refugee Relief Day

By the President of the United States of America

A Proclamation

The American people are blessed with freedom and material abundance, yet they are not deaf to the cries of agony from those who suffer deprivation. Today, cries for help are heard from Africa where more than 4 million of our fellow human beings have been displaced.

The United States applauds the humanitarian efforts of the nations which take in these refugees. Host nations are often themselves poor in resources and their willingness to accept refugees is exemplary of the best in the human spirit.

Americans are a compassionate people and will do their part, either through government or through voluntary contributions.

With this in mind, Congress has, by joint resolution, requested me to designate April 9, 1981, as African Refugee Relief Day and to call upon the people of the United States to observe that day by increasing their awareness of the plight of the African refugee. Further, I call on Americans of all faiths to involve themselves directly in this problem with their prayers and with contributions to recognized private voluntary agencies which provide care and relief to African refugees.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate April 9, 1981, as African Refugee Relief Day.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4834 of April 13, 1981

Mother's Day, 1981

By the President of the United States of America

A Proclamation

Each year our Nation designates Mother's Day as a moment of special tribute and appreciation for the mothers of America.

Recent years have brought many changes to the lives of American mothers. Today they are increasingly involved in business, politics, education, arts, sciences, and government as well as the vital work of the home and family. Yet, whether they seek careers outside the home or work as homemakers, they remain the heart of the American family.

They shape the character of our people through the love and nurture of their children. It is the strength they give their families that keeps our Nation strong.

On this Mother's Day, we express our deep personal gratitude to our own mothers and thank all those women whose devotion to their families helps sustain a healthy and productive citizenry.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Sunday, May 10, 1981, as Mother's Day. I direct Government officials to display the flag of the United States on all Federal Government buildings, and I urge all citizens to display the flag at their homes and other suitable places on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of April, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4835 of April 14, 1981

Import Quota on Peanuts

By the President of the United States of America

A Proclamation

94 Stat. 3809.

By Proclamation No. 4807 of December 4, 1980, the quantity of certain peanuts permitted entry into the customs territory of the United States during a quota year was increased 200 million pounds on a temporary and emergency basis.

The increase of quantity was to be effective pending further action; specifically, after receipt of a report of findings and recommendations of the United States International Trade Commission, which was scheduled to conduct an investigation into this matter pursuant to section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624). The Commission has conducted an investigation and reported its findings and recommendations.

On the basis of the Commission's investigation and report, I find and declare that through July 31, 1981, the entry of 300 million pounds of peanuts—which would otherwise be under the terms and conditions specified in item 951.01 of part 3 of the Appendix to the Tariff Schedules of the United States—in addition to the quota quantity specified for such peanuts in item 951.00 of part 3 of the Appendix to the Tariff Schedules of the United States, will not render or tend to render ineffective, or materially interfere with, the price support operations now being conducted by the Department of Agriculture for peanuts, or reduce substantially the amount of any product processed in the United States from domestic peanuts with respect to which such program is now being undertaken.

19 USC 1202.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by the authority vested in me by section 22 of the Agricultural Adjustment Act, as amended, do hereby proclaim: that item 951.01 of part 3 of the Appendix to the Tariff Schedules of the United States, as added by

7 USC 624.

Proclamation No. 4807, is hereby amended by changing the figure "200 million" to read "300 million" and by changing the date "June 30, 1981" to read "July 31, 1981"; and, that section (2) of Proclamation No. 4807 is amended by changing "July 1, 1981" to read "August 1, 1981." 94 Stat. 3809.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of April, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred fifth.

RONALD REAGAN

Proclamation 4836 of April 14, 1981

Loyalty Day, 1981

By the President of the United States of America

A Proclamation

One of the great treasures of America is the unity of its people. No nation is composed of citizens with such diverse cultural, racial and religious backgrounds as is the United States of America. And while the unique contributions of each segment of our population are important, the significant fact remains that each of us, whatever background, remains loyal to the Nation and to the ideals of freedom for which it stands.

Throughout our history, all Americans have toiled together to build this land into the freest and most prosperous Nation on earth. And when the times required it, our people stood shoulder-to-shoulder proclaiming to any in the world who would threaten, that all were Americans and proud of it.

Seldom are we called upon to consciously consider and express loyalty to our Nation and its ideals of liberty. It would be well to do so. The world is filled with tyranny and deprivation. Each of us can thank God that we are living in this blessed land. And when differences arise among us, which is only natural in a free society, we should always remain aware that we are one people, together and indivisible.

As we strive to solve the problems confronting us, it is appropriate to stop for a moment and reflect upon our national institutions, our heritage of freedom and what it means to be an American.

To encourage such reflection, a joint resolution of the Congress was enacted on July 18, 1958 (72 Stat. 369, 36 U.S.C. 162), designating the first day of May of each year as Loyalty Day, and requesting that the President issue an annual proclamation inviting public observance.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, call upon all Americans and upon patriotic, civic, and educational organizations to observe Friday, May 1, 1981, as Loyalty Day, with appropriate ceremonies.

I call upon officials of the Government to display the flag of the United States on all Government buildings and grounds on that day in testimony of our loyalty.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of April, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4837 of April 20, 1981

Asian/Pacific American Heritage Week, 1981

By the President of the United States of America

A Proclamation

The United States is a Nation comprised almost entirely of immigrants and their descendents. The interaction of different cultures, each of which has become a vital part of a culture uniquely American, constantly revitalizes our national spirit and heritage.

Among the most significant components of the American cultural blend are the ancient Asian-Pacific cultures. Asians have brought to the United States values and traditions that profoundly enrich American life. In a variety of fields that span the spectrum of human endeavor—including art, dance, agriculture, the sciences, medicine, commerce, government and philosophy—Asian and Pacific Americans have made outstanding contributions to the cultural and technological development of their adopted Nation. Their hard work, creativity and intelligence have inspired their fellow citizens, added new dimensions to our national life and strengthened the social fabric of our land.

Commonly, immigrants have come to American shores with few material possessions, relying on initiative, hard work and opportunity as the keys to success and prosperity in their new Nation. Asian and Pacific Americans have been squarely within this tradition. Overcoming great hardships, they have lived the American dream, and continue as exemplars of hope and inspiration not only to their fellow Americans, but also to the new groups of Asian and Pacific peoples who even now are joining the American family.

The United States owes a debt of gratitude to Asian and Pacific Americans for their contributions to the culture, heritage and freedom of the Nation we together love and serve.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby declare the seven days beginning May 4, 1981, as Asian/Pacific American Heritage Week, and call upon all people of the United States to observe this week with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of April in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4838 of April 22, 1981

Days of Remembrance of Victims of the Holocaust

By the President of the United States of America

A Proclamation

The Congress of the United States established the United States Holocaust Memorial Council to create a living memorial to the victims of the Nazi Holocaust. Its purpose: So mankind will never lose memory of that terrible moment in time when the awful spectre of death camps stained the history of our world.

When America and its allies liberated those haunting places of terror and sick destructiveness, the world came to a vivid and tragic understanding of the evil it faced in those years of the Second World War. Each of those names—Auschwitz, Buchenwald, Dachau, Treblinka and so many others—became synonymous with horror.

The millions of deaths, the gas chambers, the inhuman crematoria, and the thousands of people who somehow survived with lifetime scars are all now part of the conscience of history. Forever must we remember just how precious is civilization, how important is liberty, and how heroic is the human spirit.

Like the genocide of the Armenians before it, and the genocide of the Cambodians which followed it—and like too many other such persecutions of too many other peoples—the lessons of the Holocaust must never be forgotten.

As part of its mandate, the Holocaust Memorial Council has been directed to designate annual Days of Remembrance as a national, civic commemoration of the Holocaust, and to encourage and sponsor appropriate observances throughout the United States. This year, the national Days of Remembrance will be observed on April 26 through May 3.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby ask the people of the United States to observe this solemn anniversary of the liberation of the Nazi death camps, with appropriate study, prayers and commemoration, as a tribute to the spirit of freedom and justice which Americans fought so hard and well to preserve.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4839 of April 22, 1981

National Defense Transportation Day and National Transportation Week, 1981

By the President of the United States of America

A Proclamation

From the Boston Post Road to the Pony Express to the golden spike that joined together the transcontinental railroads . . . from the flight at Kitty Hawk and the appearance of the first horseless carriage to the advent of jet travel and the development of the interstate highway system . . . transportation in America has played a vital and historical role in our development as a Nation.

Today, transportation is still vital to our economy, necessary to our defense, essential to our personal mobility and leisure. Transportation keeps America moving, producing, and growing.

Among the Americans who contribute to transportation are the hundreds of thousands who build machines, construct the facilities, operate and maintain the equipment, and provide the services that make our transportation systems work. Countless others labor to make transportation better and to meet the needs of our changing times.

In their honor and in recognition of the indispensable role transportation plays in our lives, we set aside one week each year as National Transportation Week.

By joint resolution, the Congress on May 16, 1957, requested the President to proclaim the third Friday in each May as National Defense Transportation Day, and by joint resolution of May 14, 1962, requested the President to designate the week in which that Friday falls as National Transportation Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Friday, May 15, 1981, as National Defense Transportation Day, and the week beginning May 10, 1981, as National Transportation Week.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of April in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4840 of April 22, 1981

National Maritime Day, 1981

By the President of the United States of America

A Proclamation

The maritime industry has been a key contributor to our economic strength and security since our Nation was founded. Its continued growth and prosperity is necessary for the economic renewal we all seek.

As the leader in world trade and the principal military power of the free world, the United States conveys goodwill through its Merchant Marine, serving the cause of international peace. The Merchant Marine also stands ready to provide logistical support in military emergencies.

In recognition of the importance of the American Merchant Marine and the men and women serving aboard our merchant ships, Americans have observed National Maritime Day on May 22 for the last 49 years. This observance commemorates the same date in 1819, when the SS *Savannah* began the first steamship, transatlantic voyage from the port of Savannah, Georgia.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby urge the people of the United States to honor our American Merchant Marine on May 22, 1981, by displaying the flag of the United States at their homes and other suitable places, and I request that all ships under the American flag dress ship on that day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of April in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4841 of April 23, 1981

National Day of Recognition for Veterans of the Vietnam Era

By the President of the United States of America

A Proclamation

The decade which has come to be known as the Vietnam era was a time of trial for our Nation. Nearly every citizen was touched in some way by the war in Southeast Asia.

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As in all wars, the brunt of the conflict was borne by the soldiers, sailors, airmen, and marines who served in our Armed Forces during that time, particularly the millions who saw duty in Vietnam. Beyond the 57,000 who died during the Vietnam war, we have among us millions of veterans who have yet to receive the full measure of thanks for having accepted the call to arms when such service was not popular with all Americans. More than 300,000 of these were wounded in Vietnam, many suffering permanent disabilities.

The cold statistics are empty, however, unless we keep in mind the individual and personal drama which accompanies each Vietnam-era veteran and casualty. Much has been said about the sacrifice made by those who served, but full recognition of the Nation's debt of gratitude to them is long overdue.

Our first national commemoration of the Vietnam-era veteran was in 1974, when Vietnam Veterans Day was proclaimed pursuant to a joint resolution of the Congress. I believe it is appropriate again to recognize and commemorate those men and women who did their duty in a time of crisis. No one should doubt the nobility of the effort they made.

By their demonstrations of loyalty and courage, Vietnam veterans have earned our esteem. A recent survey revealed that the American public overwhelmingly admires the Vietnam-era veteran. Certainly, those veterans who suffer from physical and psychic aftereffects can look to their fellow citizens for understanding and help.

In these times of economic hardship and budget restriction every citizen should be aware that showing our gratitude to the Vietnam veteran will take more than leaving it up to the Federal Government to provide money and programs. Each of us must do his or her part in reaching out in a personal way to these brave men and women. This recognition will mean much to the Vietnam veterans who never received the thanks they deserved when they originally returned home from war.

In honor of those who deserve the profound gratitude of their countrymen, the Congress, by joint resolution, has requested the President to issue a proclamation designating Sunday, April 26, 1981, as a National Day of Recognition for Veterans of the Vietnam Era.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, call upon all Americans, and upon patriotic and civic organizations, to observe Sunday, April 26, 1981, as a National Day of Recognition for Veterans of the Vietnam Era. I urge my fellow citizens to observe this day with appropriate programs, ceremonies, and activities dedicated to those issues of concern to Vietnam veterans.

I call upon officials of the Government to display the flag of the United States on all Government buildings and grounds on that day in testimony of our respect for the contributions of Vietnam veterans.

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4842 of April 24, 1981

Memorial Day, May 25, 1981

By the President of the United States of America

A Proclamation

Over one hundred years ago, Memorial Day was established to commemorate those who died in the defense of our national ideals. Our ideals of freedom, justice, and equal rights for all have been challenged many times since then, and thousands of Americans have given their lives in many parts of the world to secure those same ideals and insure for their children a lasting peace. Their sacrifice demands that we, the living, continue to promote the cause of peace and the ideals for which they so valiantly gave of themselves.

Today, the United States stands as a beacon of liberty and democratic strength before the community of nations. We are resolved to stand firm against those who would destroy the freedoms we cherish. We are determined to achieve an enduring peace—a peace with liberty and with honor. This determination, this resolve, is the highest tribute we can pay to the many who have fallen in the service of our Nation.

In recognition of those Americans whom we honor today, the Congress, by joint resolution of May 11, 1950 (64 Stat. 158), has requested the President to issue a proclamation calling upon the people of the United States to observe each Memorial Day as a day of prayer for permanent peace and a period during such day when the people of the United States might unite in prayer.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Memorial Day, Monday, May 25, 1981, as a day of prayer for permanent peace, and I designate the hour beginning in each locality at 11 o'clock in the morning of that day as a time to unite in prayer.

I urge the press, radio, television, and all other information media to cooperate in this observance.

I also request the Governors of the United States and the Commonwealth of Puerto Rico and the appropriate officials of all local units of Government to direct that the flag be flown at half-staff during this Memorial Day on all buildings, grounds, and naval vessels throughout the United States and in all areas under its jurisdiction and control, and I request the people of the United States to display the flag at half-staff from their homes for the customary forenoon period.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fourth day of April, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4843 of April 29, 1981

Older Americans Month, 1981

By the President of the United States of America

A Proclamation

Older Americans, a resource of talent, knowledge and judgment, are essential to our effort for national renewal. As a Nation, we should recognize our debt to older Americans and the leadership they can provide for the future. As we move into this era of renewal, we must remember that all Americans are interdependent. We must maintain our commitment to the integrity of the Social Security system. We must work together for economic recovery, mindful that while our economic ills hurt us all, their burdens fall most heavily on those with fixed incomes. We must ensure the dignity of our Nation's older citizens through programs such as Medicare, aging services and the Older Americans Act.

In addition to recognizing the vital importance of older Americans to our society, we must acknowledge the voluntary efforts of millions of citizens, young and old alike, to enhance the lives of older Americans.

I urge all Americans to help older citizens continue to enrich our society by realizing their aspirations and fulfilling their potential.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the month of May 1981 as Older Americans Month.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-ninth day of April, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4844 of May 1, 1981

Jewish Heritage Week

By the President of the United States of America

A Proclamation

The vitality of the United States derives in great measure from the richness of our cultural heritage. The values and ideals brought to these shores by people of many races and religions are woven deeply into the fabric of America.

American Jews have contributed significantly to the spiritual and cultural elevation of our society since the founding of our Nation. Jewish immigrants and their descendants have brought dignity and distinction to every field of

American endeavor. Our Jewish citizens have served America by fighting for her freedom, building her industry, striving for her goals, and nurturing her dreams.

Yet, Jewish heritage reaches far and deeply into the dawn of history, when America was but a wilderness. The Jewish people still firmly carry these ancient and revered traditions, which have been harshly tested over the centuries.

In the spring of each year, through special celebrations and observances, American Jewry remembers its past and renews its dedication to the challenges that remain. Beginning with the observance of Passover, recalling the passage from bondage to freedom, through the anniversary of the Warsaw Ghetto Uprising and the Days of Remembrance honoring the victims and survivors of the Holocaust, Jews all over the world pay tribute to their past. In the celebration of Israeli Independence Day, Jerusalem Day, and Solidarity Day for Soviet Jews, Jewish people reflect upon their common heritage.

In recognition of the special significance of this time of year to American Jewry, in homage to the significant contributions made by the Jewish community to the United States, and to foster appreciation of the cultural diversity of the American people, the Congress of the United States, by joint resolution, has requested the President to proclaim May 3 through May 10, 1981, as Jewish Heritage Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning May 3, 1981, as Jewish Heritage Week.

I call upon the people of the United States, Federal and local government officials, and interested organizations to observe that week with appropriate ceremonies, activities, and reflection.

IN WITNESS WHEREOF, I have hereunto set my hand this first day of May, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4845 of May 20, 1981

Father's Day, 1981

By the President of the United States of America

A Proclamation

There is no institution more vital to our Nation's survival than the American family. Here the seeds of personal character are planted, the roots of public virtue first nourished. Through love and instruction, discipline, guidance and example, we learn from our mothers and fathers the values that will shape our private lives and our public citizenship.

The days of our childhood forecast our lives, as poets and philosophers long have told us. "The childhood shows the man as morning shows the day," John Milton wrote. "Train up a child in the way he should go: and when he is old, he will not depart from it," Solomon tells us. Clearly, the future is in the care of our parents. Such is the responsibility, promise and hope of fatherhood. Such is the gift that our fathers give us.

Our fathers bear an awesome responsibility—one that they shoulder willingly and fulfill with a love that asks no recompense. By turns both gentle and firm, our fathers guide us along the path from infancy to adulthood. We embody their joy, pain and sacrifice, and inherit memories more cherished than any possession.

On Father's Day each year, we express formally a love and gratitude whose roots go deeper than conscious memory can recite. It is only fitting that we have this special day to pay tribute to those men—our natural fathers, adoptive fathers and foster fathers—who deserve our deepest respect and devotion. It is equally fitting, as we recall the ancient and loving command to honor our fathers, that we resolve to do so by becoming ourselves parents and citizens who are worthy of honor.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim, in accordance with the joint resolution of Congress (36 U.S.C., § 142a), that Sunday, June 21, 1981 be observed as Father's Day. I call upon all citizens to mark this day with appropriate public and private expressions of the honor we owe our fathers, and invite the States and local communities throughout the Nation to observe Father's Day with appropriate ceremonies.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of May, in the year of our Lord nineteen hundred eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4846 of June 1, 1981

Flag Day and National Flag Week, 1981

By the President of the United States of America

A Proclamation

On June 14, 1777, the Continental Congress adopted the Stars and Stripes as our national flag. Ever since, the American flag has embodied the continuity of our original ideals and principles.

The stars in varying constellations and the stripes of alternating red and white have accompanied Americans from the Marne to the Moon. The flag was flying when the British surrendered to General Washington at Yorktown, when Admiral Peary reached the North Pole, and when our soldiers battled at Iwo Jima. Recently, we saw the American flag proudly on the side of the Space Shuttle Columbia as she circled the Earth.

Yet the flag flies not only over the great events of our history but also over the more personal moments of American life. Who cannot recall the vivid images of children at parades waving small flags in patriotic delight, of immigrants solemnly reciting the oath of allegiance before a flag in a judge's chambers, or of a grieving military widow clutching the folded Stars and Stripes?

The American clergyman Henry Ward Beecher conveyed the full meaning of the flag when he wrote, "A thoughtful mind, when it sees a nation's flag,

sees not the flag only, but the nation itself; and whatever may be its symbols, its insignia, he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation that sets it forth."

When we honor our flag we honor what we stand for as a Nation—freedom, equality, justice, and hope. Flag Day and National Flag Week are our traditional means to commemorate the Nation's beliefs as symbolized by the Stars and Stripes. In more recent times, the twenty-one days from Flag Day through Independence Day have been set aside as a period to honor America during which Americans reflect upon the Nation's character, heritage, fortifying principles and future well-being.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning Sunday, June 14, 1981, as National Flag Week, and I direct the appropriate officials of the Government to display the flag on all Government buildings during that week. I urge all Americans to observe Flag Day, June 14, and National Flag Week by flying the Stars and Stripes from their porches, windows and storefronts. I further urge the people of America to observe Honor America Days, from Flag Day through Independence Day, by appropriate activities which reflect upon our good fortune at being Americans.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of June, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4847 of June 4, 1981

National Safe Boating Week, 1981

By the President of the United States of America

A Proclamation

Americans enjoy a multitude of sports and recreational activities that serve to refresh the body and spirit. For many of our citizens, recreation means boating.

Those involved in recreational boating should always remember that the primary responsibility for safety rests with the individual. And while a cruise can be a wonderful experience for one person or an entire family, it can also result in tragedy.

Aware of the need for boating safety, the Congress enacted the joint resolution of June 4, 1958 (36 U.S.C. 161) as amended, requesting that the President proclaim a National Safe Boating Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning on June 7, 1981 as National Safe Boating Week.

All Americans who utilize our waterways for recreation should possess at least a minimum knowledge of safety afloat. I urge all Americans who engage in recreational boating to take advantage of the numerous safe boating courses sponsored by governmental and private organizations. I

particularly urge inexperienced operators of small boats to enroll in these safety and educational programs. Learning the fundamentals of safe boating can do nothing but add to the potential pleasure and excitement of recreational boating.

I also invite the Governors of the States, Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, and American Samoa, and the Mayor of the District of Columbia to provide for the observance of this week.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of June in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4848 of June 12, 1981

National P.O.W.-M.I.A. Recognition Day, 1981

By the President of the United States of America

A Proclamation

Throughout American history our prisoners of war have been called upon to make uncommon sacrifices. In fulfilling their duty as citizens of the United States they have defended American ideals while suffering unimaginable indignities under the absolute control of the enemy. They remained steadfast even while their treatment contravened international understandings and violated elementary considerations of compassion and morality.

All Americans ought to recognize the special debt we owe to our fellow citizens who, in the act of serving our Nation, relinquished their freedom that we might enjoy the blessings of peace and liberty. Likewise, we must remember the unresolved casualties of war—our servicemen who are still missing. The pain and bitterness of war endure for their families, relatives and friends—and for all of us. Our Nation will continue to seek answers to the many questions that remain about their fate.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Friday, July 17, 1981, as National P.O.W.-M.I.A. Recognition Day, a day dedicated to all former American prisoners of war, to those still missing, and to their families. I urge all Americans to join in honoring those who made the uncommon sacrifice of being held captive in war, and to honor as well their loved ones who have also suffered valiantly and patiently. I also call on appropriate officials of the Federal, State and local governments, as well as private organizations, to observe this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twelfth day of June, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Editorial Note: The President's remarks of June 12, 1981, on signing Proclamation 4848, are printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 618).

Proclamation 4849 of June 27, 1981

National Clean-up and Flag-up America's Highways Week, 1981

By the President of the United States of America

A Proclamation

Americans enjoy the use of our Nation's highway system, which is one of the finest systems in the world, both for business and pleasure. Our highways are a source of pride for this Nation and they directly or indirectly affect and serve every American. Highways are our lifelines—providing us with food and other necessities, the opportunity to explore this vast, beautiful country, and a great freedom of choice in selecting our home and work areas. Highways have contributed significantly to employment, provided us improved lifestyles, and aided in our defense. Our highways should be recognized as a national asset and our citizens should be urged to clean up and rehabilitate them. Clean and litter-free highways will contribute to national pride and road safety.

To remind all Americans of the importance of national pride and road safety, the Congress, by an Act approved June 5, 1981 (Public Law 97-12), has requested the President to proclaim June 28 through July 4 as "National Clean-up and Flag-up America's Highways Week." *Ante*, p. 71.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning June 28 through July 4, 1981, as National Clean-up and Flag-up America's Highways Week. I call upon the people of the United States to observe that week with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of June, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4850 of June 30, 1981

Captive Nations Week, 1981

By the President of the United States of America

A Proclamation

Twenty-two years ago, by a joint resolution approved July 17, 1959 (73 Stat. 212), the Congress authorized and requested the President to proclaim the third week in July as Captive Nations Week.

Last January 20 saw again a change in Administration under our Constitution, the oldest written document of its type in continuous force in the world. The peaceful and orderly transfer of power in response to the sover-

eign will of our people is sometimes taken for granted by Americans. Yet events in some other areas of the world should remind us all of the vital, revolutionary ideal of our Founding Fathers: that governments derive their legitimacy from the consent of the peoples they govern.

During Captive Nations Week, Americans should realize our devotion to the ideal of government by consent, a devotion that is shared by millions who live in nations dominated today by a foreign military power and an alien Marxist-Leninist ideology.

This week, Americans should recall the series of historical tragedies—beginning with the broken promises of the Yalta Conference—that led to the denial of the most elementary forms of personal freedom and human dignity to millions in Eastern Europe and Asia.

In recent years, we have seen successful attempts to extend this oppression to Africa, Latin America and Asia—most recently in the brutal suppression of national sovereignty in Afghanistan and attempts to intimidate Poland.

During Captive Nations Week, we Americans must reaffirm our own tradition of self-rule and extend to the peoples of the Captive Nations a message of hope—hope founded in our belief that free men and women will ultimately prevail over those who deny individual rights and preach the supremacy of the state; hope in our conviction that the human spirit will ultimately triumph over the cult of the state.

While we can be justly proud of a government that is responsive to our people, we cannot be complacent. Captive Nations Week provides us with an opportunity to reaffirm publicly our commitment to the ideals of freedom and by so doing maintain a beacon of hope for oppressed peoples everywhere.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning on July 19, 1981, as Captive Nations Week.

I invite the people of the United States to observe this week with appropriate ceremonies and activities and to reaffirm their dedication to the ideals which unite us and inspire others.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of June, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and fifth.

RONALD REAGAN

Proclamation 4851 of August 6, 1981

National Blinded Veterans Recognition Day

By the President of the United States of America

A Proclamation

Among those Americans who have answered their country's call to service in defense of its freedoms, there are thousands who, as a result of service in our Nation's military forces, have suffered the catastrophic disability of blindness. Despite the extreme severity of this disability, these veterans

have succeeded in leading useful and productive lives, in part through Federal programs for their readjustment but, more significantly, by drawing upon a special brand of heroism.

Our country now enjoys the blessing of peace, and it is appropriate that all Americans recognize the special debt owed to those who have been blinded in the defense of our freedoms during the wars of this century.

We must acknowledge also the example they have provided to those blinded veterans whose equally catastrophic disability occurred after their separations from military service, and to other blinded Americans. Few are more worthy of national recognition than the disabled American veterans who have honored their commitments to their country and serve as a source of pride for us all.

I would also like to single out for praise those employers who have provided blinded veterans with the opportunity to develop rewarding private-sector careers. This promise of a future with challenge and fulfillment is particularly meaningful.

It is fitting that the Congress has, by enactment of Senate Joint Resolution 64, designated August 13, 1981, as "National Blinded Veterans Recognition Day."

Ante, p. 169.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, call upon all Americans to observe Thursday, August 13, 1981, as National Blinded Veterans Recognition Day. I urge my fellow citizens and all interested groups and organizations to set aside this day to honor the sacrifices and service of our Nation's blinded veterans by means of appropriate programs, ceremonies, and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of August, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4852 of August 14, 1981

National Schoolbus Safety Week

By the President of the United States of America

A Proclamation

Our country's greatest resource is its children; their education is our investment in the future.

Currently, more than 20 million students are transported by schoolbus to and from school each day. The safety of these students deserves the highest priority.

To remind all Americans of the importance of schoolbus safety, the Congress, by House Joint Resolution 141, has requested the President to proclaim the week beginning October 4, 1981, as "National Schoolbus Safety Week."

Ante, p. 934.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the period from October 4, 1981 through

October 10, 1981, as National Schoolbus Safety Week. I call upon all Americans to recognize and contribute to the imperative of providing safe transportation for our schoolchildren.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of August, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4853 of August 20, 1981

Commodore John Barry Day

By the President of the United States of America

A Proclamation

Commodore John Barry, hero of the American Revolution and holder of the first commission in the United States Navy under the Constitution, was born in 1745, in County Wexford, Ireland. Commodore Barry was commissioned to command the brig Lexington, one of the first ships bought and equipped for the Revolution, and became a national hero with the engagement and capture of the British warship Edward on April 7, 1776. He distinguished himself throughout the Revolution and again shortly thereafter in the Quasi-War with France as a fighter and seaman.

In 1797, with the advice and consent of the Senate, President Washington appointed Commodore Barry Captain in the Navy of the United States and Commander of the Frigate United States. In so doing, the President said that he placed "special Trust and Confidence in (Commodore Barry's) Patriotism, Valour, Fidelity, and Abilities".

Commodore Barry was honored by the United States Congress in 1906, when a statue was commissioned and later placed in Lafayette Park, Washington, District of Columbia, and honored again some fifty years later when President Eisenhower caused a statue of Commodore Barry to be presented on behalf of the people of the United States to the people of Ireland, at County Wexford, Ireland.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate September 13, 1981, as "Commodore John Barry Day", as a tribute to one of the earliest and greatest American Patriots, a man of great insight who perceived very early the need for American power on the sea. I call upon Federal, state, and local government agencies and the people of the United States to observe such day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of August, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4854 of August 24, 1981

Women's Equality Day, 1981

By the President of the United States of America

A Proclamation

On August 26, 1920, the 19th Amendment to the Constitution became law, granting women the right to vote. On this, the 61st anniversary of that milestone, all Americans should reflect on the progress we have made toward the goal of equal opportunity. USC prec. title 1.

Since ratification of the 19th Amendment, women have played increasingly important roles in guiding the Nation's basic institutions. While women continue to fulfill the irreplaceable and vitally important roles of wife and mother, increasing numbers of them have entered the professions and the work place as well, making steady, significant progress over the years.

Today, women faithfully shoulder responsibilities at all levels of government and in every area of employment and education and are opening up new opportunities every day. On this occasion, it is fitting that we honor the contributions women have made to every aspect of our development as a Nation and rededicate ourselves to maintaining a society in which the rights of all citizens are protected.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim August 26, 1981, as Women's Equality Day.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fourth day of August, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4855 of September 4, 1981

National Hispanic Heritage Week, 1981

By the President of the United States of America

A Proclamation

The Hispanic peoples, their traditions, language and culture are a vital part of the American heritage. Their influence on our nation began with the Spaniards long before our revolution brought independence from England. This heritage can today be found almost everywhere in our daily lives: the arts and music we enjoy, the architecture of the homes and buildings in which we live and work, the history we read, and the language we use.

The Hispanic peoples today add to our strength as a nation with their strong devotion to family, deep religious convictions, pride in their language and heritage and commitment to earning a livelihood by hard work. Outstanding Hispanic men and women have advanced our nation in science

and technology, business and public service. From the Southwest to the Northeast of the United States, they carry on their tradition of service to the communities in which we all live. This year, San Antonio has joined Miami and other American cities in electing a prominent Hispanic citizen as its mayor. Hispanic Americans bring to us, as well, a tradition of respect for the role of women both at home and in the workplace. Hispanic Americans serve with distinction in our military services today as they have served with leadership and courage on the battlefield in defense of this nation in the past.

Their contributions all too often go unrecognized. It is, therefore, fitting that we set aside this week to honor the Hispanic peoples that are among us as a nation of Americans.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning September 13, 1981, as National Hispanic Heritage Week in honor of the Hispanic peoples who have enriched our daily lives, our traditions and our national strength. In this spirit, I ask all of our citizens to reflect on the sense of brotherhood that binds us together as one people.

IN WITNESS WHEREOF, I have hereunto set my hand this fourth day of September, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4856 of September 8, 1981

Death of Roy Wilkins

By the President of the United States of America

A Proclamation

To the People of the United States:

With sadness, I announce the death of Roy Wilkins who died today in New York City.

Roy Wilkins worked for equality, spoke for freedom, and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights.

He once said, "The heritage of a man of peace will endure and shine into the darkness of this world." Although Roy Wilkins' death darkens our day, the accomplishments of his life will continue to endure and shine forth.

As a mark of respect for the memory of Roy Wilkins, I hereby order that the flag of the United States shall be flown at half-staff upon all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions until his interment. I also direct that the flag shall be flown at half-staff for the same length of time at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

IN WITNESS WHEREOF, I have hereunto set my hand this eighth day of September, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4857 of September 14, 1981

Yorktown Bicentennial

By the President of the United States of America

A Proclamation

On October 19, 1781, the British forces under Lord Cornwallis surrendered at Yorktown, Virginia, to General Washington and our French allies. That surrender signified the practical end of the struggle by our forefathers for liberty and independence. The impossible dream of those patriots was about to be transformed into the reality of a bright new Nation.

As the King's troops came slowly down the road to the surrender field, legend has it that they struck up the tune, "The World Turned Upside Down." And, indeed, the old order was to be turned upside down, for the creative powers of democracy were about to be released on an unsuspecting world.

This year marks the two hundredth anniversary of the surrender. October 19, 1781, was a major date in the development of America and her freedoms; and today, two centuries later, it remains an important reminder of our identity as a nation. The anniversary is also an appropriate time to recall the assistance France gave to America's revolutionary struggle. We, as Americans, are the product of many victories, many sacrifices, and many hopes. The campaign at Yorktown is a historic example.

The Congress has enacted a joint resolution (Public Law 96-414) designating October 19, 1981, as a "Day of National Observance of the Two Hundredth Anniversary of the Surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia." It is fitting that we reflect upon our victory at Yorktown and commemorate it in such a manner as to inspire love of country and devotion to ideals by recalling to this generation the struggles of the past. We can do this at the same time as we give thanks for the great bond of friendship which exists between ourselves and Great Britain. 94 Stat. 1424.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Monday, October 19, 1981, as a day of national observance to remember and to honor the sacrifice of our ancestors in their quest for the political freedom that we enjoy today. I urge all Americans to celebrate again the joyous victory of our forefathers and I urge appropriate officials of the Federal, State, and local governments, as well as private organizations, to observe this day with appropriate ceremonies and activities.

Editorial Note: The President's statement of September 8, 1981, on the death of Roy Wilkins, is printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 947).

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of Sept., in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4858 of September 16, 1981

Citizenship Day and Constitution Week, 1981

By the President of the United States of America

A Proclamation

Daniel Webster once wrote, "We may be tossed upon an ocean where we can see no land—nor, perhaps, the sun or stars. But there is a chart and a compass for us to study, to consult, and to obey. The chart is the Constitution."

USC prec. title 1.

September 17, 1981, marks the 194th anniversary of our Constitution. Its Framers scarcely could have conceived of the timelessness of the document they so carefully drafted. They prepared a Constitution to meet the needs of a fledgling nation. Yet today, amid the complexities of the twentieth century, that same Constitution, with only several amendments, serves a nation whose territory spans a continent and whose population exceeds two hundred and twenty-five million. With the passing of each year, it becomes increasingly evident that, in the words of Chief Justice John Marshall, our Constitution will "endure for ages to come."

The Constitution establishes the Congress, the Executive, and the Judiciary, and through a deliberate allocation of authority, it defines the limits of each upon the others. It particularizes the liberties which, as free men and women, we insist upon, and it constrains both Federal and State powers to ensure that those precious liberties are faithfully protected. It is our blueprint for freedom, our commitment to ourselves and to each other.

It is by choice, not by imposition, that the Constitution is the supreme law of our Land. As we approach the bicentennial of this charter, each of us has a personal obligation to acquaint ourselves with it and with its central role in guiding our Nation. While a constitution may set forth rights and liberties, only the citizens can maintain and guarantee those freedoms. Active and informed citizenship is not just a right; it is a duty.

In recognition of the paramount importance of the Constitution to our Nation, and in recognition of all who have attained the status of United States citizens, the Congress by joint resolution on February 29, 1952 (36 U.S.C. Section 153), designated September 17th as Citizenship Day, and by joint resolution of August 2, 1956 (36 U.S.C. Section 159), requested the President to proclaim the week beginning September 17th and ending September 23rd of each year as Constitution Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, call upon appropriate Government officials to display the flag

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Editorial Note: The President's remarks of Sept. 14, 1981, on signing Proclamation 4857, are printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 968).

of the United States on all Government buildings on Citizenship Day, September 17, 1981. I urge Federal, State and local officials, as well as leaders of civic, educational and religious organizations to conduct ceremonies and programs that day to commemorate the occasion.

I also proclaim the week beginning September 17th and ending September 23rd, 1981 as Constitution Week, and I urge all Americans to observe that week with appropriate ceremonies and activities in their schools, churches and other suitable places.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of Sept. in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4859 of September 17, 1981

National Cystic Fibrosis Week

By the President of the United States of America

A Proclamation

Cystic fibrosis is an hereditary, metabolic disease primarily affecting the respiratory and digestive systems. Tragically, the disease attacks the young. It imposes enormous economic, physical and emotional burdens on both victim and family. The disease is the leading genetic killer of young Americans; yet, its cause and cure are unknown. In addition, there is no test for determining who is a carrier—and there are up to 10 million symptom-free individuals who might pass cystic fibrosis on to their children.

Nevertheless, there is ample reason for hope. There have been important advances in the treatment of cystic fibrosis. Twenty-five years ago, children affected by the disease seldom reached school age. Today, half of those afflicted with the disease will live into their twenties, and the quality of life during these additional years has been significantly improved.

Supported by the National Institutes of Health and private voluntary agencies, researchers throughout the world are focusing their efforts on cystic fibrosis. Improved methods of diagnosis, detection, treatment and control are being examined and attention, as never before, is being paid to this cruel disease.

Since early diagnosis can prolong life, public awareness is critical. To increase this awareness and commemorate the progress being made in controlling cystic fibrosis, and to emphasize the need for a continued effort to defeat it, the Congress has, by Senate Joint Resolution 62, designated the week of September 20 through September 26, 1981, as National Cystic Fibrosis Week. *Ante*, p. 948.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week of September 20 through September 26, 1981, as National Cystic Fibrosis Week. I call upon the people of the United States to observe that week with appropriate ceremonies and activities.

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IN WITNESS WHEREOF, I have hereunto set my hand this seventeenth day of September in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4860 of September 28, 1981

Fire Prevention Week

By the President of the United States of America

A Proclamation

Every year this Nation experiences needless loss of life and property. America's fire losses are a great waste of our precious resources and must be minimized. Destruction of property and what we pay for fire protection totals over $21 billion each year. But even worse, 7,500 American deaths annually can be attributed to fire.

With a concerted effort by individual citizens, our Nation can curtail its needless fire losses.

Installing and properly maintaining smoke detectors and practicing fire escape plans can reduce loss of life and property. If each of us would take a few simple precautions, fewer Americans would suffer disfigurement, the agony of injury, or the mental anguish of the sudden loss of loved ones.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do designate the week of October 4 through October 10, 1981, as Fire Prevention Week.

Furthermore, I congratulate the fire service for their fire prevention efforts and support their continued work. The National Fire Protection Association, the Fire Marshals Association of North America, fire chiefs, and fire fighters deserve our thanks for their sponsorship of this year's fire safety observance.

I direct the Federal Emergency Management Agency to work with all levels of government, industry, service organizations and volunteers to encourage the broadest possible use of smoke detectors across the Nation.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of Sept., in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4861 of September 28, 1981

National Diabetes Week

By the President of the United States of America

A Proclamation

Diabetes is a serious and widespread public health problem, resulting from the inability of the body to convert nutrients into energy. This debilitating and often fatal disease affects about 10 million Americans and is occurring among all age and socio-economic groups at an increasing rate. More than 35,000 people die from diabetes every year, and the disease contributes to deaths from heart attack, stroke, kidney failure and blood vessel disorders. It is the leading cause of new blindness. The cost of diabetes is measured in the billions of dollars, but by far the highest price is paid in the suffering and shortened life span of its victims.

Fortunately, there is hope. Through advances in medical research, we are learning more about diabetes, its cause, and improved methods for its control and management. Prospects for better prevention and treatment appear brighter than at any time since the discovery of insulin more than 50 years ago.

I am pleased that in cooperation with private, voluntary organizations, the Federal Government plays a valuable role in support of this research. It is my fervent hope that continued efforts will improve the quality of life for all our Nation's diabetics and eventually lead to the prevention and cure of this difficult and cruel disease.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week beginning October 4 through October 10, 1981, as National Diabetes Week, and I call upon the people of the United States to observe that week with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-eighth day of September, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4862 of September 28, 1981

Child Health Day

By the President of the United States of America

A Proclamation

We have all heard the saying, "As the twig is bent the tree inclines." This maxim is especially true for the minds and bodies of our children. The

physical and mental health of the child prepares the way for the physical and mental health of the adult.

Our future as a Nation lies in the healthy development of our children. That development must be fostered from the earliest stages so that our twigs and saplings will grow into straight and strong trees.

We must actively promote child health through the positive approach of preventive care, such as early prenatal care for mothers, assured immunization against dangerous childhood illnesses and early identification of handicapping conditions.

In this effort to improve the well-being and future of our children, I earnestly call for cooperative and voluntary action from all those who make maternal and child health their profession, from the States through their health care resources, from the organizations of private citizens who devote themselves to the health of mothers and children, and particularly from parents themselves, whose attention to their children's needs and personal examples of healthful behavior are vital factors in the protection of child health.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, pursuant to a joint resolution of May 18, 1928, as amended (36 U.S.C. 143), do hereby proclaim Monday, October 5, 1981, as Child Health Day.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of Sept., in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4863 of September 28, 1981

White Cane Safety Day

By the President of the United States of America

A Proclamation

For blind Americans, the white cane is an important sign of independence, symbolizing their ability to travel in our Nation's cities and towns with great confidence and safety. For motorists, the white cane symbolizes caution, and reminds them that their courtesy and consideration insure the safety of the visually disabled.

We should always be aware of the significance of the white cane and extend every courtesy to those who carry it. By doing so, we will respect and ensure the right to independence of the visually disabled as they pursue a productive and fulfilling life.

In recognition of the significance of the white cane, the Congress, by a joint resolution of October 6, 1964 (78 Stat. 1003), authorized the President to proclaim October 15 of each year as White Cane Safety Day.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim October 15, 1981, as White Cane Safety Day.

I urge all Americans to mark this occasion by giving greater consideration to the special needs of the visually disabled, and, particularly, to observe White Cane Safety Day with activities that contribute to maximum independent use of our streets and public facilities by our visually handicapped population.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of Sept., in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4864 of September 28, 1981

United Nations Day, 1981

By the President of the United States of America

A Proclamation

The United Nations rose from the ashes of the Second World War. As we observe another United Nations Day on October 24, 1981, we are thankful that the world has since been spared another major conflagration.

The United Nations has assisted in bringing stability to troubled areas and will surely do so again. United Nations peacekeeping forces are on duty in the volatile Middle East and have contributed to maintaining the peace in other places.

The problems addressed in this world forum are diverse, and the United Nations cannot resolve all matters it considers. But it has helped. This year it held a major conference for the purpose of pledging assistance to refugees in Africa. The United States made a substantial pledge, consistent with our historic support for United Nations refugee programs.

The United Nations is the world's meeting place. It brings together representatives of virtually all countries to discuss a multitude of subjects. These meetings afford opportunities for bilateral discussions, often at a high level, as an extra benefit. Today, much of the world's diplomacy takes place under the aegis of the United Nations.

The United States will continue to play a prominent role and champion the values and ideals that originally inspired the United Nations. We will further those activities that strengthen the capacity of the institution to serve the good of mankind.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Saturday, October 24, 1981, as United Nations Day. I urge all Americans to use this day as an opportunity to better acquaint themselves with the activities and accomplishments of the United Nations.

I have appointed Mr. Robert Anderson to serve as 1981 United States National Chairman for United Nations Day, and welcome the role of the United Nations Association of the United States of America in working with him to celebrate this special day.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of Sept., in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4865 of September 29, 1981

High Seas Interdiction of Illegal Aliens

By the President of the United States of America

A Proclamation

The ongoing migration of persons to the United States in violation of our laws is a serious national problem detrimental to the interests of the United States. A particularly difficult aspect of the problem is the continuing illegal migration by sea of large numbers of undocumented aliens into the southeastern United States. These arrivals have severely strained the law enforcement resources of the Immigration and Naturalization Service and have threatened the welfare and safety of communities in that region.

As a result of our discussions with the Governments of affected foreign countries and with agencies of the Executive Branch of our Government, I have determined that new and effective measures to curtail these unlawful arrivals are necessary. In this regard, I have determined that international cooperation to intercept vessels trafficking in illegal migrants is a necessary and proper means of insuring the effective enforcement of our laws.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by the authority vested in me by the Constitution and the statutes of the United States, including Sections 212(f) and 215(a)(1) of the Immigration and Nationality Act, as amended (8 U.S.C. 1182(f) and 1185(a)(1)), in order to protect the sovereignty of the United States, and in accordance with cooperative arrangements with certain foreign governments, and having found that the entry of undocumented aliens, arriving at the borders of the United States from the high seas, is detrimental to the interests of the United States, do proclaim that:

The entry of undocumented aliens from the high seas is hereby suspended and shall be prevented by the interdiction of certain vessels carrying such aliens.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-ninth day of September, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4866 of October 2, 1981

American Enterprise Day

By the President of the United States of America

A Proclamation

One of America's great strengths is its private enterprise system. The personal and economic freedom enjoyed by our people turned our fledgling nation, in a few short years, into an economic dynamo that astounded the world.

Today, the unique blend of individual opportunity, incentive and reward that is the free enterprise system provides Americans with an unparalleled standard of living.

As the foundation of our economic life, free enterprise depends on and serves every American. It is the enemy of poverty. It permits Americans to be the most compassionate of people, at home and to those in need abroad.

Through their insistence on the free enterprise system, our forefathers unleashed the creative energies of a people, built the foundation of our unparalleled political and economic freedom, and brought forth a vital force in the world.

In recognition of the importance of our free enterprise system, the Congress has, in Senate Joint Resolution 78, designated October 2, 1981, as American Enterprise Day. *Ante*, p. 969.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim October 2, 1981, as American Enterprise Day. I urge all Americans to observe this occasion with appropriate activities, and in particular to encourage in our youth an appreciation and enthusiasm for the role of free enterprise in our nation's life.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4867 of October 2, 1981

National Port Week

By the President of the United States of America

A Proclamation

Much of our history as a nation has been shaped by the ports of our sea coasts and inland waterways. Our early harbors fostered industry and trade and helped build many of America's great cities.

Today, our ports are an important resource in the Nation's economy. In 1980, the port industry handled almost two billion short tons of waterborne commerce in foreign and domestic trade. This commerce contributed over $35 billion to the gross national product and generated an additional $1.5 billion in services sold to users.

Recognizing their vital importance to America's economic health, State and local port authorities and private industry have continued to invest financial resources to improve port facilities to meet ever-increasing needs.

The growing demand for coal and other energy sources to fuel the economic growth of the United States and the rest of the industrialized world has presented the ports of this Nation with a unique challenge.

Many port authorities have begun and others have plans for the construction or expansion of harbor facilities. Some 70 million tons of annual capacity now under construction will result in a 50 percent increase over current capacity. By 1985 total investment in new or expanded facilities is expected to meet the projected demand of our industrial trading partners and to decrease our dependence on foreign oil.

Ante, p. 970.

In recognition of the importance of our ports to the Nation's economy, the Congress has, by Senate Joint Resolution 103, designated the week beginning October 4, 1981, as National Port Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the seven calendar days beginning October 4, 1981, as National Port Week. I invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe this week with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4868 of October 2, 1981

National Employ the Handicapped Week, 1981

By the President of the United States of America

A Proclamation

Communities across the land have formed partnerships—between disabled and non-disabled, labor and industry, employers and employees—to assure that disabled people might share fully in the American dream. There is a real need for such partnerships, and for these ties to continue and expand.

Employers throughout the country are opening their doors to qualified disabled workers. This is happening not just because of existing laws, but because disabled men and women have been establishing such fine work records. Yet not all employers have opened their doors equally wide. We must therefore continue our efforts to find more and better jobs for people with disabilities.

Gains have also been made in education, training, housing, transportation and accessibility. We need to make the 1980s years in which disabled individuals achieve the greatest possible access to our society, maximum independence, and full opportunity to develop and use their capabilities.

The Congress, by joint resolution of August 11, 1945, as amended (36 U.S.C. 155), has called for the designation of the first full week in October each year as National Employ the Handicapped Week. Recognition of this special week presents the opportunity to dedicate ourselves to meeting the goal of expanded opportunity for disabled Americans.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning October 4, 1981, as National Employ the Handicapped Week. I urge all Governors, Mayors, other public officials, leaders in business and labor, and private citizens to help meet the challenge of the future in which all disabled Americans will participate fully in our country's many opportunities.

IN WITNESS WHEREOF, I have hereunto set my hand this second day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4869 of October 5, 1981

General Pulaski Memorial Day

By the President of the United States of America

A Proclamation

As we pay homage again to the memory of General Casimir Pulaski, we are reminded of his dedication to freedom, his selfless service to our Nation, and his contributions to the achievement of American independence. His tireless devotion to democratic ideals continues to inspire us, his adopted countrymen, today. His name and deeds remain similarly alive in the hearts of the people of his native Poland, and indeed of people the world over. His is a model we can all emulate.

Upon his arrival in America in 1777, General Pulaski was appointed by Congress as Commander of the Horse in the Continental Army. He fought at the battle of Germantown, conducted expeditions to obtain provisions for the Continental soldiers during their harsh winter at Valley Forge, Pennsylvania and, as the Revolutionary War continued, saw service in New Jersey and Delaware. Following a gallant attempt to wrest Savannah, Georgia from British control, this valiant patriot died on October 11, 1779.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate October 11, 1981 as General Pulaski Memorial Day.

FURTHERMORE, in recognition of the supreme sacrifice General Pulaski made for his adopted country and for the cause of freedom, I do hereby

designate October 11 of each succeeding year as General Pulaski Memorial Day.

I invite the people of the United States to honor the memory of General Pulaski by holding appropriate exercises and ceremonies on this date in suitable places throughout our land.

IN WITNESS WHEREOF, I have hereunto set my hand this fifth day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4870 of October 6, 1981

National Guard Day

By the President of the United States of America

A Proclamation

Three hundred and forty-five years ago, the first settlers organized militia units to defend their homes and lives in Massachusetts Bay Colony. With these first units the tradition of the citizen-soldier was born and took root in America, a tradition exemplified by the willingness of private citizens to leave their civilian occupations, don the uniform of their country, and serve their States and their Nation when the need arises.

These citizen-soldiers camped with Washington at Valley Forge and charged up San Juan Hill. They fought in the Meuse-Argonne and on Omaha Beach. Since World War II, the National Guard has played a role in every major American crisis or conflict including Korea, Berlin, and Vietnam. When called upon by their country, the men and women of the Guard have always responded.

When disaster has struck in times of peace, the Guard has been equally ready to serve, whether in the flood waters of Johnstown, or on the slopes of Mount St. Helens. The Guard has been responsible for saving countless lives and millions of dollars of property and equipment by its quick responses and efficiency.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, ask all Americans to celebrate Wednesday, October 7, 1981, as National Guard Day and to honor the Army and Air National Guard of the United States for service to their communities, to their States and to their Nation.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4871 of October 6, 1981

Leif Erikson Day, 1981

By the President of the United States of America

A Proclamation

Nordic stories passed through the ages tell us of the Viking Leif Erikson and his explorations across the North Atlantic. One of the most daring of the great Norse adventurers, he may have been the first European to discover our continent. Scandinavian tales tell us of a cargo of timber and wild grapes he brought from North America to his home in Greenland more than four centuries before Columbus.

Above all, Leif Erikson was an explorer, and he has come to symbolize mankind's efforts to push back his frontiers, master the elements, and conquer his fear of the unknown.

In honoring him, and in honoring the Nordic people whose achievements have continuously enriched the Western world, we also honor the act of discovery.

As a mark of respect to the courage of Leif Erikson and his Viking followers, the Congress of the United States, by joint resolution approved September 2, 1964 (78 Stat. 849, 36 U.S.C. 169c), authorized the President to proclaim October 9 in each year as Leif Erikson Day.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Friday, October 9, 1981, as Leif Erikson Day, and I direct the appropriate Government officials to display the flag of the United States on all Government buildings that day.

I also invite the people of the United States to honor the memory of Leif Erikson on that day by holding appropriate exercises and ceremonies in suitable places throughout the land.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4872 of October 7, 1981

Death of Anwar el-Sadat

By the President of the United States of America

A Proclamation

America has lost a close friend; the world has lost a great statesman and mankind has lost a champion of peace.

President Sadat was a courageous man whose vision and wisdom brought nations and people together.

In a world filled with hatred, he was a man of hope. In a world trapped in the animosities of the past, he was a man of foresight, a man who sought to improve a world tormented by malice and pettiness.

He was admired and loved by the people of America. His death yesterday—an act of infamy, cowardly infamy—fills us with horror.

As a mark of respect for the memory of Anwar Sadat I hereby order that the flag of the United States shall be flown at half-staff upon all public buildings and grounds, at all military posts and naval stations, and on all naval vessels of the Federal Government in the District of Columbia and throughout the United States and its Territories and possessions until his interment. I also direct that the flag shall be flown at half-staff for the same length of time at all United States embassies, legations, consular offices, and other facilities abroad, including all military facilities and naval vessels and stations.

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4873 of October 9, 1981

Columbus Day

By the President of the United States of America

A Proclamation

Christopher Columbus, whose life and exploits we commemorate each October, is one of the true heroes of our Nation's history.

He is justly admired as a brilliant navigator, a fearless man of action, a visionary who opened the eyes of an older world to an entirely new one. Above all, he personifies a view of the world that many see as quintessentially American: not merely optimistic, but scornful of the very notion of despair.

Nearly five centuries have passed since the fateful day on which Columbus changed the course of history. But his adventurous spirit lives on among us, challenging us to emulation and abiding with us as we too press forward on our voyage of discovery.

In tribute to the achievement of Columbus and to the many sons and daughters of Italy who have helped to shape our life and destiny as a people, the Congress of the United States of America has requested the President to proclaim the second Monday in October of each year as Columbus Day.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate Monday, October 12, 1981, as Columbus Day; and I invite the people of this Nation to observe that day in schools, churches, and other suitable places with appropriate ceremonies in his honor.

I also direct that the flag of the United States of America be displayed on all public buildings on the appointed day in memory of Christopher Columbus.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4874 of October 9, 1981

National Forest Products Week, 1981

By the President of the United States of America

A Proclamation

The first settlers arriving in our land looked to the forests as their key to survival in an untamed and often forbidding land. The forests gave them wood for shelter, fuel for warmth, and meat for their table. Since those early times, our Nation's bountiful forests have provided for the welfare of generations of Americans. Yet, there are almost as many trees in our forests today as when the first tree was felled by our forefathers.

Although the daily lives of most Americans are now far removed from the forest environment, forests still supply lumber for homes, paper for disseminating information, fuel for stoves and fireplaces, and thousands of other uses that have become so commonplace they are often taken for granted.

Forests play a vital role in maintaining a healthy economy—more than 3 million Americans are employed in wood-dependent occupations, and their combined production is valued at about $100 billion each year. Moreover, our forests provide us with a wealth of other treasures that can carry no price tags—water, wildlife, outdoor recreation, and wilderness.

The contribution forests must make to our Nation's welfare will remain just as great in the years ahead as in the past. To meet the needs of the future, our forests must benefit from effective timber management and from continuing research to find better ways to utilize forest products. Improved wood growth and usage will make more wood products available at affordable prices while helping to stimulate our entire economy.

America has been greatly blessed with the resources of our forests. To allow them to waste away, when they could benefit so many, would be to ignore our responsibilities of stewardship. Our forests must be managed in ways that are environmentally safe and that ensure they will be available for the enjoyment and use of future generations.

If we act intelligently, our forests will continue to benefit the economy, even as they nourish the human spirit. The need and opportunity to commune with nature, to seek solitude, and to appreciate the beauty and gran-

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Editorial Note: The President's remarks of Oct. 9, 1981, on signing Proclamation 4873, are printed in the *Weekly Compilation of Presidential Documents* (vol. 17, p. 1109).

deur of America's forests must be respected and preserved. With wise forest management, the demands of aesthetics and economics will remain compatible.

To promote greater awareness and appreciation for our forest resources, the Congress has by Public Law 86-753, 36 U.S.C. 163, designated the week beginning on the third Sunday in October as National Forest Products Week.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim the week of October 18 through October 24, 1981, as National Forest Products Week and ask that all Americans express their appreciation for the Nation's forests through suitable activities.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4875 of October 14, 1981

World Food Day, 1981

By the President of the United States of America

A Proclamation

The well-being of all people depends fundamentally upon an adequate and reliable supply of food.

The United States is blessed with abundant land, fertile soil, adequate water, and a favorable climate. Upon this natural base, Americans have erected a sound system of agriculture, founded on the right of private property ownership, the opportunity to earn rewards for honest toil and investment, the freedom to exchange in the marketplace, the availability of essential credit, the application of new scientific discoveries and technologies, and the primacy of the independent family farm. The result has been an unparalleled agricultural bounty, capable of feeding our own people and millions of people around the world.

Today, many nations lack either the natural endowments or the system of incentives to private enterprise that are critical to successful agriculture. Many millions of people, particularly in the Third World, and where government policies have denied land ownership and market incentives to their farmers, are suffering from hunger and malnutrition.

Americans have traditionally been generous in sharing our agricultural abundance and technology with those less fortunate than ourselves. Since the beginning of the Food for Peace program in 1954, more than 387 million tons of American food aid, valued at more than $30 billion, have been provided to the hungry peoples of the world. American agricultural development assistance programs have helped peoples all over the world to improve their food production.

Our efforts to alleviate hunger have complemented those of other members of the international community. We salute particularly the tireless efforts of

the Food and Agriculture Organization which, on World Food Day, celebrates thirty-six years of service in the effort to alleviate hunger and malnutrition.

To focus worldwide public attention on the world's food problem, 147 member nations of the Food and Agriculture Organization have unanimously urged individual nations to commemorate October 16 as World Food Day. The Congress of the United States has responded by adopting a Joint Resolution in support of this objective.

On this occasion, let us rededicate ourselves to continuing and strengthening our efforts to assist the people of other lands to work toward the elimination of hunger, to develop strong agricultural bases built upon sound principles, and to engage in mutually beneficial commercial trade between our countries.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim October 16, 1981, as "World Food Day", and do call upon the people of the United States to observe this day with appropriate ceremonies and activities.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4876 of October 20, 1981

Suspension of the Application of Obligations Under an Agreement Between the Governments of the United States of America and Argentina Concerning Hide Exports and Other Trade Matters

By the President of the United States of America

A Proclamation

1. On August 10, 1979, the Governments of the United States of America and the Argentine Republic entered into an Agreement Concerning Hide Exports and Other Trade Matters (the Agreement). The Agreement was implemented by Proclamation 4694 of September 29, 1979, and became effective October 1, 1979. 19 USC 1202.

2. The Agreement provides in pertinent part that Argentina adopts a 20% ad valorem tax on exports of cattle hides, effective October 1, 1979, to replace its existing embargo on exports of such products, and then to phase out the tax in accordance with the following schedule:

	Percent ad valorem
April 1, 1980	15
October 1, 1980	10
April 1, 1981	5
October 1, 1981	Free

19 USC 1202 note.

The United States, inter alia, agreed to reduce its 5 percent ad valorem duty on bovine leather provided for in item 121.61 of the Tariff Schedules of the United States (TSUS) in accordance with the following schedule:

	Percent ad valorem
October 1, 1979	2
October 1, 1980	1
October 1, 1981	Free

3. The United States has complied with the terms of the Agreement. In October 1980, Argentina reduced its export tax to 10 percent, but has failed to reduce it further as required by the Agreement. The Government of Argentina has informed the United States that it does not intend to meet its obligations for further reductions in the export tax.

4. Argentina's breach of the Agreement constitutes a suspension of the application of trade agreement obligations of benefit to the United States. Adequate compensation has not been received therefor. The action taken by this proclamation is necessary to protect the economic interest of the United States.

5. Section 125(d)(1) of the Trade Act of 1974 (the Trade Act) (19 U.S.C. 2135(d)(1)) authorizes the President to withdraw, suspend, or modify the application of trade agreement obligations which are substantially equivalent to those which have been withdrawn, suspended, or modified by a foreign country, and to proclaim under section 125(c) of the Trade Act such import restrictions as are appropriate to effect adequate compensation from that foreign country or instrumentality.

6. Section 125(f) of the Trade Act requires the President to provide the opportunity for interested parties to present views at a public hearing prior to taking action pursuant to Section 125(d)(1). Such an opportunity was presented by scheduling such a hearing for September 28, 1981, at the Office of the United States Trade Representative (USTR).

7. I have decided, pursuant to section 125(d)(1) of the Trade Act, to suspend the application of the Agreement insofar as it requires the United States to reduce its duty on bovine leather imports provided for in item 121.61 of the TSUS to free, and to modify the TSUS pursuant to Section 125(c) of the Trade Act to provide a one percent ad valorem column 1 rate of duty on such bovine leather imports.

19 USC 1202 note.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including Sections 125 and 604 of the Trade Act of 1974 (19 U.S.C. 2135 and 2483), do proclaim that:

(1) The application of the obligation of the United States pursuant to the Agreement to reduce its column 1 rate of duty on certain bovine leather imports to free as implemented by Proclamation 4694, is hereby suspended for and until such time as the USTR makes a determination (published in the **Federal Register**) that Argentina is in compliance with the Agreement or has otherwise granted adequate compensation for the breach thereof.

(2) The column 1 rate of duty applicable to item 121.61 of the TSUS is modified to read "1% ad val." effective as to articles entered, or withdrawn from warehouse for consumption, on or after the third day following the date of publication of this proclamation in the **Federal Register** and until such time as the USTR makes the determination referred to in paragraph (1) above, at which time the column 1 rate of duty would be free.

(3) The modification of the TSUS and the determination made by the USTR under the above paragraphs shall be published in the **Federal Register.**

IN WITNESS WHEREOF, I have hereunto set my hand this twentieth day of October, in the year of our Lord nineteen hundred and eighty-one and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4877 of October 22, 1981

Hungarian Freedom Fighters' Day

By the President of the United States of America

A Proclamation

Twenty-five years ago the Hungarian people rose to challenge foreign domination of their country and to assert their right to freedom and democratic self-determination.

Today, many of those same people are citizens of the United States. Their experiences, and their continuing devotion to the ideals for which they fought, have brought new strength and meaning to this Nation's commitment to freedom and justice for all people.

The Congress of the United States by joint resolution has authorized and requested the President to honor the memory of the brave Hungarian men and women who fought so courageously to achieve the realization of their aspirations in the face of overwhelming military force.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate October 23, 1981, as Hungarian Freedom Fighters' Day. I call upon the people of the United States to reaffirm our belief and hope that all nations will one day achieve through peaceful means the goals of democratic freedom and self-determination for which these gallant people sacrificed so much.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4878 of October 26, 1981

Veterans Day, 1981

By the President of the United States of America

A Proclamation

The willingness of our citizens to give freely and unselfishly of themselves, even their lives, in defense of our democratic principles, gives this great Nation continued strength and vitality. From Valley Forge to Vietnam, through war and peace, valiant Americans have answered the call to duty with honor and dignity.

Americans throughout this great land set aside Veterans Day for special remembrance of the men and women who have served to protect our freedom. The sound of bugles playing taps will pierce the air at countless ceremonies around the country and at our bases overseas in tribute to those who gave their lives in order to safeguard human liberty.

On this special day, our hearts and thoughts also turn to those who were disabled while serving their country. Their sacrifices and hardships endure, and daily earn anew the honor and compassion of a grateful nation.

With a spirit of pride and gratitude, we honor all our veterans, and especially those who have fought on the battlefields of Europe and the beaches of the Pacific, in the jungles and mountains of Asia, in hostile waters and skies around the globe.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby invite the American people to join with me in a fitting salute on Veterans Day, Wednesday, November 11, 1981. I urge all Americans to recognize the valor and sacrifice of our veterans through appropriate public ceremonies and private prayers.

I ask that we devote special attention to those veterans who are sick and disabled. Let us show them through our actions that we remember and honor them. There could be no better nor more tangible expression of our gratitude.

I also call upon Federal, state, and local government officials to display the flag of the United States and to encourage and participate in patriotic activities throughout the country. I invite the business community, churches, schools, unions, civic and fraternal organizations, and the media to support this national observance with suitable commemorative expressions and programs.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-sixth day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4879 of October 29, 1981

Silver Anniversary Year of the National System of Interstate and Defense Highways

By the President of the United States of America

A Proclamation

A quarter of a century ago, on June 29, 1956, President Dwight D. Eisenhower approved legislation which launched one of the most significant and far-reaching domestic programs in the history of the United States—the 42,500-mile National System of Interstate and Defense Highways.

Now more than 94 percent completed, with over 40,000 miles in use, the Interstate System has profoundly affected the lifestyles of all Americans. Crisscrossing the Nation from ocean to ocean and from border to border, it links more than 90 percent of our cities that have populations of 50,000 or more, as well as many smaller cities and towns. The system comprises little more than one percent of the Nation's total road and street mileage, yet carries 20 percent of the traffic.

The Interstate System is modern America's paramount asset. By drastically cutting travel time it has drawn diverse sections of the country together. It expedites the movement of goods and produce, reducing costs and promoting competition. These and other economic benefits of the Interstate System have had a lasting impact on the standard of living of every American. At the same time, it provides us the means for the movement of military forces and supplies in the event of a national emergency.

The Interstate System is a magnificent undertaking in which all Americans can justifiably take great pride, and one which will return rich dividends to the American people for many decades to come.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim 1981 as The Silver Anniversary Year of the National System of Interstate and Defense Highways. I urge Federal, State and local government officials, as well as highway industry and other organizations, to hold appropriate observances during the remainder of this year, recognizing the benefits that the Interstate System has provided for our country during the past 25 years and reflecting upon how we can best continue to realize those benefits in the future.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4880 of October 29, 1981

American Education Week, 1981

By the President of the United States of America

A Proclamation

Among the most precious gifts a child can receive is a good education. Historically, the primary responsibility for educating our youth has rested with parents. State and local educators stand to assist parents in achieving educational goals. The cooperative effort between parents and educators is the irreplaceable ingredient for American education.

In a free society, we are fortunate to have the right to oversee our children's education. The success of our educational system depends upon the exercise of this right by parents. It is thus fitting that mothers and fathers throughout the Nation should be encouraged to be involved with their local schools and to participate in supportive activities.

It is appropriate that the theme of this year's American Education Week is "American Education and You: Partners in Our Children's Future." Increased teamwork between school, home, church or synagogue, and the community cannot help but add to the quality of our children's education.

As a Nation, we are dedicated to excellence in education. It means a better life for our children as individuals, and it further secures the liberty which we cherish. As James Madison said, "Knowledge will forever govern ignorance: And a people who mean to be their own Governors, must arm themselves with the power which knowledge gives."

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the week beginning November 15, 1981, as American Education Week.

I invite all Americans to form education partnerships in shaping our children's future.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of October, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4881 of October 29, 1981

National Farm-City Week, 1981

By the President of the United States of America

A Proclamation

American agriculture is a modern-day miracle. In the last 30 years, United States farmers have increased productivity by 50 percent. Now, fewer than

4 percent of our population provides our Nation's agricultural products—and enough more to feed millions of people overseas.

The trust, reliance, and interdependence of farms and cities is a basic strength of this great Nation. Farm and city people have long been partners in economic and social progress. Without farms to provide food and fiber, cities would be barren; without the products and services of cities, farms would be primitive.

A close partnership between farm and city people in the productive use of land, labor, and capital is paramount if our Nation is to continue to have an abundance of safe, wholesome food as well as an abundance of goods and services at reasonable prices.

To achieve a deeper appreciation of the contributions and cooperation of farms and cities, the Nation has set aside a week in November as National Farm-City Week. The theme is: Partners in Progress—Key to the Future.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby designate the period November 20 through November 26, 1981, as National Farm-City Week.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of October in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4882 of November 3, 1981

National Family Week

By the President of the United States of America

A Proclamation

The family is the basic unit of our society, the heart of our free democracy. It provides love, acceptance, guidance, support, and instruction to the individual. Community values and goals that give America strength also take root in the home. In times of change and challenge, families keep safe our cultural heritage and reinforce our spiritual foundation.

As the mainstay of our national life, family life must be preserved. When a family needs external assistance to help it to perform its unique role, this assistance should not interfere with the family's fundamental responsibilities and prerogatives. Rather, aid should be supportive and purposeful in strengthening the family's stability, self-sufficiency and permanence.

National Family Week is a time to be thankful for the family as a national heritage and resource. It is a time to recommit ourselves to the concept of the family—a concept that must withstand the trends of lifestyle and legislation. Let us pledge that our institutions and policies will be shaped to enhance an environment in which families can strengthen their ties and best exercise their beliefs, authority, and resourcefulness. And let us make our pledge mindful that we do so not only on behalf of individual family members, but for America.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, in accordance with Senate Joint Resolution 4, do hereby proclaim the week beginning November 22, 1981, as National Family Week. I call upon the people of the United States to observe this week with appropriate activities in their homes and communities.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of November, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4883 of November 12, 1981

Thanksgiving Day, 1981

By the President of the United States of America

A Proclamation

America has much for which to be thankful. The unequaled freedom enjoyed by our citizens has provided a harvest of plenty to this Nation throughout its history. In keeping with America's heritage, one day each year is set aside for giving thanks to God for all of His blessings.

On this day of thanksgiving, it is appropriate that we recall the first Thanksgiving, celebrated in the autumn of 1621. After surviving a bitter winter, the Pilgrims planted and harvested a bountiful crop. After the harvest they gathered their families together and joined in celebration and prayer with the native Americans who had taught them so much. Clearly our forefathers were thankful not only for the material well-being of their harvest but for this abundance of goodwill as well.

In this spirit, Thanksgiving has become a day when Americans extend a helping hand to the less fortunate. Long before there was a government welfare program, this spirit of voluntary giving was ingrained in the American character. Americans have always understood that, truly, one must give in order to receive. This should be a day of giving as well as a day of thanks.

As we celebrate Thanksgiving in 1981, we should reflect on the full meaning of this day as we enjoy the fellowship that is so much a part of the holiday festivities. Searching our hearts, we should ask what we can do as individuals to demonstrate our gratitude to God for all He has done. Such reflection can only add to the significance of this precious day of remembrance.

Let us recommit ourselves to that devotion to God and family that has played such an important role in making this a great Nation, and which will be needed as a source of strength if we are to remain a great people.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim Thursday, November 26, 1981, as Thanksgiving Day.

IN WITNESS WHEREOF, I have hereunto set my hand this twelfth day of November, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4884 of November 13, 1981

Continuation of Temporary Duty Increase on the Importation Into the United States of Certain High-Carbon Ferrochromium

By the President of the United States of America

A Proclamation

1. Presidential Proclamation 4608 of November 15, 1978, issued pursuant to section 203(a)(1) of the Trade Act of 1974 (the Act) (19 U.S.C. 2253(a)(1)), provided for a temporary increase in the duty on imports of ferrochromium containing over 3 percent by weight of carbon provided for in item 607.31 of the Tariff Schedules of the United States (TSUS), when valued at less than 38 cents per pound of chromium content. This temporary increase was for the period from November 17, 1978, through November 16, 1981. 19 USC 1202 note.

2. The United States International Trade Commission (the Commission), pursuant to sections 203(i)(2) and 203(i)(3) of the Act (19 U.S.C. 2253(i)(2) and 2253(i)(3)) and following an investigation, advised the President (United States International Trade Commission, Report TA-203-8) that termination of the temporary increase in the duty on certain high-carbon ferrochromium would have a significant adverse economic effect on the domestic high-carbon ferrochromium industry and recommended that the increased duty be extended.

3. Pursuant to section 203(h)(3) of the Act and (19 U.S.C. 2253(h)(3)), after taking into account the advice of the Commission and the considerations required by section 202(c) of the Act (19 U.S.C. 2252(c)), I have determined that extension for one year of the increased duty is in the national interest.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, acting under the authority vested in me by the Constitution and the statutes of the United States, including sections 203(h)(3) of the Act (19 U.S.C. 2253), do proclaim that—

(1) Part 1 of Schedule XX to the GATT shall remain modified to conform to the extension of the duty increase provided by the proclamation.

(2) Subpart A, part 2 of the Appendix to the TSUS shall remain modified as set forth in the Annex to this proclamation. 19 USC 1202.

(3) This proclamation shall be effective as to those articles entered, or withdrawn from warehouse for consumption, on or after November 16, 1981, and before the close of November 15, 1982, unless the period of effectiveness is modified or terminated earlier.

IN WITNESS WHEREOF, I have hereunto set my hand this thirteenth day of November, in the year of our Lord nineteen hundred and eighty-one, and

of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

ANNEX

19 USC 1202.

Subpart A, part 2 of the Appendix to the TSUS remains modified by insertion in numerical sequence the following provision:

Item	Articles	Rates of Duty 1	Rates of Duty 2	Effective period
923.18	Ferrochromium, containing over 3 percent by weight of carbon, valued less than 38 cents per pound of chromium content provided for in item 606.24.	4.625 per lb. on chromium content.	4.625 per lb. on chromium content.	On or before Nov. 15, 1982.

Proclamation 4885 of December 4, 1981

Bill of Rights Day

Human Rights Day and Week, 1981

By the President of the United States of America

A Proclamation

On December 15, 1791, our Founding Fathers rejoiced in the ratification of the first ten amendments to the Constitution of the United States—a Bill of Rights which has helped guarantee all Americans the liberty which we so cherish.

One hundred and fifty-seven years later, on December 10, 1948, the United Nations adopted the Universal Declaration of Human Rights, an effort aimed at securing basic human rights for the people of all nations.

Each of these great documents was born after the bloodshed of a bitter war. We remember the great sacrifices Americans have made for 200 years, from the Revolutionary War, in which our ancestors pledged "their lives, their fortunes, and their sacred honor," to the wars of this century, in which hundreds of thousands of young Americans and millions of others gave their lives on the battlefields of Europe, Asia, and Africa in the struggle for freedom. And, yet, even today, as we celebrate Bill of Rights Day and Human Rights Day, we all are only too well aware that the individual rights declared in these documents are not yet respected in many nations.

We have learned that the lesson our Founding Fathers taught is as true today as it was two centuries ago—liberty depends not upon the state but upon the people. Liberty thrives in the free association of citizens in free institutions: families, churches, universities, trade unions, and a free press.

Mankind's best defense against tyranny and want is limited government—a government which empowers its people, not itself, and which respects the

wit and bravery, the initiative, and the generosity of the people. For, above all, human rights are rights of individuals: rights of conscience, rights of choice, rights of association, rights of emigration, rights of self-directed action, and the right to own property. The concept of a nation of free men and women linked together voluntarily is the genius of the system our Founding Fathers established.

We will continue to strive to respect these rights fully in our own country and to promote their observance abroad. We could have no greater wish for mankind than that all people come to enjoy these rights.

This year, after nearly 20 years of effort, the United Nations Human Rights Commission and the UN General Assembly have approved a declaration on the elimination of all forms of discrimination based on religion. It begins with words Americans will find familiar, "Everyone will have the right to freedom of thought, conscience and religion." It declares that parents must have the right to teach their children to worship God and that all religions must have the right to teach their faith, to train their clergy, and to observe their customs and holidays.

We in America are blessed with rights secured for us by the sacrifices of our forefathers, but we yearn for the day when all mankind can share in these blessings. Never is there any excuse for the violation of the fundamental rights of man—not at any time or in any place, not in rich countries or poor, not under any social, economic or political system.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby proclaim December 10, 1981 as Human Rights Day and December 15, 1981 as Bill of Rights Day, and call on all Americans to observe the week beginning December 10, 1981 as Human Rights Week. During this week, let each of us give special thought to the blessings we enjoy as a free people and let us dedicate our efforts to making the promise of our Bill of Rights a living reality for all Americans and, whenever possible, for all mankind.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of December, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

Proclamation 4886 of December 14, 1981

Wright Brothers Day, 1981

By the President of the United States of America

A Proclamation

Since the dawn of civilization, men have dreamed of conquering the air. History is filled with tales of those who tried to emulate the flight of birds, but not until the early days of this century did that dream become a reality.

On December 17, 1903, near Kitty Hawk, North Carolina, the age of aviation began when Orville and Wilbur Wright launched man's first successful flight in a mechanically propelled aircraft. Orville Wright remained aloft in

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a flying machine for just 12 seconds, covering a distance of only 120 feet, but the inventiveness and daring of these two brothers changed our lives for all time.

Today, aviation is vital to the American way of life and to our economy and national defense. The air transportation network enables us to travel for business or pleasure with unequalled speed and convenience while providing for the rapid and efficient transfer of our nation's commercial goods.

The pioneering spirit exhibited by the Wright brothers and fostered by our system of free enterprise has kept America in the forefront of innovative aeronautics—a spirit dramatically demonstrated again this year with the two successful missions of the United States Space Shuttle COLUMBIA. As it glided to perfect landings in the California desert, COLUMBIA gave us pause to reflect on another triumph in American aviation and on the creative genius of the American people.

To commemorate the historic achievements of the Wright brothers, the Congress, by a joint resolution of December 17, 1963 (77 Stat. 402, 36 U.S.C. 169), designated the seventeenth day of December of each year as Wright Brothers Day and requested the President to issue a proclamation annually inviting Americans to observe that day with appropriate ceremonies and activities.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, do hereby call upon the people of this nation and their local and national governmental officials to observe Wright Brothers Day, December 17, 1981, with appropriate ceremonies and activities, both to recall the accomplishments of the Wright brothers and to provide stimulus to aviation in this country and throughout the world.

IN WITNESS WHEREOF, I have hereunto set my hand this 14th day of December, in the year of our Lord nineteen hundred and eighty-one, and of the Independence of the United States of America the two hundred and sixth.

RONALD REAGAN

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