for the Armed Forces, and for other purposes.

AMENDMENT NO. 3551

At the request of Mr. L. CHAFEE, the names of the Senator from Oregon (Mr. SMITH), the Senator from Nevada (Mr. BRYAN), the Senator from Ohio (Mr. DEWINE), the Senator from Hawaii (Mr. INOUYE), the Senator from Indiana (Mr. LUGAR), the Senator from California (Mrs. FEINSTEIN), and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of amendment No. 3551 proposed to S. 2522, an original bill making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENT NO. 3602

At the request of Mr. BOND, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of amendment No. 3602 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENT NO. 3604

At the request of Mrs. MURRAY, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Connecticut (Mr. DODD), the Senator from Virginia (Mr. ROBB), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Rhode Island (Mr. REED), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Nevada (Mr. REID), the Senator from Michigan (Mr. LEVIN), the Senator from Hawaii (Mr. AKAKA), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of amendment No. 3604 proposed to H.R. 4577, a bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes.

AMENDMENTS SUBMITTED

DEPARTMENT OF LABOR APPROPRIATIONS ACT, 2001

SMITH OF NEW HAMPSHIRE AMENDMENT NO. 3628

Mr. SMITH of New Hampshire proposed an amendment to the bill (H.R. 4577) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2001, and for other purposes; as follows:

At the appropriate place, add the following:

"SEC. . PURCHASE OF FETAL TISSUE.

''None of the funds made available in this Act may be used to pay, reimburse, or otherwise compensate, directly or indirectly, any abortion provider, fetal tissue procurement contractor, or tissue resource source, for fetal tissue, or the cost of collecting, transferring, or otherwise processing fetal tissue, if such fetal tissue is obtained from induced abortions.''.

REID (AND BOXER) AMENDMENTS NOS. 3629–3630

Mr. REID (for himself and Mrs. BOXER) proposed two amendments to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3629

At the appropriate place, insert the following:

SENSE OF THE SENATE ON PREVENTION OF NEEDLESTICK INJURIES

SEC. ___. (a) FINDINGS.—The Senate finds that—

(1) the Centers for Disease Control and Prevention reports that American health care workers report 600,000-800,000 needlestick and sharps injuries each year;

(2) the occurrence of needlestick injuries is believed to be widely under-reported;

(3) needlestick and sharps injuries result in at least 1,000 new cases of health care workers with HIV, hepatitis C or hepatitis B every year; and

(4) more than 80 percent of needlestick injuries can be prevented through the use of safer devices.

(5) OSHA's November 1999 Compliance Directive has helped clarify the duty of employers to use safer needle devices to protect their workers. However, millions of State and local government employees are not covered by OSHA's bloodborn pathogen standard and are not protected against the hazards of needlesticks.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should pass legislation that would eliminate or minimize the significant risk of needlestick injury to health care workers.

AMENDMENT NO. 3630

On page 54, between lines 10 and 11, insert the following:

SEC. ___. (a) IN GENERAL.—There is appropriated $10,000,000 that may be used by the Director of the National Institute for Occupational Safety and Health to—

(1) establish and maintain a national database on existing needleless systems and sharps with engineered sharps injury protections;

(2) develop a set of evaluation criteria for use by employers, employees, and other persons when they are evaluating and selecting needleless systems and sharps with engineered sharps injury protections;

(3) develop a model training curriculum to train employers, employees, and other persons on the process of evaluating needleless systems and sharps with engineered sharps injury protections and to the extent feasible to provide technical assistance to persons who request such assistance; and

(4) establish a national system to collect comprehensive data on needlestick injuries to health care workers, including data on mechanisms to analyze and evaluate prevention interventions in relation to needlestick injury occurrence.

(b) DEFINITIONS.—In this section:

(1) EMPLOYER.—The term ''employer'' means each employer having an employee with occupational exposure to human blood or other material potentially containing bloodborne pathogens.

(2) ENGINEERED SHARPS INJURY PROTECTIONS.—The term ''engineered sharps injury protections'' means—

(A) a physical attribute built into a needle device used for withdrawing body fluids, accessing a vein or artery, or administering medications or other fluids, that effectively reduces the risk of an exposure incident by a mechanism such as barrier creation, blunting, encapsulation, withdrawal, retraction, destruction, or other effective mechanisms; or

(B) a physical attribute built into any other type of needle device, or into a nonneedle sharp, which effectively reduces the risk of an exposure incident.

(3) NEEDLELESS SYSTEM.—The term ''needleless system'' means a device that does not use needles for—

(A) the withdrawal of body fluids after initial venous or arterial access is established;

(B) the administration of medication or fluids; and

(C) any other procedure involving the potential for an exposure incident.

(4) SHARP.—The term ''sharp'' means any object used or encountered in a health care setting that can be reasonably anticipated to penetrate the skin or any other part of the body, and to result in an exposure incident, including, but not limited to, needle devices, scalpels, lancets, broken glass, broken capillary tubes, exposed ends of dental wires and dental knives, drills, and burs.

(5) SHARPS INJURY.—The term ''sharps injury'' means any injury caused by a sharp, including cuts, abrasions, or needlesticks.

(c) OFFSET.—Amounts made available under this Act for the travel, consulting, and printing services for the Department of Labor, the Department of Health and Human Services, and the Department of Education shall be reduced on a pro rata basis by $10,000,000.

WELLSTONE (AND OTHERS) AMENDMENT NO. 3631

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. KENNEDY, Mr. DODD, Mr. BINGAMAN, and Mr. REED) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

SEC. . PART A OF TITLE I.

Notwithstanding any other provision of this Act, the total amount appropriated under this Act to carry out part A of title I of the Elementary and Secondary Education Act of 1965 shall be $10,000,000,000.

WYDEN AMENDMENT NO. 3632

Mr. WYDEN proposed an amendment to the bill, H.R. 4577, supra, as follows:

At the appropriate place, insert:

SEC. . None of the funds made available under this Act may be made available to any entity under the Public Health Service Act after September 1, 2001, unless the Director of NIH has provided to the Chairman and Ranking Member of the Senate Committee on Health, Education, Labor, and Pensions a proposal to require a reasonable rate of return on both intramural and extramural research by March 31, 2001.

INHOFE (AND OTHERS) AMENDMENT NO. 3633

Mr. INHOFE (for himself, Mr. MURKOWSKI, and Mr. SESSIONS) proposed an amendment to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

SEC. ___. IMPACT AID.

Notwithstanding any other provision of this Act—

(1) the total amount appropriated under this title to carry out title VIII of the Elementary and Secondary Education Act of 1965 shall be $1,108,200,000;

(2) the total amount appropriated under this title for basic support payments under section 8003(b) of the Elementary and Secondary Education Act of 1965 shall be $896,200,000, and

(3) amounts made available under title I for the administrative and related expenses of the Department of Labor, Health and Human Services, and Education shall be further reduced on a pro rata basis by $78,200,000.

HATCH (AND LEAHY) AMENDMENT NO. 3634

Mr. HATCH (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

Insert at the end the following:

SEC. . PROVISION OF INTERNET FILTERING OR SCREENING SOFTWARE BY CERTAIN INTERNET SERVICE PROVIDERS.

(a) REQUIREMENT TO PROVIDE.—Each Internet service provider shall at the time of entering an agreement with a residential customer for the provision of Internet access services, provided to such customer, either at no fee or at a fee not in excess of the amount specified in subsection (c), computer software or other filtering or blocking system that allows the customer to prevent the access of minors to material on the Internet.

(b) SURVEYS OF PROVISION OF SOFTWARE OR SYSTEMS—

(1) SURVEYS.—The Office of Juvenile Justice and Delinquency Prevention of the Department of Justice and the Federal Trade Commission shall jointly conduct surveys of the extent to which Internet service providers are providing computer software or systems described in subsection (a) to their subscribers. In performing such surveys, neither the Department nor the Commission shall collect personally identifiable information of subscribers of the Internet service providers.

(2) FREQUENCY.—The survey required by paragraph (1) shall be completed as follows:

(A) One shall be completed not later than one year after the date of the enactment of this Act.

(B) One shall be completed not later than two years after that date.

(C) One shall be completed not later than three years after that date.

(c) FEES.—The fee, if any, charged and collected by an Internet service provider for providing computer software or a system described in subsection (a) to a residential customer shall not exceed the amount equal to the cost of the provider in providing the software or system to the subscriber, including the cost of the software or system and of any license required with respect to the software or system.

(d) APPLICABILITY.—The requirement described in subsection (a) shall become effective only if—

(1) 1 year after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(A) that less than 75 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided computer software or systems described in subsection (a) by such providers;

(2) 2 years after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(B) that less than 85 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers; or

(3) 3 years after the date of the enactment of this Act, if the Office of the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(C) that less than 100 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers.

(e) INTERNET SERVICE PROVIDER DEFINED.—In this section, the term 'Internet service provider' means a service provider as defined in section 512(k)(1)(A) of title 17, United States Code, which has more than 50,000 subscribers.

SANTORUM AMENDMENT NO. 3635

Mr. SANTORUM proposed an amendment to the bill, H.R. 4577, supra, as follows:

On page 92, between lines 4 and 5, insert the following:

TITLE VI—UNIVERSAL SERVICE FOR SCHOOLS AND LIBRARIES

SEC. 601. SHORT TITLE.

This title may be cited as the ''Neighborhood Children's Internet Protection Act''.

SEC. 602. NO UNIVERSAL SERVICE FOR SCHOOLS OR LIBRARIES THAT FAIL TO IMPLEMENT A FILTERING OR BLOCKING SYSTEM FOR COMPUTERS WITH INTERNET ACCESS OR ADOPT INTERNET USE POLICIES.

(a) NO UNIVERSAL SERVICE.—

(1) IN GENERAL.—Section 254 of the Communications Act of 1934 (47 U.S.C. 254) is amended by adding at the end the following:

''(l) IMPLEMENTATION OF INTERNET FILTERING OR BLOCKING SYSTEM OR USE POLICIES.—

''(1) IN GENERAL.—No services may be provided under subsection (h)(1)(B) to any elementary or secondary school, or any library, unless it provides the certification required by paragraph (2) to the Commission or its designee.

''(2) CERTIFICATION.—A certification under this paragraph with respect to a school or library is a certification by the school, school board, or other authority with responsibility for administration of the school, or the library, or any other entity representing the school or library in applying for universal service assistance, that the school or library—

''(A) has—

''(i) selected a system for its computers with Internet access that are dedicated to student use in order to filter or block Internet access to matter considered to be inappropriate for minors; and

''(ii) installed on such computers, or upon obtaining such computers will install on such computers, a system to filter or block Internet access to such matter; or

''(B)(i) has adopted and implemented an Internet use policy that addresses—

''(I) access by minors to inappropriate matter on the Internet and World Wide Web;

''(II) the safety and security of minors when using electronic mail, chat rooms, and other forms of direct electronic communications;

''(III) unauthorized access, including so-called 'hacking', and other unlawful activities by minors online;

''(IV) unauthorized disclosure, use, and dissemination of personal identification information regarding minors; and

''(V) whether the school or library, as the case may be, is employing hardware, software, or other technological means to limit, monitor, or otherwise control or guide Internet access by minors; and

''(ii) provided reasonable public notice and held at least one public hearing or meeting which addressed the proposed Internet use policy.

''(3) LOCAL DETERMINATION OF CONTENT.—For purposes of a certification under paragraph (2), the determination regarding what matter is inappropriate for minors shall be made by the school board, library, or other authority responsible for making the determination. No agency or instrumentality of the United States Government may—

''(A) establish criteria for making such determination;

''(B) review the determination made by the certifying school, school board, library, or other authority; or

''(C) consider the criteria employed by the certifying school, school board, library, or other authority in the administration of subsection (h)(1)(B).

''(4) EFFECTIVE DATE.—This subsection shall apply with respect to schools and libraries seeking universal service assistance under subsection (h)(1)(B) on or after July 1, 2001.''.

(2) CONFORMING AMENDMENT.—Subsection (h)(1)(B) of that section is amended by striking ''All telecommunications'' and inserting ''Except as provided by subsection (l), all telecommunications''.

(b) STUDY.—Not later than 150 days after the date of the enactment of this Act, the National Telecommunications and Information Administration shall initiate a notice and comment proceeding for purposes of—

(1) evaluating whether or not currently available commercial Internet blocking, filtering, and monitoring software adequately addresses the needs of educational institutions;

(2) making recommendations on how to foster the development of products which meet such needs; and

(3) evaluating the development and effectiveness of local Internet use policies that are currently in operation after community input.

SEC. 603. IMPLEMENTING REGULATIONS.

Not later than 100 days after the date of the enactment of this Act, the Federal Communications Commission shall adopt rules implementing this title and the amendments made by this title.

KERRY AMENDMENT NO. 3636

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

At the end of title III, insert the following:

SEC. ____. Notwithstanding any other provision of this Act—

(1) the total amount made available under this title to carry out the technology literacy challenge fund under section 3132 of the Elementary and Secondary Education Act of 1965 shall be $450,000,000; and

(2) amounts made available under titles I and II, and this title, for administrative and related expenses at the Departments of Labor, Health and Human Services, and Education, respectively, shall be reduced on a pro rata basis by $25,000,000.

REED (AND OTHERS) AMENDMENTS NOS. 3637–3639

(Ordered to lie on the table.)

Mr. REED (for himself, Mr. KENNEDY, and Mrs. MURRAY) submitted three amendments intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3637

At the end of title III, insert the following:

SEC. ___. GEAR UP PROGRAM.

In addition to any other funds appropriated under this Act to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965, there are appropriated $100,000,000, which shall become available on October 1, 2001.

AMENDMENT NO. 3638

At the end of title III, insert the following:

SEC. ___. GEAR UP PROGRAM.

In addition to any other funds appropriated under this Act to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965, there are appropriated $100,000,000.

AMENDMENT NO. 3639

At the end of title III, insert the following:

SEC. ___. GEAR UP PROGRAM.

In addition to any other funds appropriated under this Act to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965, there are appropriated $100,000,000: *Provided*, That these funds are hereby designated by the Congress to be emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That these funds shall be made available only after submission to the Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in such Act.

BROWNBACK AMENDMENT NO. 3640

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

At the appropriate place, insert the following:

SEC. ____. (a) FINDINGS.—The Senate finds that—

(1) Ocular Albinism is an x-linked genetic disorder affecting 1 in 50,000 American children, mostly males;

(2) affected patients show nystagmus, strabimus, photophobia, severe reduction in visual acuity, and loss of three dimensional vision due to abnormal development of the retina and optic pathways; and

(3) there is a paucity of National Institutes of Health-sponsored research in this disorder and its 5 related conditions (Fundus Hypopigmentations, Macular Hypoplasia, Iris Transillumination, Visual Pathway Misrouting and Nystagmus).

(b) SENSE OF THE SENATE.—It is the Sense of the Senate that the National Institutes of Health should develop and fund a research initiative in cooperation with the National Eye Institute into the causes of and treatments for Ocular Albinism and related disorders.

VOINOVICH AMENDMENT NO. 3641

(Ordered to lie on the table.)

Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 59, line 10, insert ''; to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.);'' after ''qualified teachers''.

COLLINS (AND REED) AMENDMENT NO. 3642

(Ordered to lie on the table.)

Ms. COLLINS (for herself and Mr. REED) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 54, between lines 10 and 11, insert the following:

SEC. . From amounts made available under this title for the Center for Substance Abuse Treatment (discretionary account), $10,000,000 shall be used to provide grants to local non-profit private and public entities to enable such entities to develop and expand activities to provide substance abuse services to homeless individuals.

COLLINS (AND OTHERS) AMENDMENT NO. 3643

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. FEINGOLD, Mr. JEFFORDS, Mr. BIDEN, Mrs. MURRAY, Mr. ENZI, Mr. WELLSTONE, Mr. BINGAMAN, Mr. ROBB, and Mr. KERRY) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 54, between lines 10 and 11, insert the following:

SEC. ___. (a) IN GENERAL.—In addition to amounts appropriated under this title, there is appropriated $5,000,000 to be provided to the Rural Health Outreach Office of the Health Resources and Services Administration for the awarding of grants to community partnerships, that meet the requirements of subsection (b), to enable such partnerships to purchase equipment and provide training as provided for in subsection (c).

(b) REQUIREMENTS.—A community partnership meets the requirements of this subsection if such partnership—

(1) is composed of local emergency response entities such as community training facilities, local emergency responders, fire and rescue departments, police, community hospitals, and local non-profit entities and for-profit entities concerned about cardiac arrest survival rates;

(2) evaluates the local community emergency response times to assess whether they meet the standards established by national public health organizations such as the American Heart Association and the American Red Cross;

(3) submits to the Secretary of Health and Human Services an application at such time, in such manner, and containing such information as the Secretary may require; and

(4) is located in and serves a rural area (as determined by the Secretary of Health and Human Services).

(c) USE OF FUNDS.—Amounts provided under a grant under this section shall be used—

(1) to purchase automated external defibrillators that have been approved, or cleared for marketing, by the Food and Drug Administration; and

(2) to provide defibrillator and basic life support training in automated external defibrillator usage through the American Heart Association, the American Red Cross, or other nationally recognized training courses.

(d) OFFSET.—Amounts made available under this title for the administrative and related expenses of the Department of Health and Human Services shall be reduced by $5,000,000.

WELLSTONE AMENDMENT NO. 3644

(Ordered to lie on the table.)

Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 71, after line 25, add the following:

SEC. ___. (a) In addition to any amounts appropriated under this title for the loan forgiveness for child care providers program under section 428K of the Higher Education Act of 1965 (20 U.S.C. 1078-11), an additional $10,000,000 is appropriated to carry out such program.

(b) Notwithstanding any other provision of this Act, amounts made available under titles I and II, and this title, for salaries and expenses at the Departments of Labor, Health and Human Services, and Education, respectively, shall be reduced on a pro rata basis by $10,000,000.

LANDRIEU AMENDMENT NO. 3645

(Ordered to lie on the table.)

Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill, H.R. 4577, supra; as follows:

On page 55, strike line 21 and all that follows through page 56, line 8, and insert the following:

Higher Education Act of 1965, $9,586,800,000, of which $2,912,222,521 shall become available on July 1, 2001, and shall remain available through September 30, 2002, and of which $6,674,577,479 shall become available on October 1, 2001, and shall remain available through September 30, 2002, for academic year 2000–2001: *Provided*, That $6,985,399,000 shall be available for basic grants under section 1124: *Provided further*, That up to $3,500,000 of these funds shall be available to the Secretary on October 1, 2000, to obtain updated local educational agency level census poverty data from the Bureau of the Census: *Provided further*, That $1,200,400,000 shall be available for concentration grants under section 1124A: *Provided further*, That $750,000,000 shall be available for targeted grants under section 1125 of the Elementary and Secondary Education Act of 1965: *Provided further*, That grant awards under * * *

BROWNBACK AMENDMENT NO. 3646

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

At the end of title V, add the following:

SEC. ____. (a) Congress finds that—

(1) family structure and function have a significant impact on children's physical and emotional health, academic performance, social adjustment, and well-being;

(2) research on family structure and function may prove helpful in reducing health care costs, strengthening families, and improving the health and well-being of children; and

(3) the Federal Interagency Forum on Child and Family Statistics has recommended increased data collection relating to family structure and function.

(b)(1)(A) The Federal officers and employees described in paragraph (2) shall conduct research relating to family structure and function, and their impact on children.

(B) In conducting the research, the officers and employees shall collect data that describe—

(i) children's living arrangements;

(ii) children's interactions with parents and guardians (including non-residential parents); and

(iii) the number of children who live with biological parents, stepparents, adoptive parents, or guardians, or with no parent or guardian.

(2) The Federal officers and employees referred to in paragraph (1) are—

(A) in the Department of Health and Human Services—

(i) the Director of the National Center for Health Statistics in the Centers for Disease Control and Prevention;

(ii) the Director of the Agency for Healthcare Research and Quality;

(iii) the Director of the National Institute of Child Health and Human Development of the National Institutes of Health;

(iv) the Assistant Secretary for Children and Families;

(v) the Associate Administrator of the Maternal and Child Health Bureau of the Health Resources and Services Administration; and

(vi) the Assistant Secretary for Planning and Evaluation; and

(B) in the Department of Labor, the Commissioner of Labor Statistics.

(c) There is authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2001.

COVERDELL AMENDMENTS NOs. 3647–3648

(Ordered to lie on the table.)

Mr. COVERDELL submitted two amendments intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

AMENDMENT NO. 3647

On page 92, between lines 4 and 5, insert the following:

SEC. . PROHIBITION.

None of the funds made available under this Act may be used to enter into a contract with a person or entity that is the subject of a criminal, civil, or administrative proceeding commenced by the Federal Government and alleging fraud.

AMENDMENT NO. 3648

Strike Sec. 505 and insert the following:

''SEC. 505. Notwithstanding any other provision of this Act, no funds appropriated under this Act shall be used to carry out any program of distributing sterile needless or syringes for the hypodermic injection of any illegal drug.''

BINGAMAN (AND OTHERS) AMENDMENT NO. 3649

Mr. BINGAMAN (for himself, Mr. REED, Mr. KENNEDY, Mrs. MURRAY, Mr. DODD, and Mr. WELLSTONE) proposed an amendment to the bill, H.R. 4577, supra; as follows:

On page 57, line 19, after ''year'' insert the following: '': *Provided further*, That in addition to any other funds appropriated under this title, there are appropriated, under the authority of section 1002(f) of the Elementary and Secondary Education Act of 1965, $250,000,000 to carry out sections 1116 and 1117 of such Act''.

LIEBERMAN (AND OTHERS) AMENDMENT NO. 3650

(Ordered to lie on the table.)

Mr. LIEBERMAN (for himself, Mr. GORTON, Mr. BAYH, Mr. BRYAN, Ms. LANDRIEU, Mrs. LINCOLN, Mr. KOHL, and Mr. ROBB) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following: ''Higher Education Act of 1965, $8,986,800,000, of which $2,729,958,000 shall become available on July 1, 2001, and shall remain available through September 30, 2002, and of which $6,223,342,000 shall become available on October 1, 2001 and shall remain available through September 30, 2002, for academic year 2000–2001: *Provided*, That $7,113,403,000 shall be available for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965: *Provided further*, That up to $3,500,000 of those funds shall be available to the Secretary on October 1, 2000, to obtain updated local educational agency level census poverty data from the Bureau of the Census: *Provided further*, That $1,222,397,000 shall be available for concentration grants under section 1124A of that Act: *Provided further*, That, in addition to the amounts otherwise made available under this heading, an amount of $1,000 (which shall become available on October 1, 2000) shall be transferred to the account under this heading from the amount appropriated under the heading ''PROGRAM ADMINISTRATION'' under the heading ''DEPARTMENTAL MANAGEMENT'' in title III, for carrying out a study by the Comptroller General of the United States, evaluating the extent to which funds made available under part A of title I of the Elementary and Secondary Education Act of 1965 are allocated to schools and local educational agencies with the greatest concentrations of school-age children from low-income families, the extent to which allocations of such funds adjust to shifts in concentrations of pupils from low-income families in different regions, States, and substate areas, the implications of current distribution methods for such funds, and formula and other policy recommendations to improve the targeting of such funds to more effectively serve low-income children in both rural and urban areas, and for preparing interim and final reports based on the results of the study, to be submitted to Congress not later than February 1, 2001, and April 1, 2001, respectively: *Provided further*, That grant awards under sec-''.

DOMENICI AMENDMENT NO. 3651

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 4, between lines 6 and 7, insert the following:

Of the funds made available under this heading for dislocated worker employment and training activities, $5,000,000 shall be available to the New Mexico Telecommunications Call Center Training Consortium for such activities.

BINGAMAN (AND OTHERS) AMENDMENT NO. 3652

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself, Mr. REID, and Mr. LEAHY) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

At the end, add the following:

Division B

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the 'Energy Security Tax Act of 2000'.

(b) AMENDMENT OF 1986 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 1986.

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

Title I—Energy-Efficient Property Used in Business

SEC. 101. CREDIT FOR CERTAIN ENERGY-EFFICIENT PROPERTY USED IN BUSINESS.

(a) IN GENERAL.—Subpart E of part IV of subchapter A of chapter I (relating to rules

for computing investment credit) is amended by inserting after section 48 the following:

"SEC. 48A. ENERGY CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the energy credit for any taxable year is the sum of—

''(1) the amount equal to the energy percentage of the basis of each energy property placed in service during such taxable year, and

''(2) the credit amount for each qualified hybrid vehicle placed in service during the taxable year.

''(b) ENERGY PERCENTAGE.—

''(1) IN GENERAL.—The energy percentage is—

''(A) except as otherwise provided in this subparagraph, 10 percent,

''(B) in the case of energy property described in clauses (i), (iii), (vi), and (vii) of subsection (c)(1)(A), 20 percent,

''(C) in the case of energy property described in subsection (c)(1)(A)(v), 15 percent, and

''(D) in the case of energy property described in subsection (c)(1)(A)(ii) relating to a high risk geothermal well, 20 percent.

''(2) COORDINATION WITH REHABILITATION.—The energy percentage shall not apply to that portion of the basis of any property which is attributable to qualified rehabilitation expenditures.

''(c) ENERGY PROPERTY DEFINED.—

(1) IN GENERAL.—For purposes of this subpart, the term 'energy property' means any property—

''(A) which is—

''(i) energy property,

''(ii) geothermal energy property,

''(iii) energy-efficient building property,

''(iv) combined heat and power system property,

''(v) low core loss distribution transformer property,

''(vi) qualified anaerobic digester property, or

''(vii) qualified wind energy systems equipment property,

''(B)(i) the construction, reconstruction, or erection of which is completed by the taxpayer, or

''(ii) which is acquired by the taxpayer if the original use of such property commences with the taxpayer,

''(C) which can reasonably be expected to remain in operation for at least 5 years,

''(D) with respect to which depreciation (or amortization in lieu of depreciation) is allowable, and

''(E) which meets the performance and quality standards (if any) which—

''(i) have been prescribed by the Secretary by regulations (after consultation with the Secretary of Energy), and

''(ii) are in effect at the time of the acquisition of the property.

''(2) EXCEPTIONS.—

''(A) PUBLIC UTILITY PROPERTY.—Such term shall not include any property which is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), except for property described in paragraph (1)(A)(iv).

''(B) CERTAIN WIND EQUIPMENT.—Such term shall not include equipment described in paragraph (1)(A)(vii) which is taken into account for purposes of section 45 for the taxable year.

''(d) DEFINITIONS RELATING TO TYPES OF ENERGY PROPERTY.—For purposes of this section—

''(1) SOLAR ENERGY PROPERTY.—

''(A) IN GENERAL.—The term 'solar energy property' means equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat.

''(B) SWIMMING POOLS, ETC., USED AS STORAGE MEDIUM.—The term 'solar energy property' shall not include property with respect to which expenditures are properly allocable to a swimming pool, hot tub, or any other energy storage medium which has a function other than the function of such storage.

''(C) SOLAR PANELS.—No solar panel or other property installed as a roof (or portion thereof) shall fail to be treated as solar energy property solely because it constitutes a structural component of the structure on which it is installed.

''(2) GEOTHERMAL ENERGY PROPERTY.—

''(A) IN GENERAL.—The term 'geothermal energy property' means equipment used to produce, distribute, or use energy derived from a geothermal deposit (within the meaning of section 613(e)(2)), but only, in the case of electricity generated by geothermal power, up to (but not including) the electrical transmission state.

''(B) HIGH RISK GEOTHERMAL WELL.—The term 'high risk geothermal well' means a geothermal deposit (within the meaning of section 613(e)(2)) which requires high risk drilling techniques. Such deposit may not be located in a State or national park or in an area in which the relevant State park authority or the National Park Service determines the development of such a deposit will negatively impact on a State or national park.

''(3) ENERGY-EFFICIENT BUILDING PROPERTY.—

''(A) IN GENERAL.—The term 'energy-efficient building property' means—

''(i) a fuel cell that—

''(I) generates electricity and heat using an electrochemical process,

''(II) has an electricity-only generation efficiency greater than 35 percent, and

''(III) has a minimum generating capacity of 5 kilowatts,

''(ii) an electric heat pump hot water heater that yields an energy factor of 1.7 or greater under standards prescribed by the Secretary of Energy,

''(iii) an electric heat pump that has a heating system performance factor (HSPF) of 9 or greater and a cooling seasonal energy efficiency ratio (SEER) of 13.5 or greater,

''(iv) a natural gas heat pump that has a coefficient of performance of not less than 1.25 for heating and not less than 0.60 for cooling,

''(v) a central air conditioner that has a cooling seasonal energy efficiency ratio (SEER) of 13.5 or greater,

''(vi) an advanced natural gas water heater that—

''(I) increases steady state efficiency and reduces standby and vent losses, and

''(II) has an energy factor of at least 0.65,

''(vii) an advanced natural gas furnace that achieves a 95 percent AFUE, and

''(viii) natural gas cooling equipment—

''(I) that has a coefficient of performance of not less than .60, or

''(II) that uses desiccant technology and has an efficiency rating of 40 percent.

''(B) LIMITATIONS.—The credit under subsection (a)(1) for the taxable year may not exceed—

''(i) $500 in the case of property described in subparagraph (A) other than clauses (i) and (iv) thereof,

''(ii) $500 for each kilowatt of capacity in the case of a fuel cell described in subparagraph (A)(i), and

''(iii) $1,000 in the case of a natural gas heat pump described in subparagraph (A)(iv).

''(4) COMBINED HEAT AND POWER SYSTEM PROPERTY.—

''(A) IN GENERAL.—The term 'combined heat and power system property' means property—

''(i) 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,

''(ii) that has an electrical capacity of more than 50 kilowatts, and

''(iii) that produces at least 20 percent of its total useful energy in the form of both thermal energy and electrical or mechanical power.

''(B) ACCOUNTING RULE FOR PUBLIC UTILITY PROPERTY.—In the case that combined heat and power system property is public utility property (as defined in section 46(f)(5) as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990), the taxpayer may only claim the credit under subsection (a)(1) if, with respect to such property, the taxpayer uses a normalization method of accounting.

''(5) LOW CORE LOSS DISTRIBUTION TRANSFORMER PROPERTY.—The term 'low core loss distribution transformer property' means a distribution transformer which has energy savings from a highly efficient core of at least 20 percent more than the average for power ratings reported by studies required under section 124 of the Energy Policy Act of 1992.

''(6) QUALIFIED ANAEROBIC DIGESTER PROPERTY.—The term 'qualified anaerobic digester property' means anaerobic digester for manure or crop waste that achieves at least 65 percent efficiency measured in terms of the fraction of energy input converted to electricity and useful thermal energy.

''(7) QUALIFIED WIND ENERGY SYSTEMS EQUIPMENT PROPERTY.—The term 'qualified wind energy systems equipment property' means wind energy systems equipment with a turbine size of not more than 50 kilowatts rated capacity.

''(e) QUALIFIED HYBRID VEHICLES.—For purposes of subsection (a)(2)—

''(1) CREDIT AMOUNT.—

''(A) IN GENERAL.—The credit amount for each qualified hybrid vehicle with a rechargeable energy storage system that provides the applicable percentage of the maximum available power shall be the amount specified in the following table:

"Applicable percentage		Credit amount is:
Greater than or equal to	Less than	
5 percent	10 percent	$500
10 percent	20 percent	1,000
20 percent	30 percent	1,500
30 percent		2,000

''(B) INCREASE IN CREDIT AMOUNT FOR REGENERATIVE BRAKING SYSTEM.—In the case of a qualified hybrid vehicle that actively employs a regenerative braking system which supplies to the rechargeable energy storage system the applicable percentage of the energy available from braking in a typical 60 miles per hour to 0 miles per hour braking event, the credit amount determined under subparagraph (A) shall be increased by the amount specified in the following table:

"Applicable percentage		Credit amount is:
Greater than or equal to	Less than	
20 percent	40 percent	$250
40 percent	60 percent	500
60 percent		1,000

''(2) QUALIFIED HYBRID VEHICLE.—The term 'qualified hybrid vehicle', means an automobile that meets all applicable regulatory requirements and that can draw propulsion energy from both of the following on-board sources of stored energy:

''(A) A consumable fuel.

''(B) A rechargeable energy storage system.

''(3) MAXIMUM AVAILABLE POWER.—The term 'maximum available power' means the

maximum value of the sum of the heat engine and electric drive system power or other non-heat energy conversion devices available for a driver's command for maximum acceleration at vehicle speeds under 75 miles per hour.

''(4) AUTOMOBILE.—The term 'automobile' has the meaning given such term by section 4064(b)(1) (without regard to subparagraphs (B) and (C) thereof). A vehicle shall not fail to be treated as an automobile solely by reason of weight if such vehicle is rated at 8,500 pounds gross vehicle weight rating or less.

''(5) DOUBLE BENEFIT; PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a)(2) with respect to—

''(A) any property for which a credit is allowed under section 25B or 30,

''(B) any property referred to in section 50(b), and

''(C) the portion of the cost of any property taken into account under section 179 or 179A.

''(6) REGULATIONS.—

''(A) TREASURY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection.

''(B) ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency shall prescribe such regulations as may be necessary or appropriate to specify the testing and calculation procedures that would be used to determine whether a vehicle meets the qualifications for a credit under this subsection.

''(7) TERMINATION.—Paragraph (2) shall not apply with respect to any vehicle placed in service during a calendar year ending before January 1, 2003, or after December 31, 2006.

''(f) SPECIAL RULES.—For purposes of this section—

''(1) SPECIAL RULE FOR PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING OR INDUSTRIAL DEVELOPMENT BONDS.—

(A) REDUCTION OF BASIS.—For purposes of applying the energy percentage to any property, if such property is financed in whole or in part by—

''(i) subsidized energy financing, or

''(ii) the proceeds of a private activity bond (within the meaning of section 141) the interest on which is exempt from tax under section 103, the amount taken into account as the basis of such property shall not exceed the amount which (but for this subparagraph) would be so taken into account multiplied by the fraction determined under subparagraph (B).

''(B) DETERMINATION OF FRACTION.—For purposes of subparagraph (A), the fraction determined under this subparagraph is 1 reduced by a fraction—

''(i) the numerator of which is that portion of the basis of the property which is allocable to such financing or proceeds, and

''(ii) the denominator of which is the basis of the property.

''(C) SUBSIDIZED ENERGY FINANCING.—For purposes of subparagraph (A), the term 'subsidized energy financing' means financing provided under a Federal, State, or local program a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy.

''(2) CERTAIN PROGRESS EXPENDITURE RULES MADE APPLICABLE.—Rules similar to the rules of subsections (c)(4) and (d) of section 46 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall apply for purposes of this section.

''(g) APPLICATION OF SECTION.—

''(1) IN GENERAL.—Except as provided by paragraph (2) and subsection (e), this section shall apply to property placed in service after December 31, 1999, and before January 1, 2004.

''(2) EXCEPTIONS.—

''(A) SOLAR ENERGY AND GEOTHERMAL ENERGY PROPERTY.—Paragraph (1) shall not apply to solar energy property or geothermal energy property.

''(B) FUEL CELL PROPERTY.—In the case of property that is a fuel cell described in subsection (d)(3)(A)(i), this section shall apply to property placed in service after December 31, 1999, and before January 1, 2005.''

(b) CONFORMING AMENDMENTS.—

(1) Section 48 is amended to read as follows:

''SEC. 48. REFORESTATION CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the reforestation credit for any taxable year is 20 percent of the portion of the amortizable basis of any qualified timber property which was acquired during such taxable year and which is taken into account under section 194 (after the application of section 194(b)(1)).

''(b) DEFINITIONS.—For purposes of this subpart, the terms 'amortizable basis' and 'qualified timber property' have the respective meanings given to such terms by section 194.''

(2) Section 39(d) is amended by adding at the end the following:

''(9) NO CARRYBACK OF ENERGY CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy credit determined under section 48A may be carried back to a taxable year ending before the date of the enactment of section 48A.''

(3) Section 280C is amended by adding at the end the following:

''(d) CREDIT FOR ENERGY PROPERTY EXPENSES.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the expenses for energy property (as defined in section 48A(c)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 48A(a).

''(2) SIMILAR RULE WHERE TAXPAYER CAPITALIZES RATHER THAN DEDUCTS EXPENSES.—If—

''(A) the amount of the credit allowable for the taxable year under section 48A (determined without regard to section 38(c)), exceeds

''(B) the amount allowable as a deduction for the taxable year for expenses for energy property (determined without regard to paragraph (1)), the amount chargeable to capital account for the taxable year for such expenses shall be reduced by the amount of such excess.

''(3) CONTROLLED GROUPS.—Paragraph (3) of subsection (b) shall apply for purposes of this subsection.''

(4) Section 29(b)(3)(A)(i)(III) is amended by striking ''section 48(a)(4)(C)'' and inserting ''section 48A(f)(1)(C)''.

(5) Section 50(a)(2)(E) is amended by striking ''section 48(a)(5)'' and inserting ''section 48A(f)(2)''.

(6) Section 168(e)(3)(B) is amended—

(A) by striking clause (vi)(I) and inserting the following:

''(I) is described in paragraph (1) or (2) of section 48A(d) (or would be so described if 'solar and wind' were substituted for 'solar' in paragraph (1)(B)),'', and

(B) in the last sentence by striking, ''section 48(a)(3)'' and inserting ''section 48A(c)(2)(A)''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart E of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 48 and inserting the following:

''Sec. 48. Reforestation credit.

'Sec. 48A. Energy credit'''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1999, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 102 ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY DEDUCTION—

''(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the sum of the energy efficient commercial building amount determined under subsection (b).

(b) ''(1) DEDUCTION ALLOWED.—For purposes of subsection (a)—

''(A) IN GENERAL.—The energy efficient commercial building property deduction determined under this subsection is an amount equal to energy efficient commercial building property expenditures made by a taxpayer for the taxable year.

''(B) MAXIMUM AMOUNT OF DEDUCTION.—The amount of energy efficient commercial building-property expenditures taken into account under subparagraph (A) shall not exceed an amount equal to the product of—

''(i) $2.25, and

''(ii) the square footage of the building with respect to which the expenditures are made.

''(C) YEAR DEDUCTION ALLOWED.—The deduction under subparagraph (A) shall be allowed in the taxable year in which the construction of the building is completed.

''(2) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY EXPENDITURES.—For purposes of this subsection, the term 'energy efficient commercial building property expenditures' means an amount paid or incurred for energy efficient commercial building property installed on or in connection with new construction or reconstruction of property—

''(A) for which depreciation is allowable under section 167,

''(B) which is located in the United States, and

''(C) the construction or erection of which is completed by the taxpayer.

Such property includes all residential rental property, including low-rise multifamily structures and single family housing property which is not within the scope of Standard 90.1–1999 (described in paragraph (3)). Such term includes expenditures for labor costs properly allocable to the on site preparation, assembly, or original installation of the property.

''(3) ENERGY EFFICIENT COMMERCIAL BUILDING PROPERTY.—For purposes of paragraph (2)—

''(A) IN GENERAL.—The term 'energy efficient commercial building property' means any property which reduces total annual energy and power costs with respect to the lighting, heating, cooling, ventilation, and hot water supply systems of the building by 50 percent or more in comparison to a reference building which meets the requirements of Standard 90.1–1999 of the American Society of Heating, Refrigerating, and Air Conditioning Engineers and the Illuminating Engineering Society of North America using methods of calculation under subparagraph (B) and certified by qualified professionals as provided under paragraph (6).

''(B) METHODS OF CALCULATION.—The Secretary, in consultation with the Secretary of Energy, shall promulgate regulations which describe in detail methods for calculating and verifying energy and power consumption and cost, taking into consideration the provisions of the 1998 California Nonresidential ACM Manual. These procedures shall meet the following requirements:

''(i) In calculating tradeoffs and energy performance, the regulations shall prescribe

the costs per unit of energy and power, such as kilowatt hour, kilowatt, gallon of fuel oil, and cubic foot or Btu of natural gas, which may be dependent on time of usage.

''(ii) The calculational methodology shall require that compliance be demonstrated for a whole building. If some systems of the building, such as lighting, are designed later than other systems of the building, the method shall provide that either—

''(I) the expenses taken into account under paragraph (1) shall not occur until the date designs for all energy-using systems of the building are completed,

''(II) the energy performance of all systems and components not yet designed shall be assumed to comply minimally with the requirements of such Standard 90.1–1999, or

''(III) the expenses taken into account under paragraph (1) shall be a fraction of such expenses based on the performance of less than all energy-using systems in accordance with clause (iii).

''(iii) The expenditures in connection with the design of subsystems in the building, such as the envelope, the heating, ventilation, air conditioning and water heating system, and the lighting system shall be allocated to the appropriate building subsystem based on system-specific energy cost savings targets in regulations promulgated by the Secretary of Energy which are equivalent, using the calculation methodology, to the whole building requirement of 50 percent savings.

''(iv) The calculational methods under this subparagraph need not comply fully with section 11 of such Standard 90.1–1999.

''(v) The calculational methods shall be fuel neutral, such that the same energy efficiency features shall qualify a building for the deduction under this subsection regardless of whether the heating source is a gas or oil furnace or an electric heat pump.

''(vi) The calculational methods shall provide appropriate calculated energy savings for design methods and technologies not otherwise credited in either such Standard 90.1–1999 or in the 1998 California Nonresidential ACM Manual, including the following:

''(I) Natural ventilation.

''(II) Evaporative cooling.

''(III) Automatic lighting controls such as occupancy sensors, photocells, and timeclocks.

''(IV) Daylighting.

''(V) Designs utilizing semi-conditioned spaces that maintain adequate comfort conditions without air conditioning or without heating.

''(VI) Improved fan system efficiency, including reductions in static pressure.

''(VII) Advanced unloading mechanisms for mechanical cooling, such as multiple or variable speed compressors.

''(VIII) The calculational methods may take into account the extent of commissioning in the building, and allow the taxpayer to take into account measured performance that exceeds typical performance.

''(C) COMPUTER SOFTWARE.—

''(i) IN GENERAL.—Any calculation under this paragraph shall be prepared by qualified computer software.

''(ii) QUALIFIED COMPUTER SOFTWARE.—For purposes of this subparagraph, the term 'qualified computer software' means software—

''(I) for which the software designer has certified that the software meets all procedures and detailed methods for calculating energy and power consumption and costs as required by the Secretary,

''(II) which provides such forms as required to be filed by the Secretary in connection with energy efficiency of property and the deduction allowed under this subsection, and

''(III) which provides a notice form which summarizes the energy efficiency features of the building and its projected annual energy costs.

''(4) ALLOCATION OF DEDUCTION FOR PUBLIC PROPERTY.—In the case of energy efficient commercial building property installed on or in public property, the Secretary shall promulgate a regulation to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the public entity which is the owner of such property. Such person shall be treated as the taxpayer for purposes of this subsection.

''(5) NOTICE TO OWNER.—The qualified individual shall provide an explanation to the owner of the building regarding the energy efficiency features of the building and its projected annual energy costs as provided in the notice under paragraph (3)(C)(ii)(III).

''(6) CERTIFICATION—

''(A) IN GENERAL.—Except as provided in this paragraph, the Secretary, in consultation with the Secretary of Energy, shall establish requirements for certification and compliance procedures similar to the procedures under section 25B(c)(7).

''(B) QUALIFIED INDIVIDUALS.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary for such purposes.

''(C) PROFICIENCY OF QUALIFIED INDIVIDUALS.—The Secretary shall consult with nonprofit organizations and State agencies with expertise in energy efficiency calculations and inspections to develop proficiency tests and training programs to qualify individuals to determine compliance.

''(g) TERMINATION.—This section shall not apply with respect to—

''(1) any energy property placed in service after December 31, 2006, and

''(2) any energy efficient commercial building property expenditures in connection with property—

''(A) the plans for which are not certified under subsection (f)(6) on or before December 31, 2006, and

''(B) the construction of which is not completed on or before December 31, 2008.''.

TITLE II—NONBUSINESS ENERGY SYSTEMS

SEC. 201. CREDIT FOR CERTAIN NONBUSINESS ENERGY SYSTEMS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following:

''SEC. 25B. NONBUSINESS ENERGY PROPERTY.

''(a) ALLOWANCE OF CREDIT—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(A) the applicable percentage of residential energy property expenditures made by the taxpayer during such year,

''(B) the credit amount (determined under section 48A(e)) for each vehicle purchased during the taxable year which is a qualified hybrid vehicle (as defined in section 48A(e)(2)), and

''(C) the credit amount specified in the following table for a new, highly energy-efficient principal residence:

''Column A—Description in the case of	Column B—Credit amount the credit amount is	Column C—Period for the period	
		Beginning on	Ending on
30 percent property	$1,000	1/1/2000	12/31/2001
40 percent property	1,500	1/1/2000	12/31/2002
50 percent property	2,000	1/1/2000	12/31/2003

In the case of any new, highly energy-efficient principal residence, the credit amount shall be zero for any period for which a credit amount is not specified for such property in the table under subparagraph (C).

''(2) APPLICABLE PERCENTAGE—

''(A) IN GENERAL.—The applicable percentage shall be determined in accordance with the following table:

''Col. A—Description in the case of	Col. B—Applicable percentage is	Col. C—Period for the period	
		Beginning on	Ending on
20 percent energy-eff. bldg. prop.	20	1/1/2000	12/31/2003
10 percent energy-eff. bldg. prop.	10	1/1/2000	12/31/2001
Solar water heating property	15	1/1/2000	12/31/2006
Photovoltaic property	15	1/1/2000	12/31/2006

''(B) PERIODS FOR WHICH PERCENTAGE NOT SPECIFIED.—In the case of any residential energy property, the applicable percentage shall be zero for any period for which an applicable percentage is not specified for such property under subparagraph (A).

''(b) MAXIMUM CREDIT.—

''(1) IN GENERAL.—In the case of property described in the following table, the amount of the credit allowed under subsection (a)(1)(A) for the taxable year for each item of such property with respect to a dwelling unit shall not exceed the amount specified for such property in such table:

Description of property item	Maximum allowable credit amount is
20 percent energy-efficient building property (other than a fuel cell or natural gas heat pump).	$500.
20 percent energy-efficient building property: fuel cell described in section 48A(d)(3)(A)(i).	$500 per each kw/hr of capacity.
Natural gas heat pump described in section 48A(d)(3)(D)(iv).	$1,000.
10 percent energy-efficient building property.	$250.
Solar water heating property	$1,000.
Photovoltaic property	$2,000.

''(2) COORDINATION OF LIMITATIONS.—If a credit is allowed to the taxpayer for any taxable year by reason of an acquisition of a new, highly energy-efficient principal residence, no other credit shall be allowed under subsection (a)(1)(A) with respect to such residence during the 1-taxable year period beginning with such taxable year.

''(c) DEFINITIONS.—For purposes of this section—

''(1) RESIDENTIAL ENERGY PROPERTY EXPENDITURES.—The term 'residential energy property expenditures' means expenditures made by the taxpayer for qualified energy property installed on or in connection with a dwelling unit which—

''(A) is located in the United States, and

''(B) is used by the taxpayer as a residence.

Such term includes expenditures for labor costs properly allocable to the onsite preparation, assembly, or original installation of the property.

''(2) QUALIFIED ENERGY PROPERTY—

''(A) IN GENERAL.—The term 'qualified energy property' means—

''(i) energy-efficient building property,

''(ii) solar water heating property, and

''(iii) photovoltaic property.

''(B) SWIMMING POOL, ETC., USED AS STORAGE MEDIUM; SOLAR PANELS.—For purposes of this paragraph, the provisions of subparagraphs (B) and (C) of section 48A(d)(1) shall apply.

''(3) ENERGY-EFFICIENT BUILDING PROPERTY.—The term 'energy-efficient building property' has the meaning given to such term by section 48A(e)(3).

''(4) SOLAR WATER HEATING PROPERTY.—The term 'solar water heating property' means property which, when installed in connection with a structure, uses solar energy for the purpose of providing hot water for use within such structure.

''(5) PHOTOVOLTAIC PROPERTY.—The term 'photovoltaic property' means property

which, when installed in connection with a structure, uses a solar photovoltaic process to generate electricity for use in such structure.

''(6) NEW, HIGHLY ENERGY-EFFICIENT PRINCIPAL RESIDENCE.—

''(A) IN GENERAL.—Property is a new, highly energy-efficient principal residence if—

''(i) such property is located in the United States,

''(ii) the original use of such property commences with the taxpayer and is, at the time of such use, the principal residence of the taxpayer, and

''(iii) such property is certified before such use commences as being 50 percent property, 40 percent property, or 30 percent property.

''(B) 50, 40, OR 30 PERCENT PROPERTY.—

''(i) IN GENERAL.—For purposes of subparagraph (A), property is 50 percent property, 40 percent property, or 30 percent property if the projected energy usage of such property is reduced by 50 percent, 40 percent, or 30 percent, respectively, compared to the energy usage of a reference house that complies with minimum standard practice, such as the 1998 International Energy Conservation Code of the International Code Council, as determined according to the requirements specified in clause (ii).

''(ii) PROCEDURES.—

''(I) IN GENERAL.—For purposes of clause (i), energy usage shall be demonstrated either by a component-based approach or a performance-based approach.

''(II) COMPONENT APPROACH.—Compliance by the component approach is achieved when all of the components of the house comply with the requirements of prescriptive packages established by the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency, such that they are equivalent to the results of using the performance-based approach of subclause (III) to achieve the required reduction in energy usage.

''(III) PERFORMANCE-BASED APPROACH.—Performance-based compliance shall be demonstrated in terms of the required percentage reductions in projected energy use. Computer software used in support of performance-based compliance must meet all of the procedures and methods for calculating energy savings reductions that are promulgated by the Secretary of Energy. Such regulations on the specifications for software shall be based in the 1998 California Residential Alternative Calculation Method Approval Manual, except that the calculation procedures shall be developed such that the same energy efficiency measures qualify a home for tax credits regardless of whether the home uses a gas or oil furnace or boiler, or an electric heat pump.

''(IV) APPROVAL OF SOFTWARE SUBMISSIONS.—The Secretary of Energy shall approve software submissions that comply with the calculation requirements of subclause (III).

''(C) DETERMINATIONS OF COMPLIANCE.—A determination of compliance made for the purposes of this paragraph shall be filed with the Secretary of Energy within 1 year of the date of such determination and shall include the TIN of the certifier, the address of the building in compliance, and the identity of the person for whom such determination was performed. Determinations of compliance filed with the Secretary of Energy shall be available for inspection by the Secretary.

''(D) COMPLIANCE—

''(i) IN GENERAL.—The Secretary of Energy in consultation with the Secretary of the Treasury shall establish requirements for certification and compliance procedures after examining the requirements for energy consultants and home energy ratings providers specified by the Mortgage Industry National Accreditation Procedures for Home Energy Rating Systems.

''(ii) INDIVIDUALS QUALIFIED TO DETERMINE COMPLIANCE.—Individuals qualified to determine compliance shall be only those individuals who are recognized by an organization certified by the Secretary of Energy for such purposes.

''(E) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 121, except that the period for which a building is treated as the principal residence of the taxpayer shall also include the 60-day period ending on the 1st day on which it would (but for this subparagraph) first be treated as the taxpayer's principal residence.

''(d) SPECIAL RULES.—For purposes of this section—

''(1) DOLLAR AMOUNTS IN CASE OF JOINT OCCUPANCY.—In the case of any dwelling unit which if jointly occupied and used during any calendar year as a residence by 2 or more individuals the following shall apply:

''(A) The amount of the credit allowable under subsection (a) by reason of expenditures made during such calendar year by any of such individuals with respect to such dwelling unit shall be determined by treating all of such individuals as 1 taxpayer whose taxable year is such calendar year.

''(B) There shall be allowable with respect to such expenditures to each of such individuals, a credit under subsection (a) for the taxable year in which such calendar year ends in an amount which bears the same ratio to the amount determined under subparagraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.

''(2) TENANT-STOCKHOLDER IN COOPERATIVE HOUSING CORPORATION.—In the case of an individual who in tenant-stockholder (as defined in section 216) in a cooperative housing corporation (as defined in such section), such individual shall be treated as having made his tenant-stockholder's proportionate share (as defined in section 216(b)(3)) of any expenditures of such corporation.

''(3) CONDOMINIUMS.—

''(A) IN GENERAL.—In the case of an individual who is a member of a condominium management association with respect to a condominium which the individual owns, such individual shall be treated as having made his proportionate share of any expenditures of such association.

''(B) CONDOMINIUM MANAGEMENT ASSOCIATION.—For purposes of this paragraph, the term 'condominium management association' means an organization which meets the requirements of paragraph (1) of section 528(c) (other than subparagraph (E) thereof) with respect to a condominium project substantially all of the units of which are used as residences.

''(4) JOINT OWNERSHIP OF ENERGY ITEMS—

''(A) IN GENERAL.—Any expenditure otherwise qualifying as a residential energy property expenditure shall not be treated as failing to so qualify merely because such expenditure was made with respect to 2 or more dwelling units.

''(B) LIMITS APPLIED SEPARATELY.—In the case of any expenditure described in subparagraph (A), the amount of the credit allowable under subsection (a) shall (subject to paragraph (1)) be computed separately with respect to the amount of the expenditure made for each dwelling unit.

''(5) ALLOCATION IN CERTAIN CASES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if less than 80 percent of the use of an item is for nonbusiness purposes, only that portion of the expenditures for such item which is properly allocable to use for nonbusiness purposes shall be taken into account. For purposes of this paragraph, use for a swimming pool shall be treated as use which is not for nonbusiness purposes.

''(B) SPECIAL RULE FOR VEHICLES.—For purposes of this section and section 48A, a vehicle shall be treated as used entirely for business or nonbusiness purposes if the majority of the use of such vehicle is for business or nonbusiness purposes, as the case may be.

''(6) DOUBLE BENEFIT; PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a)(1)(B) with respect to—

''(A) any property for which a credit is allowed under section 30 or 48A,

''(B) any property referred to in section 50(b), and

''(C) the portion of the cost of any property taken into account under section 179 or 179A.

''(7) WHEN EXPENDITURE MADE; AMOUNT OF EXPENDITURE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an expenditure with respect to an item shall be treated as made when the original installation of the item is completed.

''(B) EXPENDITURE PART OF BUILDING CONSTRUCTION.—In the case of an expenditure in connection with the construction of a structure, such expenditure shall be treated as made when the original use of the constructed structure by the taxpayer begins.

''(C) AMOUNT.—The amount of any expenditure shall be the cost thereof.

''(8) PROPERTY FINANCED BY SUBSIDIZED ENERGY FINANCING.—

''(A) REDUCTION OF EXPENDITURES.—For purposes of determining the amount of residential energy property expenditures made by any individual with respect to any dwelling unit, there shall not be taken in to account expenditures which are made from subsidized energy financing (as defined in section 48A(f)(1)(C)).

''(B) DOLLAR LIMITS REDUCED.—The dollar amounts in the table contained in subsection (b)(1) with respect to each property purchased for such dwelling unit for any taxable year of such taxpayer shall be reduced proportionately by an amount equal to the sum of—

''(i) the amount of the expenditures made by the taxpayer during such taxable year with respect to such dwelling unit and not taken into account by reason of subparagraph (A), and

''(ii) the amount of any Federal, State, or local grant received by the taxpayer during such taxable year which is used to make residential energy property expenditures with respect to the dwelling unit and is not included in the gross income of such taxpayer.

''(9) SAFETY CERTIFICATIONS.—No credit shall be allowed under this section for an item of property unless—

''(A) in the case of solar water heating property, such property is certified for performance and safety by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed, and

''(B) in the case of photovoltaic property, such property meets appropriate fire and electric code requirements.

''(e) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.''

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking ''and'' at the end of paragraph (26), by striking the period at the end of paragraph (27)

and inserting''; and'', by adding at the end the following:

''(28) to the extent provided in section 25B(e), in the case of amounts with respect to which a credit has been allowed under section 25B.''

(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 25A the following:

''Sec. 25B. Nonbusiness energy property.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenditures after December 31, 1999.

TITLE III—ALTERNATIVE FUELS

SEC. 301. ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.

(a) IN GENERAL.—Section 40(d) (relating to alcohol used as fuel) is amended by adding at the end the following:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization made on a timely filed return (including extensions) for such year, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year. Such an election, once made, shall be irrevocable for such taxable year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons pursuant to subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) for the taxable year of the organization, and

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron in which the patronage dividend for the taxable year referred to in subparagraph (A) is includible in gross income.

''(C) SPECIAL RULE FOR DECREASING CREDIT FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the cooperative organization's return for such year, an amount equal to the excess of such reduction over the amount not apportioned to the patrons under subparagraph (A) for the taxable year shall be treated as an increase in tax imposed by this chapter on the organization. Any such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G of this part.''

(b) TECHNICAL AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

''(k) CROSS REFERENCE.—

''For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d)(6).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

TITLE IV—AUTOMOBILES

SEC. 401. EXTENSION OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) EXTENSION OF CREDIT FOR QUALIFIED ELECTRIC VEHICLES.—Subsection (f) of section 30 (relating to termination) is amended by striking ''December 31, 2004'' and inserting ''December 31, 2006''.

(b) REPEAL OF PHASEOUT.—Subsection (b) of section 30 (relating to limitations) is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(c) NO DOUBLE BENEFIT.—

(1) Subsection (d) of section 30 (relating to special rules) is amended by adding at the end the following:

''(5) NO DOUBLE BENEFIT.—No credit shall be allowed under subsection (a) with respect to any vehicle if the taxpayer claims a credit for such vehicle under section 25B(a)(1)(B) or 48A(a)(2).''

(2) Paragraph (3) of section 30(d) (relating to property used outside United States, etc., not qualified) is amended by striking ''section 50(b)'' and inserting ''section 25B, 48A, or 50(b)''.

(3) Paragraph (5) of section 179A(e) (relating to property used outside United States, etc., not qualified) is amended by striking ''section 50(b)'' and inserting ''section 25B, 48A, or 50(b)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

TITLE V—CLEAN COAL TECHNOLOGIES

SEC. 501. CREDIT FOR INVESTMENT IN QUALIFYING CLEAN COAL TECHNOLOGY.

(a) ALLOWANCE OF QUALIFYING CLEAN COAL TECHNOLOGY FACILITY CREDIT.—Section 46 (relating to amount of credit) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and,'' and by adding at the end the following:

''(4) the qualifying clean coal technology facility credit.''

(b) AMOUNT OF QUALIFYING CLEAN COAL TECHNOLOGY FACILITY CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by section 101(a), is amended by inserting after section 48A the following:

SEC 48B. QUALIFYING CLEAN COAL TECHNOLOGY FACILITY CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the qualifying clean coal technology facility credit for any taxable year is an amount equal to 10 percent of the qualified investment in a qualifying clean coal technology facility for such taxable year.

''(b) QUALIFYING CLEAN COAL TECHNOLOGY FACILITY—

''(1) IN GENERAL.—For purposes of subsection (a), the term 'qualifying clean coal technology facility' means a facility of the taxpayer—

''(A)(i)(I) which replaces a conventional technology facility of the taxpayer and the original use of which commences with the taxpayer, or

''(II) which is a retrofitted or repowered conventional technology facility, the retrofitting or repowering of which is completed by the taxpayer (but only with respect to that portion of the basis which is properly attributable to such retrofitting or repowering), or

''(ii) that is acquired through purchase (as defined by section 179(d)(2)),

''(B) that is depreciable under section 167,

''(C) that has a useful life of not less than 4 years,

''(D) that is located in the United States, and

''(E) that uses qualifying clean coal technology.

''(2) SPECIAL RULE FOR SALE-LEASEBACKS.—For purposes of subparagraph (A) of paragraph (1), in the case of a facility that—

''(A) is originally placed in service by a person, and

''(B) is sold and leased back by such person, or is leased to such person, within 3 months after the date such facility was originally placed in service, for a period of not less than 12 years,

such facility shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback (or lease) referred to in subparagraph (B). The preceding sentence shall not apply to any property if the lessee and lessor of such property make an election under this sentence. Such an election, once made, may be revoked only with the consent of the Secretary.

''(3) QUALIFYING CLEAN COAL TECHNOLOGY.—For purposes of paragraph (1)(A)—

''(A) IN GENERAL.—The term 'qualifying clean coal technology' means, with respect to clean coal technology—

''(i) applications totaling 1,000 megawatts of advanced pulverized coal or atmospheric fluidized bed combustion technology installed as a new, retrofit, or repowering application and operated between 2000 and 2014 that has a design average net heat rate of not more than 8,750 Btu's per kilowatt hour,

''(ii) applications totaling 1,500 megawatts of pressurized fluidized bed combustion technology installed as a new, retrofit, or repowering application and operated between 2000 and 2014 that has a design average net heat rate of not more than 8,400 Btu's per kilowatt hour,

''(iii) applications totaling 1,500 megawatts of integrated gasification combined cycle technology installed as a new, retrofit, or repowering application and operated between 2000 and 2014 that has a design average net heat rate of not more than 8,550 Btu's per kilowatt hour, and

''(iv) applications totaling 2,000 megawatts or equivalent of technology for the production of electricity installed as a new, retrofit, or repowering application and operated between 2000 and 2014 that has a carbon emission rate that is not more than 85 percent of conventional technology.

''(B) EXCEPTIONS.—Such term shall not include clean coal technology projects receiving or scheduled to receive funding under the Clean Coal Technology Program of the Department of Energy.

''(C) CLEAN COAL TECHNOLOGY.—The term 'clean coal technology' means advanced technology that utilizes coal to produce 50 percent or more of its thermal output as electricity including advanced pulverized coal or atmospheric fluidized bed combustion, pressurized fluidized bed combustion, integrated gasification combined cycle, and any other technology for the production of electricity that exceeds the performance of conventional technology.

''(D) CONVENTIONAL COAL TECHNOLOGY.—The term 'conventional technology' means—

''(i) coal-fired combustion technology with a design average net heat rate of not less than 9,300 Btu's per kilowatt hour (HHV) and a carbon equivalents emission rate of not more than 0.53 pounds of carbon per kilowatt hour; or

''(ii) natural gas-fired combustion technology with a design average net heat rate of not less than 7,500 Btu's per kilowatt hour (HHV) and a carbon equivalents emission rate of not more than 0.24 pound of carbon per kilowatt hour.

''(E) DESIGN AVERAGE NET HEAT RATE.—The term 'design average net heat rate' shall be based on the design average annual heat input to and the design average annual net electrical output from the qualifying clean coal technology (determined without regard to such technology's co-generation of steam).

''(F) SELECTION CRITERIA.—Selection criteria for clean coal technology facilities.—

''(i) shall be established by the Secretary of Energy as part of a competitive solicitation,

''(ii) shall include primary criteria of minimum design average net heat rate, maximum design average thermal efficiency, and lowest cost to the government, and

''(iii) shall include supplemental criteria as determined appropriate by the Secretary of Energy.

''(c) QUALIFIED INVESTMENT.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of a qualifying clean coal technology facility placed in service by the taxpayer during such taxable year.

''(d) QUALIFIED PROGRESS EXPENDITURES.—

''(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this section) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

''(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as a qualifying clean coal technology facility which is being constructed by or for the taxpayer when it is placed in service.

''(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—In the case of non-self-constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—The term 'non-self-constructed property' means property which is not self-constructed property.

''(C) CONSTRUCTION, ETC.—The term 'Construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

''(D) ONLY CONSTRUCTION OF QUALIFYING CLEAN COAL TECHNOLOGY FACILITY TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the property.

''(5) ELECTION—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

''(e) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any property with respect to which the rehabilitation credit under section 47 or the energy credit under section 48A is allowed unless the taxpayer elects to waive the application of such credit to such property.

''(f) TERMINATION.—This section shall not apply with respect to any qualified investment after December 31, 2014.''

(c) RECAPTURE.—Section 50(a) (relating to other special rules) is amended by adding at the end the following:

''(6) SPECIAL RULES RELATING TO QUALIFYING CLEAN COAL TECHNOLOGY FACILITY.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48B, the following shall apply:

''(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to a qualifying clean coal technology facility (as defined by section 48B(b)(1)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the qualifying clean coal technology facility disposed of, and whose denominator is the total number of years over which such facility would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the qualifying clean coal technology facility property shall be treated as a year of remaining depreciation.

''(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualifying clean coal technology facility under section 48B, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted in lieu of the amount described in such paragraph (2).

''(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding a qualifying clean coal technology facility.''

(d) TRANSITIONAL RULE.—Section 39(d) of the Internal Revenue Code of 1986 (relating to transitional rules), as amended by section 101(b)(2), is amended by adding at the end the following:

''NO CARRYBACK OF SECTION 48B CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualifying clean coal technology facility credit determined under section 48B may be carried back to a taxable year ending before the date of the enactment of section 48B.''

(e) TECHNICAL AMENDMENTS.—

(1) Section 49(a)(1)(C) is amended by striking ''and'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting, ''and,'' and by adding at the end the following:

''(iv) the portion of the basis of any qualifying clean coal technology facility attributable to any qualified investment (as defined by section 48B(c)).''

(2) Section 50(a)(4) is amended by striking ''and (2)'' and inserting '', (2), and (6).''

(3) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by section 101(d), is amended by inserting after the item relating to section 48A the following:

''SEC. 48B. Qualifying clean coal technology facility credit.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 1999, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 502. CREDIT FOR PRODUCTION FROM QUALIFYING CLEAN COAL TECHNOLOGY.

(a) CREDIT FOR PRODUCTION FROM QUALIFYING CLEAN COAL TECHNOLOGY.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

''SEC. 45D. CREDIT FOR PRODUCTION FROM QUALIFYING CLEAN COAL TECHNOLOGY.

''(a) GENERAL RULE.—For purposes of section 38, the qualifying clean coal technology production credit of any taxpayer for any taxable year is equal to the applicable amount for each kilowatt hour—

''(1) produced by the taxpayer at a qualifying clean coal technology facility during the 10-year period beginning on the date the facility was originally placed in service, and

''(2) sold by the taxpayer to an unrelated person during such taxable year.

''(b) APPLICABLE AMOUNT.—For purposes of this section, the applicable amount with respect to production from a qualifying clean coal technology facility shall be determined as follows:

''(1) In the case of a facility originally placed in service before 2007, if—

''The facility design average net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 yrs of such service	For 2d 5 yrs of such service
Not more than 8400	$0.0130	$0.0110
More than 8400 but not more than 8550	.0100	.0085
More than 8550 but not more than 8750	.0090	.0070.

''(2) In the case of a facility originally placed in service after 2006 and before 2011, if—

''The facility design average net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 yrs of such service	For 2d 5 yrs of such service
Not more than 7770	$.0100	.0080
More than 7770 but not more than 8125	0080	0065
More than 8125 but not more than 8350	.0070	.0055.

''(3) in the case of a facility originally placed in service after 2010 and before 2015, if—

The facility design average net heat rate, Btu/kWh (HHV) is equal to:	The applicable amount is:	
	For 1st 5 yrs of such service	For 2d 5 yrs of such service
Not more than 7720	$.0085	$.0070
More than 7720 but not more than 7380	.0070	0045

''(c) INFLATION ADJUSTMENT FACTOR—Each amount in paragraphs (1), (2), and (3) shall each be adjusted by multiplying such amount by the inflation adjustment factor for the calendar year in which the amount is applied. If any amount as increased under the preceding sentence is not a multiple of 0.01 cent, such amount shall be rounded to the nearest multiple of 0.01 cent.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) any term used in this section which is also used in section 48B shall have the meaning given such term in section 48B,

''(2) the rules of paragraphs (3), (4), and (5) of section 45 shall apply,

''(3) the term 'inflation adjustment factor' means, with respect to a calendar year, a fraction the numerator of which is the GDP implicit price deflator for the preceding calendar year and the denominator of which is the GDP implicit price deflator for the calendar year 1998, and

''(4) the term 'GDP implicit price deflator' means the most recent revision of the implicit price deflator for the gross domestic product as computed by the Department of Commerce before March 15 of the calendar year.''

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the qualifying clean coal technology production credit determined under section 45D(a).''

(c) TRANSITIONAL RULE.—Section 39(d) (relating to transitional rules), as amended by

section 501(d), is amended by adding at the end the following:

''(11) NO CARRYBACK OF CERTAIN CREDITS BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the credits allowable under any section added to this subpart by the amendments made by the Energy Security Tax Act of 1999 may be carried back to a taxable year ending before the date of the enactment of such Act.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45D. Credit for production from qualifying clean coal technology.''

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

SEC. 503. RISK POOL FOR QUALIFYING CLEAN COAL TECHNOLOGY.

(a) ESTABLISHMENT.—The Secretary of the Treasury shall establish a financial risk pool which shall be available to any United States owner of qualifying clean coal technology (as defined in section 48B(b)(3) of the Internal Revenue Code of 1986) to offset for the first 3 years of the operation of such technology the costs (not to exceed 5 percent of the total cost of installation) for modifications resulting from the technology's failure to achieve its design performance.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

TITLE VI—METHANE RECOVERY

SEC. 601. CREDIT FOR CAPTURE OF COALBED METHANE GAS.

(a) CREDIT FOR CAPTURE OF COALBED METHANE GAS.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 502(a), is amended by adding at the end the following:

SEC. 45E. CREDIT FOR CAPTURE OF COALBED METHANE GAS.

(d) DEFINITION OF COALMINE METHANE GAS.—The term ''Coalmine Methane Gas'' as used in this section means any methane gas which is being liberated, or would be liberated, during coal mine operations or as a result of past coal mining operations, or which is extracted up to ten years in advance of coal mining operations as part of specific plan to mine a coal deposit.

For the purpose of section 38, the coalmine methane gas capture credit of any taxpayer for any taxable year is $1.21 for each one million British thermal units of coalmine methane gas captured by the taxpayer and utilized as a fuel source or sold by or on behalf of the taxpayer to an unrelated person during such taxable year (within the meaning of section 45).''

Credits for the capture of coalmine methane gas shall be earned upon the utilization as a fuel source or sale and delivery of the coalmine methane gas to an unrelated party, except that credit for coalmine methane gas which is captured in advance of mining operations shall be claimed only after coal extraction occurs in the immediate area where the coalmine methane gas was removed.

(c) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b), as amended by section 502(b), is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following:

''(14) the coalmine methane gas capture credit determined under section 45E(a).''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 502(d), is amended by adding at the end the following:

''Sec. 45E. Credit for the capture of coalmine methane gas.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to the capture of coalmine methane gas after the date of the enactment of this Act and on or before December 31, 2006.

TITLE VII—OIL AND GAS PRODUCTION

SEC. 701. CREDIT FOR PRODUCTION OF RE-REFINED LUBRICATING OIL.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits), as amended by section 601(a), is amended by adding at the end the following:

SEC. 45F. CREDIT FOR PRODUCING RE-REFINED LUBRICATING OIL.

(a) GENERAL RULE.—For purposes of section 38, the re-refined lubricating oil production credit of any taxpayer for any taxable year is equal to $4.05 per barrel of qualified re-refined lubricating oil production which is attributable to the taxpayer (within the meaning of section 29(d)(3)).

(b) QUALIFIED RE-REFINED LUBRICATING OIL PRODUCTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified re-refined lubricating oil production' means a base oil manufactured from at least 95 percent used oil and not more than 2 percent of previously unused oil by a re-refining process which effectively removes physical and chemical impurities and spent and unspent additives to the extent that such base oil meets industry standards for engine oil as defined by the American Petroleum Institute document API 1509 as in effect on the date of the enactment of this section.

''(2) LIMITATION ON AMOUNT OF PRODUCTION WHICH MAY QUALIFY.—Re-refined lubricating oil produced during any taxable year shall not be treated as qualified re-refined lubricating oil production but only to the extent average daily production during the taxable year exceeds 7,000 barrels.

''(3) BARREL.—The term 'barrel' has the meaning given such term by section 613A(e)(4).

''(c) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 1999, the dollar amount contained in subsection (a) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under section 29(d)(2)(B) by substituting '1998' for '1979').''

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) (relating to current year business credit), as amended by section 601(b), is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus,'' and by adding at the end the following:

''(15) the re-refined lubricating oil production credit determined under section 45F(a).''

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 601(c), is amended by adding at the end the following:

''Sec. 45F. Credit for producing re-refined lubricating oil.''

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

SEC. 702. OIL AND GAS FROM MARGINAL WELLS.

''SEC. 45D. Credit for Producing Oil and Gas from Marginal Wells

''(a) GENERAL RULE.—For purposes of section 38, the marginal well production credit for any taxable year is an amount equal to the product of—

''(1) the credit amount, and

''(2) the qualified crude oil production and the qualified natural gas production which is attributable to the taxpayer.

''(b) CREDIT AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The credit amount is—

''(A) $3 per barrel of qualified crude oil production, and

''(B) 50 cents per 1,000 cubic feet of qualified natural gas production.

''(2) REDUCTION AS OIL AND GAS PRICES INCREASE.—

''(A) IN GENERAL.—The $3 and 50 cents amounts under paragraph (1) shall each be reduced (but not below zero) by an amount which bears the same ratio to such amount (determined without regard to this paragraph) as—

''(i) the excess (if any) of the applicable reference price over $14 ($1.56 for qualified natural gas production), bears to

''(ii) $3 ($0.33 for qualified natural gas production).

The applicable reference price for a taxable year is the reference price for the calendar year preceding the calendar year in which the taxable year begins.

''(B) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2000, each of the dollar amounts contained in subparagraph (A) shall be increased to an amount equal to such dollar amount multiplied by the inflation adjustment factor for such calendar year (determined under section 43(b)(3)(B) by substituting '1999' for '1990').

(C) REFERENCE PRICE.—For purposes of this paragraph, the term 'reference price means, with respect to any calendar year—

''(i) in the case of qualified crude oil production, the reference price determined under section 29(d)(2)(C), and

''(ii) in the case of qualified natural gas production, the Secretary's estimate of the annual average wellhead price per 1,000 cubic feet for all domestic natural gas.

''(c) QUALIFIED CRUDE OIL AND NATURAL GAS PRODUCTION.—For purposes of this section—

''(1) IN GENERAL.—The terms 'qualified crude oil production' and 'qualified natural gas production' mean domestic crude oil or natural gas which is produced from a marginal well.

''(2) LIMITATION ON AMOUNT OF PRODUCTION WHICH MAY QUALIFY.—

''(A) IN GENERAL.—Crude oil or natural gas produced during any taxable year from any well shall not be treated as qualified crude oil production or qualified natural gas production to the extent production from the well during the taxable year exceeds 1,095 barrels or barrel equivalents.

''(B) PROPORTIONATE REDUCTIONS.—

''(i) SHORT TAXABLE YEARS.—In the case of a short taxable year, the limitations under this paragraph shall be proportionately reduced to reflect the ratio which the number of days in such taxable year bears to 365.

''(ii) WELLS NOT IN PRODUCTION ENTIRE YEAR.—In the case of a well which is not capable of production during each day of a taxable year, the limitations under this paragraph applicable to the well shall be proportionately reduced to reflect the ratio which the number of days of production bears to the total number of days in the taxable year.

''(3) DEFINITIONS.—

''(A) MARGINAL WELL.—The term 'marginal well' means a domestic well—

(i) ''the production from which during the taxable year is treated as marginal production under section 613A(c)(6), or

''(ii) which, during the taxable year—

''(I) has average daily production of not more than 25 barrel equivalents, and

''(II) produces water at a rate not less than 95 percent of total well effluent.

''(B) CRUDE OIL, ETC.—The terms 'crude oil', 'natural gas', 'domestic', and 'barrel' have the meanings given such terms by section 613A(e).

''(C) BARREL EQUIVALENT.—The term 'barrel equivalent' means, with respect to natural gas, a conversion ratio of 6,000 cubic feet of natural gas to 1 barrel of crude oil.

''(d) OTHER RULES.—

''(1) PRODUCTION ATTRIBUTABLE TO THE TAXPAYER.—In the case of a marginal well in which there is more than one owner of operating interests in the well and the crude oil or natural gas production exceeds the limitation under subsection (c)(2), qualifying crude oil production or qualifying natural gas production attributable to the taxpayer shall be determined on the basis of the ratio which taxpayer's revenue interest in the production bears to the aggregate of the revenue interests of all operating interest owners in the production.

''(2) OPERATING INTEREST REQUIRED.—Any credit under this section may be claimed only on production which is attributable to the holder of an operating interest.

''(3) PRODUCTION FROM NONCONVENTIONAL SOURCES EXCLUDED.—In the case of production from a marginal well which is eligible for the credit allowed under section 29 for the taxable year, no credit shall be allowable under this section unless the taxpayer elects not to claim the credit under section 29 with respect to the well.''

''(c) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) is amended by striking 'plus' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting', 'plus', and by adding at the end the following new paragraph:

''(13) the marginal oil and gas well production credit determined under section 45D(a).''

(d) CREDIT ALLOWED AGAINST REGULAR AND MINIMUM TAX.—

(1) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—

''(A) IN GENERAL.—In the case of the marginal oil and gas well production credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (1)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the marginal oil and gas well production credit).

''(B) MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—For purposes of this subsection, the term 'marginal oil and gas well production credit' means the credit allowable under subsection (a) by reason of section 45D(a).''

(2) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the marginal oil and gas well production credit'' after ''employment credit''.

(e) CARRYBACK.—Subsection (a) of section 39 (relating to carryback and carryforward of unused credits generally) is amended by adding at the end the following new paragraph:

''(3) 10-YEAR CARRYBACK FOR MARGINAL OIL AND GAS WELL PRODUCTION CREDIT.—In the case of the marginal oil and gas well production credit—

''(A) this section shall be applied separately from the business credit (other than the marginal oil and gas well production credit),

''(B) paragraph (1) shall be applied by substituting '10 taxable years' for '1 taxable year' in subparagraph (A) thereof, and

''(C) paragraph (2) shall be applied—

''(i) by substituting '31 taxable years' for '21 taxable years' in subparagraph (A) thereof, and

''(ii) by substituting '30 taxable years' for '20 taxable years' in subparagraph (B) thereof.''

(f) COORDINATION WITH SECTION 29.—Section 29(a) is amended by striking ''There'' and inserting ''At the election of the taxpayer, there''.

(g) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following item:

''Sec. 45D. Credit for producing oil and gas from marginal wells.''

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to production in taxable years beginning after December 31, 1999.

SEC. 703. DEDUCTION FOR DELAY RENTAL PAYMENTS.

(a) IN GENERAL.—Section 263 (relating to capital expenditures) is amended by adding after subsection (i) the following new subsection:

''(j) DELAY RENTAL PAYMENTS FOR DOMESTIC OIL AND GAS WELLS.—

''(1) IN GENERAL.—Notwithstanding subsection (a), a taxpayer may elect to treat delay rental payments incurred in connection with the development of oil or gas within the United States (as defined in section 638) as payments which are not chargeable to capital account. Any payments so treated shall be allowed as a deduction in the taxable year in which paid or incurred.

''(2) DELAY RENTAL PAYMENTS.—For purposes of paragraph (1), the term 'delay rental payment' means an amount paid for the privilege of deferring development of an oil or gas well.''

(b) CONFORMING AMENDMENT.—Section 263A(c)(3) is amended by inserting ''263(j),'' after ''263(i),''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 1999.

SEC. 704. ELECTION TO EXPENSE GEOLOGICAL AND GEOPHYSICAL EXPENDITURES.

(a) IN GENERAL.—Section 263 (relating to capital expenditures) is amended by adding after subsection (j) the following new subsection:

''(k) GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR DOMESTIC OIL AND GAS WELLS.—Notwithstanding subsection (a), a taxpayer may elect to treat geological and geophysical expenses incurred in connection with the exploration for, or development of, oil or gas within the United States (as defined in section 638) as expenses which are not chargeable to capital account. Any expenses so treated shall be allowed as a deduction in the taxable year in which paid or incurred.''

(b) CONFORMING AMENDMENT.—Section 263A(c)(3) is amended by inserting ''263(k),'' after ''263(j),''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years beginning after December 31, 1999.

TITLE VIII—RENEWABLE POWER GENERATION

SEC. 801. MODIFICATIONS TO CREDIT FOR ELECTRICITY PRODUCED FROM RENEWABLE RESOURCES.

(a) EXPANSION OF QUALIFIED ENERGY RESOURCES.—

(1) IN GENERAL.—Section 45(c)(1) (defining qualified energy resources) is amended by striking 'and' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting a comma, and by adding at the end the following:

''(C) biomass (other than closed-loop biomass), or

''(D) poultry waste.''

(2) DEFINITIONS.—Section 45(c) is amended by redesignating paragraph (3) as paragraph (4) and by striking paragraph (2) and inserting the following:

''(2) BIOMASS.—

''(A) IN GENERAL.—The term 'biomass' means—

''(i) closed-loop biomass, and

''(ii) any solid, nonhazardous, cellulosic waste material, which is segregated from other waste materials, and which is derived from—

''(I) any of the following forest-related resources: mill residues, precommercial thinnings, slash, and brush, but not including old-growth timber,

''(II) waste pallets, crates, and dunnage, and landscape or right-of-way tree trimmings, but not including unsegregated municipal solid waste (garbage) and post-consumer wastepaper, or

''(III) agriculture sources, including orchard tree crops, vineyard, grain, legumes, sugar, and other crop by-products or residues, and

''(iii) poultry waste, including poultry manure and litter, wood shavings, straw, rice hulls, and other bedding material for the disposition of manure.

''(B) CLOSED-LOOP BIOMASS.—The term 'closed-loop biomass' means any organic material from a plant which is planted exclusively for purposes of being used at a qualified facility to produce electricity.''

(b) EXTENSION AND MODIFICATION OF PLACED-IN-SERVICE RULES.—Paragraph (4) of section 45(c), as redesignated by subsection (a), is amended to read as follows:

''(4) QUALIFIED FACILITY.—

''(A) WIND FACILITY.—In the case of a facility using wind to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after December 31, 1993, and before January 1, 2004.

''(B) CLOSED-LOOP BIOMASS FACILITY.—In the case of a facility using closed-loop biomass to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is—

''(i) originally placed in service after December 31, 1992, and before January 1, 2004, or

''(ii) originally placed in service before December 31, 1992, and modified to use closed loop biomass to co-fire with coal such date and before January 1, 2004.

''(C) BIOMASS FACILITY.—In the case of a facility using biomass (other than closed-loop biomass) to produce electricity, the term 'qualified facility' means any facility owned by the taxpayer which is originally placed in service after the date of the enactment of this paragraph and before January 1, 2004.

''(E) SPECIAL RULES.—

''(i) COMBINED PRODUCTION FACILITIES INCLUDED.—For purposes of this paragraph, the term qualified facility shall include a facility using biomass to produce electricity and ethanol.

''(ii) SPECIAL RULES.—In the case of a qualified facility described in subparagraph (C) or (D)—

''(I) the 10-year period referred to in subsection (a) shall be treated as beginning no earlier than the date of the enactment of this paragraph, and

''(II) subsection (b)(3) shall not apply to any such facility originally placed in service before January 1, 1997.''

(c) ELECTRICITY PRODUCED FROM BIOMASS CO-FIRED IN COAL PLANTS.—Paragraph (1) of section 45(a) (relating to general rule) is amended by inserting ''(1.0 cents in the case of electricity produced by biomass cofired in a facility which produces electricity from coal)'' after ''1.5 cents.''

(d) COORDINATION WITH OTHER CREDITS.—Section 45(d) (relating to definitions and special rules) is amended by adding at the end the following:

''(8) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any production with respect to which the clean coal technology production credit under section 45(b) is allowed unless the taxpayer elects to waive the application of such credit to such production.''

''(9) PROPORTIONAL CREDIT FOR FACILITY USING COAL TO CO-FIRE WITH BIOMASS.—In the case of a qualified facility described in subsection (c)(3) (B) using coal to co-fire with biomass, the amount of the credit determined under subsection (a) for taxable year shall be reduced by the percentage of coal comprises (on a Btu Basis) of the average fuel input of the facility for the taxable year..''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to electricity produced after the of the enactment of this Act.

SEC. 802. CREDIT FOR CAPITAL COSTS OF QUALIFIED BIOMASS-BASED GENERATING SYSTEM.

(a) ALLOWANCE OF QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY CREDIT.—Section 46 (relating to amount of credit), as amended by section 501(a), is amended by striking 'and' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting ', and', and by adding at the end the following:

''(5) the qualified biomass-based generating system facility credit.''

(b) AMOUNT OF CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by section 501(b), is amended by inserting after section 48C the following:

''SEC. 48C. QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the qualified biomass-based generating system facility credit for any taxable year is an amount equal to 20 percent of the qualified investment in a qualified biomass-based generating system facility for such taxable year.

''(b) QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY.—

''(1) IN GENERAL.—For purposes of subsection (a), the term 'qualified biomass-based generating system facility' means a facility of the taxpayer—

''(A)(i) the original use of which commences with the taxpayer or the reconstruction of which is completed by the taxpayer (but only with respect to that portion of the basis which is properly attributable to such reconstruction), or

''(ii) that is acquired through purchase (as defined by section 179(d)(2)),

''(B) that is depreciable under section 167,

''(C) that has a useful life of not less than 4 years, and

''(D) that uses a qualified biomass-based generating system.

''(2) SPECIAL RULE FOR SALE-LEASEBACKS.—For purposes of subparagraph (A) of paragraph (1), in the case of a facility that—

''(A) is originally placed in service by a person, and

''(B) is sold and leased back by such person, or is leased to such person, within 3 months after the date such facility was originally placed in service, for a period of not less than 12 years, such facility shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback (or lease) referred to in subparagraph (B). The preceding sentence shall not apply to any property if the lessee and lessor of such property make an election under this sentence. Such an election, once made, may be revoked only with the consent of the Secretary.

''(3) QUALIFIED BIOMASS-BASED GENERATING SYSTEM.—For purposes of paragraph (1)(D), the term 'qualified biomass-based generating system' means a biomass-based integrated gasification combined cycle (IGCC) generating system which has an electricity-only generation efficiency greater than 40 percent.

''(c) QUALIFIED INVESTMENT.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of a qualified biomass-based generating system facility placed in service by the taxpayer during such taxable year.

''(d) QUALIFIED PROGRESS EXPENDITURES.—

''(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the mount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this section) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

''(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which—

''(A) cannot reasonably be expected to be completed in less than 18 months, and

''(B) it is reasonable to believe will qualify as a qualified biomass-based generating system facility which is being constructed by or for the taxpayer when it is placed in service.

''(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—In the case of non-self-constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—The term 'non-self-constructed property' means property which is not self-constructed property.

''(C) CONSTRUCTION, ETC.—The term 'construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

''(D) ONLY CONSTRUCTION OF QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY TO BE TAKEN INTO ACCOUNT.— Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the property.

''(5) ELECTION.—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

''(e) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any property with respect to which the rehabilitation credit under section 47 or the energy credit under section 48A is allowed unless the taxpayer elects to waive the application of such credits to such property.''.

(c) RECAPTURE.—Section 50(a) (relating to other special rules), as amended by section 501(c), is amended by adding at the end the following:

''(7) SPECIAL RULES RELATING TO QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48C, the following shall apply:

''(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to a qualified biomass-based generating system facility (as defined by section 48C(b)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the qualified biomass-based generating system facility disposed of, and whose denominator is the total number of years over which such facility would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the qualified biomass-based generating system facility shall be treated as a year of remaining depreciation.

''(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualified biomass-based generating system facility under section 48C, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted in lieu of the amount described in such paragraph (2).

''(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding a qualified biomass-based generating system facility.''.

(d) TRANSITIONAL RULE.—Section 39(d) of the Internal Revenue Code of 1986 (relating to transitional rules), as amended by section 501(d), is amended by adding at the end the following:

''(11) NO CARRYBACK OF SECTION 48C CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the qualified biomass-based generating system facility credit determined under section 48C may be carried back to a taxable year ending before the date of the enactment of section 48C.''

(e) TECHNICAL AMENDMENTS—

(1) Section 49(a)(1)(C), as amended by section 501(e), is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following:

''(v) the portion of the basis of any qualified biomass-based generating system facility attributable to any qualified investment (as defined by section 48C(c)).''

(2) Section 50(a)(4), as amended by section 501(e), is amended by striking ''and (6)'' and inserting '', (6), and (7)''.

(3) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by section 501 (e), is amended by inserting after the item relating to section 48B the following:

''Sec. 48C. QUALIFIED BIOMASS-BASED GENERATING SYSTEM FACILITY CREDIT.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 1999, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 803. TREATMENT OF FACILITIES USING BAGASSE TO PRODUCE ENERGY AS SOLID WASTE DISPOSAL FACILITIES ELIGIBLE FOR TAX-EXEMPT FINANCING.

(a) IN GENERAL.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following:

''(k) SOLID WASTE DISPOSAL FACILITIES.—For purposes of subsection (a)(6), the term ''solid waste disposal facilities'' includes property located in Hawaii and used for the collection, storage, treatment, utilization, processing, or final disposal of bagasse in the manufacture of ethanol.''.

(b) EFFECITIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

TITLE IX—STEELMAKING

SEC. 901. CREDIT FOR INVESTMENT IN ENERGY-EFFICIENT STEELMAKING FACILITIES.

(a) ALLOWANCE OF ENERGY-EFFICIENT STEELMAKING FACILITY CREDIT.—Section 46 (relating to amount of credit), as amended by section 802(a), is amended by striking 'and' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting ', and', and by adding at the end the following:

''(b) the energy-efficient steelmaking facility credit.''

(b) AMOUNT OF ENERGY-EFFICIENT STEELMAKING FACILITY CREDIT.—Subpart E of part IV of subchapter A of chapter 1 (relating to rules for computing investment credit), as amended by section 802(b), is amended by inserting after section 48C the following:

SEC. 48D. ENERGY-EFFICIENT STEELMAKING FACILITY CREDIT.

''(a) IN GENERAL.—For purposes of section 46, the energy-efficient steelmaking facility credit for any taxable year is an amount equal to 10 percent of the qualified investment in an energy-efficient steelmaking facility for such taxable year.

''(b) ENERGY-EFFICIENT STEELMAKING FACILITY.—

''(I) IN GENERAL.—For purposes of subsection (a), the term 'energy-efficient steelmaking facility' means a facility of the taxpayer—

''(A)(i) which—

''(I) with respect to a facility the original use of which commences with the taxpayer, improves steelmaking energy efficiency by 20 percent over the energy efficiency norm of the industry as determined by the Secretary for the year in which such facility is placed in service, or

''(II) with respect to a facility which replaces an existing steelmaking facility and the original use of which commences with the taxpayer, improves steelmaking energy efficiency by 20 percent over the average energy efficiency of the replaced facility for the 2 taxable years preceding the year in which the replacing facility is placed in service (but only with respect to that portion of the basis which is properly attributable to such replacement), or

''(ii) that is acquired through purchase (as defined by section 179(d)(2)),

''(B) that is depreciable under section 167, and

''(C) that has a useful life of not less than 4 years.

''(2) SPECIAL RULE FOR SALE-LEASEBACKS.—For purposes of subparagraph (A) of paragraph (1), in the case of a facility that—

''(A) is originally placed in service by a person, and

''(B) is sold and leased back by such person, or is leased to such person, within 3 months after the date such facility was originally placed in service, for a period of not less than 12 years, such facility shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback (or lease) referred to in subparagraph (B). The preceding sentence shall not apply to any property if the lessee and lessor of such property make an election under this sentence. Such an election, once made, may be revoked only with the consent of the Secretary.

''(3) STEELMAKING ENERGY EFFICIENCY.—For purposes of paragraph (1)(A), steelmaking energy efficiency shall be measured in BTu's per ton of raw steel produced.

''(c) QUALIFIED INVESTMENT.—For purposes of subsection (a), the term 'qualified investment' means, with respect to any taxable year, the basis of an energy-efficient steelmaking facility placed in service by the taxpayer during such taxable year.

''(d) QUALIFIED PROGRESS EXPENDITURES.—

''(1) INCREASE IN QUALIFIED INVESTMENT.—In the case of a taxpayer who has made an election under paragraph (5), the amount of the qualified investment of such taxpayer for the taxable year (determined under subsection (c) without regard to this section) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

''(2) PROGRESS EXPENDITURE PROPERTY DEFINED.—For purposes of this subsection, the term 'progress expenditure property' means any property being constructed by or for the taxpayer and which it is reasonable to believe will qualify as an energy-efficient steelmaking facility which is being constructed by or for the taxpayer when it is placed in service.

''(3) QUALIFIED PROGRESS EXPENDITURES DEFINED.—For purposes of this subsection—

''(A) SELF-CONSTRUCTED PROPERTY.—In the case of any self-constructed property, the term 'qualified progress expenditures' means the amount which, for purposes of this subpart, is properly chargeable (during such taxable year) to capital account with respect to such property.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—In the case of non-self- constructed property, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

''(4) OTHER DEFINITIONS.—For purposes of this subsection—

(A) SELF-CONSTRUCTED PROPERTY.—The term 'self-constructed property' means property for which it is reasonable to believe that more than half of the construction expenditures will be made directly by the taxpayer.

''(B) NON-SELF-CONSTRUCTED PROPERTY.—The term 'non-self-constructed property' means property which is not self-constructed property.

''(C) CONSTRUCTION, ETC.—The term 'construction' includes reconstruction and erection, and the term 'constructed' includes reconstructed and erected.

''(D) ONLY CONSTRUCTION OF ENERGY-EFFICIENT STEELMAKING FACILITY TO BE TAKEN INTO ACCOUNT.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the property.

''(5) ELECTION.—An election under this subsection may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

''(e) COORDINATION WITH OTHER CREDITS.—This section shall not apply to any property with respect to which the rehabilitation credit under section 47 or the energy credit under section 48A is allowed unless the taxpayer elects to waive the application of such credits to such property.

''(f) TERMINATION.—This section shall not apply with respect to any qualified investment after December 31, 2004.''

(c) RECAPTURE.—Section 50(a) (relating to other special rules), as amended by section 802(c), is amended by adding at the end the following:

''(8) SPECIAL RULES RELATING TO ENERGY-EFFICIENT STEELMAKING FACILITY.—For purposes of applying this subsection in the case of any credit allowable by reason of section 48D, the following shall apply:

''(A) GENERAL RULE.—In lieu of the amount of the increase in tax under paragraph (1), the increase in tax shall be an amount equal to the investment tax credit allowed under section 38 for all prior taxable years with respect to an energy-efficient steelmaking facility (as defined by section 48D(b)) multiplied by a fraction whose numerator is the number of years remaining to fully depreciate under this title the energy-efficient steelmaking facility disposed of, and whose denominator is the total number of years over which such facility would otherwise have been subject to depreciation. For purposes of the preceding sentence, the year of disposition of the energy-efficient steelmaking facility property shall be treated as a year of remaining depreciation.

''(B) PROPERTY CEASES TO QUALIFY FOR PROGRESS EXPENDITURES.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for an energy-efficient steelmaking facility under section 48D, except that the amount of the increase in tax under subparagraph (A) of this paragraph shall be substituted in lieu of the amount described in such paragraph (2).

''(C) APPLICATION OF PARAGRAPH.—This paragraph shall be applied separately with respect to the credit allowed under section 38 regarding an energy-efficient steelmaking facility.''

(d) TRANSITIONAL RULE.—Section 39(d) of the Internal Revenue Code of 1986 (relating to transitional rules), as amended by section 802(d), is amended by adding at the end the following:

''(12) NO CARRYBACK OF SECTION 48D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the energy-efficient steelmaking facility credit determined under section 48D may be carried back to a taxable year ending before the date of the enactment of section 48D.''

(e) TECHNICAL AMENDMENTS.—

(1) Section 49(a)(1)(C), as amended by section 802(e), is amended by striking 'and' at the end of clause (iv), by striking the period at the end of clause (v) and inserting ', and', and by adding at the end the following:

''(vi) the portion of the basis of any energy-efficient steelmaking facility attributable to any qualified investment (as defined by section 48D(c)).''

(2) Section 50(a)(4), as amended by section 802(e), is amended by striking ''and (7)'' and inserting '', (7), and (8)''.

(3) The table of sections for subpart E of part IV of subchapter A of chapter 1, as amended by section 802(e), is amended by inserting after the item relating to section 48C the following:

''Sec. 48D. Energy-efficient steelmaking facility credit.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to periods after December 31, 1999, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 902. EXTENSION OF CREDIT FOR ELECTRICITY TO PRODUCTION FROM STEEL COGENERATION.

(a) EXTENSION OF CREDIT FOR COKE PRODUCTION AND STEEL MANUFACTURING FACILITIES.—Section 45(c)(1) (defining qualified energy resources), as amended by section 801(a)(1), is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following:

''(E) steel cogeneratiory.''

(b) STEEL COGENERATION.—Section 45(c), as amended by subsections (a)(2) and (b) of section 801, is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following:

''(4) STEEL COGENERATION.—

''(A) IN GENERAL.—The term 'steel cogeneration' means the production of steam or other form of thermal energy of at least 20 percent of total production and the production of electricity or mechanical energy (or both) of at least 20 percent of total production if the cogeneration meets regulatory energy-efficiency standards established by the Secretary and only to the extent that such energy is produced from—

''(i) gases or heat generated during the production of coke,

''(ii) blast furnace gases or heat generated during the production of iron ore or iron, or

''(iii) waste gases or heat generated from the manufacture of steel that uses at least 20 percent recycled material.

''(B) TOTAL PRODUCTION.—For purposes of subparagraph (A), the term 'total production' means, with respect to any facility which produces coke, iron ore, iron, or steel, production from all waste sources described in clauses (i), (ii), and (iii) of subparagraph (A) (whichever applicable) from the entire facility.''

(c) MODIFICATION OF PLACED IN SERVICE RULES FOR STEEL COGENERATION FACILITIES.—Section 45(c)(5) (defining qualified facility), as amended by section 801(b) and redesignated by subsection (b), is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following:

''(E) STEEL COGENERATION FACILITIES.—In the case of a facility using steel cogeneration to produce electricity, the term 'qualified facility' means any facility permitted to operate under the environmental requirements of the Clean Air Act Amendments of 1990 which is owned by the taxpayer and originally placed in service after December 31, 1999, and before January 1, 2005. Such a facility may be treated as originally placed in service when such facility was last upgraded to increase efficiency or generation capability. However, no facility shall be allowed a credit under this section for more than 10 years of production.''

(d) CONFORMING AMENDMENTS.—

(1) The heading for section 45 is amended by inserting ''and waste energy'' after ''renewable''.

(2) The item relating to section 45 in the table of sections subpart D of part TV of subchapter A of chapter 1 is amended by inserting ''and waste energy'' after ''renewable''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001, and before January 1, 2005.

TITLE X—AGRICULTURE

SEC. 1001. AGRICULTURAL CONSERVATION TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter I (relating to business related credits), as amended by section 701(a), is amended by adding at the end the following:

''SEC. 45G. AGRICULTURAL CONSERVATION CREDIT.

''(a) IN GENERAL.—For purposes of section 38, in the case of an eligible person, the agricultural conservation credit determined under this section for the taxable year is an amount equal to—

''(1) 10 percent of the eligible conservation tillage equipment expenses, and

''(2) 10 percent of the eligible irrigation equipment expenses, paid or incurred by such person in connection with the active conduct of the trade or business of fanning for the taxable year.

''(b) ELIGIBLE PERSON.—For purposes of this section, the term 'eligible person' means, with respect to any taxable year, any person if the average annual gross receipts of such person for the 3 preceding taxable years do not exceed $1,000,000. For purposes of the preceding sentence, rules similar to the rules of section 448(c)(3) shall apply.

''(c) LIMITATION.—The amount of the credit allowed under subsection (a) for any taxable year shall not exceed $2,500 for each credit determined under paragraph (1) or (2) of such subsection.

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

''(1) ELIGIBLE CONSERVATION TILLAGE EQUIPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'eligible conservation tillage equipment expenses' means amounts paid or incurred by a taxpayer to purchase and install conservation tillage equipment for use in the trade or business of the taxpayer.

''(B) CONSERVATION TILLAGE EQUIPMENT.—The term 'conservation tillage equipment' means a no-till planter or drill designed to minimize the disturbance of the soil in planting crops, including such planters or drills which may be attached to equipment already owned by the taxpayer.

''(2) ELIGIBLE IRRIGATION EQUIPMENT EXPENSES.—The term 'eligible irrigation equipment expenses' means amounts paid or incurred by a Taxpayer—

''(A) to purchase and install on currently irrigated lands new or upgraded equipment which will improve the efficiency of existing irrigation systems used in the trade or business of the taxpayer, including—

''(i) spray jets or nozzles which improve water distribution efficiency,

''(ii) irrigation well meters,

''(iii) surge valves and surge irrigation systems, and

''(iv) conversion of equipment from gravity irrigation to sprinkler or drip irrigation, including center pivot systems, and

''(B) for service required to schedule the use of such irrigation equipment as necessary to manage water application to the crop requirement based on local evaporation and transpiration rates or soil moisture.

''(e) SPECIAL RULES.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle, if a credit is determined under this section with respect to any property, the basis of such property shall be reduced by the amount of the credit so determined.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—For purposes of this section, under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—For purposes of this section, in the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(4) DENIAL OF DOUBLE BENEFIT.—No other deduction or credit shall be allowed to the taxpayer under this chapter for any amount taken into account in determining the credit under this section.''.

(b) Conforming Amendments—

(1) Section 38(b), as amended by section 701 (b), is amended by striking 'plus' at the end of paragraph (14), by striking the period at the end of paragraph (15), and inserting ', 'plus', and by adding at the end the following:

''(16) the agricultural conservation credit determined under section 45G.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 701 (c), is amended by adding at the end the following:

''SEC. 45G. Agricultural conservation credit.''.

(3) Section 1016(a), as amended by section 201 (b)(1), is amended by striking 'and' at the end of paragraph (27), striking the period at the end of paragraph (28) and inserting '; and', and adding at the end the following:

''(29) in the case of property with respect to which a credit was allowed under section 45G, to the extent provided in section 45G(d)(1).''.

(c) EFFECTIVE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

TITLE XI ENERGY EMERGENCIES

SEC. 1101. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

Title I of the Energy Policy and Conservation Act (42 U.S.C. 6211–6251) is amended—

(a) In section 166 (42 U.S.C. 6246), by inserting ''through 2003'' after ''2000.''.

(b) In section 181 (42 U.S.C. 6251), by striking ''March 31, 2000'' each place it appears and inserting ''September 30, 2003.''.

Title 11 of the Energy Policy and Conservation Act (42 U.S.C. 6261–6285) is amended—

(a) In section 256(h) (42 U.S.C. 6276(h)), by inserting ''through 2003'' after ''1999.''.

(b) In section 281 (42 U.S.C. 6285), by striking ''March 31, 2000'' each place it appears and inserting ''September 30, 2003.''.

(a) AMENDMENT.—Title I of the Energy Policy and Conservation Act is amended by—

(1) redesignating part D as part E;

(2) redesignating section 181 as section 191; and

(3) inserting after part C the following new part D:

''Part D—Northeast Home Heating Oil Reserve

''ESTABLISHMENT

''SEC. 181. (a) Notwithstanding any other provision of this Act, the Secretary may establish, maintain, and operate in the Northeast a Northeast Home Heating Oil Reserve. A Reserve established under this part is not a component of the Strategic Petroleum Reserve established under part B of this title. A Reserve established under this part shall contain no more than 2 million barrels of petroleum distillate.''.

''(b) For the purposes of this part—

''(1) the term 'Northeast' means the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, and New Jersey; and

''(2) the term 'petroleum distillate' includes heating oil and diesel fuel.

AUTHORITY

''SEC. 182. To the extent necessary or appropriate to carry out this part, the Secretary may—

''(1) purchase, contract for, lease, or otherwise acquire, in whole or in part, storage and related facilities, and storage services;

''(2) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired under this part;

''(3) acquire by purchase, exchange (including exchange of petroleum product from the Strategic Petroleum Reserve or received as royalty from Federal lands), lease, or otherwise, petroleum distillate for storage in the Northeast Home Heating Oil Reserve;

''(4) store petroleum distillate in facilities not owned by the United States;

''(5) sell, exchange, or otherwise dispose of petroleum distillate from the Reserve established under this part; and

''(6) notwithstanding paragraph (5), on terms the Secretary considers reasonable, sell, exchange, or otherwise dispose of petroleum distillate from the Reserve established under this part in order to maintain the quality or quantity of the petroleum distillate in the Reserve or to maintain the operational capability of the Reserve.

''CONDITIONS FOR RELEASE; PLAN

''SEC. 183. (a) The Secretary may drawdown the Reserve only upon a finding by the President that an emergency situation exists in accordance with this section.

''(b) The Secretary may recommend to the President a drawdown of petroleum distillate from the Reserve under section 182(5) in an emergency situation if at least one of the following conditions applies:

''The price differential between crude oil and residential No. 2 heating oil in the northeast increases by—

''(1) more than 15% over a two week period, or

''(2) more than 25% over a four week period, or

''(3) more than 60% over its five year seasonally adjusted rolling average.

''(c) An emergency situation shall be deemed to exist if the President determines a severe energy supply disruption or a severe price increase exists, as demonstrated by the Secretary as set forth in (b), and the price differential continues to increase during the most recent week for which price information is available.

''(c) The Secretary shall conduct a continuing evaluation of the residential price data supplied by the Energy Information Administration for the Northeast and data on crude oil prices from published sources.

''(d) The drawdown of the Reserve shall be conducted by competitive bid. Bids shall be evaluated to ensure comparable market value.

''(e) Within 45 days of the date of the enactment of this section, the Secretary shall transmit to the President and, if the President approves, to the Congress a plan describing—

''(1) the acquisition of storage and related facilities or storage services for the Reserve;

''(2) the acquisition of petroleum distillate for storage in the Reserve;

''(3) the anticipated methods of disposition of petroleum distillate from the Reserve; and

''(4) the estimated costs of establishment, maintenance, and operation of the Reserve.

NORTHEAST HOME HEATING OIL RESERVE ACCOUNT

''SEC. 184. (a) Upon a decision of the Secretary of Energy to establish a Reserve under this part, the Secretary of the Treasury shall establish in the Treasury of the United States an account known as the 'Northeast Home Heating Oil Reserve Account' (referred to in this section as the 'Account').

''(b) The Secretary of the Treasury shall deposit in the Account any amounts appropriated to the Account and any receipts from the sale, exchange, or other disposition of petroleum distillate from the Reserve.

''(c) The Secretary of Energy may obligate amounts in the Account to carry out activities under this part without the need for further appropriation, and amounts available to the Secretary of Energy for obligation under this section shall remain available without fiscal year limitation.

''EXEMPTIONS

''SEC. 185. An action taken under this part is not subject to the rulemaking requirements of section 523 of this Act, section 501 of the Department of Energy Organization Act, or section 553 of title 5, United States Code; and

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out part D of title I of the Energy Policy and Conservation Act.''.

SEC. 1102. ANNUAL HOME HEATING READINESS REPORTS.

(a) IN GENERAL.—Part A of title I of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended by adding at the end the following:

''ANNUAL HOME HEATING READINESS REPORTS.

''(a) IN GENERAL.—On or before September 1 of each year, Secretary, acting through the Administrator of the Energy Information Agency, shall submit to Congress a Home Heating Readiness Report on the readiness of the heating oil and propane industries to supply fuel under various weather conditions, including rapid decreases in temperature.

''(b) CONTENTS.—The Home Heating Readiness Report shall include—

''(1) estimates of the consumption, expenditures, and average price per gallon of heating oil and propane for the upcoming period of October through March for various weather conditions, with special attention to extreme weather, and various regions of the country;

''(2) an evaluation of—

''(A) global and regional crude oil and refined product supplies;

''(B) the adequacy and utilization of refinery capacity;

''(C) the adequacy, utilization, and distribution of regional refined product storage capacity;

''(D) weather conditions;

''(E) the refined product transportation system;

''(F) market inefficiencies; and

''(G) any other factor affecting the functional capability of the heating oil industry and propane industry that has the potential to affect national or regional supplies and prices;

''(3) recommendations on steps that the Federal, State, and local governments can take to prevent or alleviate the impact of sharp and sustained increases in the price of heating oil and propane; and

''(4) recommendations on steps that companies engaged in the production, refining, storage, transportation of heating oil or propane, or any other activity related to the heating oil industry or propane industry, can take to prevent or alleviate the impact of sharp and sustained increases in the price of heating oil and propane.

''(c) INFORMATION REQUESTS.—The Secretary may request information necessary to prepare the Home Heating Readiness Report from companies described in subsection (b)(4).''.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—The Energy Policy and Conservation Act is amended—

(1) in the table of contents in the first section (42 U.S.C. prec. 6201), by inserting after the item relating to section 106 the following:

''SEC. 107. Major fuel burning stationary source.

''SEC. 108. Annual home heating readiness reports;'' and

(2) in section 107 (42 U.S.C. 6215), by striking ''SEC. 107. (a) No Governor'' and inserting the following:

''SEC. 107. MAJOR FUEL BURNING STATIONARY SOURCE.

''(a) No Governor.''.

SEC. 1103. SUMMER FILL AND FUEL BUDGETING PROGRAMS.

(a) IN GENERAL.—Part C of title II of the Energy Policy and Conservation Act (42 U.S.C. 6211 et seq.) is amended by adding at the end the following:

''SEC. 273. SUMMER FILL AND FUEL BUDGETING PROGRAMS.

''(a) DEFINITIONS.—In this section:

''(1) BUDGET CONTRACT.—The term 'budget contract' means a contract between a retailer and a consumer under which the heating expenses of the consumer are spread evenly over a period of months.

''(2) FIXED-PRICE CONTRACT.—The term 'fixed-price contract' means a contract between a retailer and a consumer under which the retailer charges the consumer a set price for propane, kerosene, or heating oil without regard to market price fluctuations.

''(3) PRICE CAP CONTRACT.—The term 'price cap contract' means a contract between a retailer and a consumer under which the retailer charges the consumer the market price for propane, kerosene, or heating oil, but the cost of the propane, kerosene, or heating oil may not exceed a maximum amount stated in the contract.

''((b) ASSISTANCE—At the request of the chief executive officer of a State, the Secretary shall provide information, technical assistance, and funding—

''(1) to develop education and outreach programs to encourage consumers to fill their storage facilities for propane, kerosene, and heating oil during the summer months; and

''(2) to promote the use of budget contracts, price cap contracts, fixed-price contracts, and other advantageous financial arrangements;

to avoid severe seasonal price increases for and supply shortages of those products.

''(c) PREFERENCE—In implementing this section, the Secretary shall give preference to States that contribute public funds or leverage private funds to develop State summer fill and fuel and fuel budgeting programs.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) $25,000,000 for fiscal year 2001; and

''(2) such sums as are necessary for each fiscal year thereafter.

''(e) INAPPLICABILITY OF EXPIRATION PROVISION.—Section 281 does not apply to this section.

(b) CONFORMING AMENDMENT.—The table of contents in the first section of the Energy Policy and Conservation Act (42 U.S.C. prec. 6201) is amended by inserting after the item relating to section 272 the following:

''SEC. 273. Summer fill and fuel budgeting programs.''.

SEC. 1104. USE OF ENERGY FUTURES FOR FUEL PURCHASES.

(a) HEATING OIL STUDY.—The Secretary shall conduct a study—

(1) to ascertain if the use of energy futures and options contracts could provide cost-effective protection from sudden surges in the price of heating oil (including number two fuel oil, propane, and kerosene) for governments, consumer cooperatives, and other organizations that purchase heating oil in bulk to market to end use consumers in the Northeast (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, and New Jersey); and

(2) to ascertain how these entities may be most effectively educated in the prudent use of energy futures and options contracts to maximize their purchasing effectiveness, protect themselves against sudden or unanticipated surges in the price of heating oil, and minimize long-term heating oil costs.

(b) REPORT.—The Secretary, no later than 180 days after appropriations are enacted to carry out this Act, shall transmit the study required in this section to the Committee on

Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The report shall contain a review of prior studies conducted on the subjects described in subsection (a).

(c) PILOT PROGRAM.—If the study required in subsection (a) indicates that futures and options contracts can provide cost-effective protection from sudden surges in heating oil prices, the Secretary shall conduct a pilot program, commencing not later than 30 days after the transmission of the study required in subsection (b), to educate such governmental entities, consumer cooperatives, and other organizations on the prudent and cost-effective use of energy futures and options contracts to increase their protection against sudden or unanticipated surges in the price of heating oil and increase the efficiency of their heating oil purchase programs.

(d) AUTHORIZATION.—There is authorized to be appropriated $3 million in fiscal year 2001 to carry out this section.

SEC. 1105. FULL EXPENSING OF HOME HEATING OIL AND PROPANE STORAGE FACILITIES

(a) IN GENERAL.—Section 179(b) of the Internal Revenue Code of 1986 (relating to limitations) is amended by adding at the end the following—

''(5) FULL EXPENSING OF HOME HEATING OIL AND PROPANE STORAGE FACILITIES—Paragraphs (1) and (2) shall not apply to section 179 property which is any storage facility (not including a building or its structural components) used in connection with the distribution of home heating oil.''

TITLE XII—ENERGY EFFICIENCY

SEC. 1201. ENERGY SAVINGS PERFORMANCE CONTRACTS

That Section 155, Energy Savings Performance Contracts, of the Energy Policy Act (42 U.S.C. 8262), is amended—

(1) in section D,

(A) by striking from subsection iii, ''$750,000'';

(B) by inserting in subsection iii, $10,000,000''; and

(C) by inserting a new subsection v to read, ''Each agency head shall submit an annual report to Congress on the number, locations, and size of each Federal Energy Service Performance Contract into which they have entered.''

(2) by inserting a new section E to read, ''A federal agency may conduct a pilot program to use multiyear contracts under this title to cover the cost of constructing a new building from the energy savings resulting from closing an older building. Up to five pilot contracts may be entered into under this authority. Each agency participating in the pilot program shall submit a report to Congress on the location, energy savings, cost of new construction, and size of the Federal Energy Service Contract for each pilot project under this section.''

SEC. 1202. WEATHERIZATION.

(a) Section 414 of the Energy and Conservation and Production Act (42 U.S.C. 6865) is amended by inserting the following sentence in subsection (a) the following sentence, ''The application shall contain the state's best estimate of matching funding available from state and local governments and from private sources,'' after the words ''assistance to such persons''. And, by inserting the words, ''without regard to availability of matching funding'', after the words ''low-income persons throughout the States,''

(b) Section 415 of the Energy and Conservation and Production Act (42 U.S.C. 6865) is amended—

(1) in subsection (a)(1) by striking the first sentence;

(2) in subsection (a)(2) by—

(A) striking ''(A)'',

(B) striking ''approve a State's application to waive the 40 percent requirement established in paragraph (1) if the State includes in its plan'' and inserting ''establish'', and

(C) striking subparagraph (B);

(3) in subsection (c)(1) by—

(A) striking ''paragraphs (3) and (4)'' and inserting ''paragraph (3)'',

(B) striking ''$1600'' and inserting ''$2500'',

(C) striking ''and'' at the end of subparagraph (C),

(D) striking the period and inserting '';and'' in subparagraph (D), and

(E) inserting after subparagraph (D) the following new subparagraph: ''(E) the cost of making heating and cooling modifications, including replacement.'';

(4) in subsection (c)(3) by—

(A) striking ''1991, the $1600 per dwelling unit limitation'' and inserting ''2000, the $2500 per dwelling unit average'',

(B) striking ''limitation'' and inserting ''average'' each time it appears, and

(C) inserting ''the'' after ''beginning of'' in subparagraph (B); and

(5) by striking subsection (c)(4).

TITLE XIII—ELECTRIC RELIABILITY

SEC. 1301. SHORT TITLE.

This Act may be cited as the ''Electric Reliability 2000 Act''.

SEC. 1302. ELECTRIC RELIABILITY ORGANIZATION.

(a) IN GENERAL.—Part II of the Federal Power Act (16 U.S.C. 824 et seq.) is amended by adding at the end the following:

''SEC. 215. ELECTRIC RELIABILITY ORGANIZATION.

''(a) DEFINITIONS.—In this section:

''(1) AFFILIATED REGIONAL RELIABILITY ENTITY.—The term 'affiliated regional reliability entity' means an entity delegated authority under subsection (h).

(2) BULK-POWER SYSTEM.—

''(A) IN GENERAL.—The term 'bulk-power system' means all facilities and control systems necessary for operating an interconnected electric power transmission grid or any portion of an interconnected transmission grid.

''(B) INCLUSIONS.—The term 'bulk-power system' includes—

''(i) high voltage transmission lines, substations, control centers, communications, data, and operations planning facilities necessary for the operation of all or any part of the interconnected transmission grid; and

''(ii) the output of generating units necessary to maintain the reliability of the transmission grid.

''(3) BULK-POWER SYSTEM USER.—The term 'bulk-power system user' means an entity that—

''(A) sells, purchases, or transmits electric energy over a bulk-power system; or

''(B) owns, operates, or maintains facilities or control systems that are part of a bulk-power system; or

''(C) is a system operator.

''(4) ELECTRIC RELIABILITY ORGANIZATION.—The term ''electric reliability organization'' means the organization designated by the Commission under subsection (d).

''(5) ENTITY RULE.—The term 'entity rule' means a rule adopted by an affiliated regional reliability entity for a specific region and designed to implement or enflorce 1 or more organization standards.

''(6) INDEPENDENT DIRECTOR.—The term 'independent director' means a person that—

''(A) is not an officer or employee of an entity that would reasonably be perceived as having a direct financial interest in the outcome of a decision by the board of directors of the electric reliability organization; and

''(B) does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of the electric reliability organization.

''(7) INDUSTRY SECTOR.—The term 'industry sector' means a group of bulkpower system users with substantially similar commercial interests, as determined by the board of directors of the electric reliability organization.

''(8) INTERCONNECTION.—The term 'interconnection' means a geographic area in which the operation of bulk-power system components is synchronized so that the failure of 1 or more of the components may adversely affect the ability of the operators of other components within the interconnection to maintain safe and reliable operation of the facilities within their control.

''(9) ORGANIZATION STANDARD.—

''(A) IN GENERAL.—The term 'organization standard' means a policy or standard adopted by the electric reliability organization to provide for the reliable operation of a bulk-power system.

''(B) INCLUSIONS.—The term 'organization standard' includes—

''(i) an entity rule approved by the electric reliability organization; and

''(ii) a variance approved by the electric reliability organization.

''(10) PUBLIC INTEREST GROUP.—

''(A) IN GENERAL.— The term 'public interest group' means a nonprofit private or public organization that has an interest in the activities of the electric reliability organization.

''(B) INCLUSIONS.—The term 'public interest group' includes—

''(i) a ratepayer advocate;

''(ii) an environmental group; and

''(iii) a State or local government organization that regulates participants in, and promulgates government policy with respect to, the market for electric energy.

''(11) SYSTEM OPERATOR.—

''(A) IN GENERAL.—The term 'system operator' means an entity that operates or is responsible for the operation of a bulk-power system.

''(B) INCLUSIONS.—The term 'system operator' includes—

''(i) a control area operator;

''(ii) an independent system operator;

''(iii) a transmission company;

''(iv) a transmission system operator; and

''(v) a regional security coordinator.

''(12) VARIANCE.—The term 'variance' means an exception from the requirements of an organization standard (including a proposal for an organization standard in a case in which there is no organization standard) that is adopted by an affiliated regional reliability entity and is applicable to all or a part of the region for which the affiliated regional reliability entity is responsible.

''(b) COMMISSION AUTHORITY.—

''(1) JURISDICTION.—Notwithstanding section 201(f), within the United States, the Commission shall have jurisdiction over the electric reliability organization, all affiliated regional reliability entities, all system operators, and all bulk-power system users, including entities described in section 201(f), for purposes of approving organization standards and enforcing compliance with this section.

''(2) DEFINITION OF TERMS.—The Commission may by regulation define any term used in this section consistent with the definitions in subsection (a) and the purpose and intent of this Act.

(c) EXISTING RELIABILITY STANDARDS.—

''(1) SUBMISSION TO THE COMMISSION.—Before designation of an electric reliability organization under subsection (d), any person, including the North American Electric Reliability Council and its member Regional Reliability Councils, may submit to the Commission any reliability standard, guidance,

practice, or amendment to a reliability standard, guidance, or practice that the person proposes to be made mandatory and enforceable.

''(2) REVIEW BY THE COMMISSION.—The Commission, after allowing interested persons an opportunity to submit comments, may approve a proposed mandatory standard, guidance, practice, or amendment submitted under paragraph (1) if the Commission finds that the standard, guidance, or practice is just, reasonable, not unduly discriminatory or preferential, and in the public interest.

''(3) EFFECT OF APPROVAL.—A standard, guidance, or practice shall be mandatory and applicable according to its terms following approval by the Commission and shall remain in effect until it is—

''(A) withdrawn, disapproved, or superseded by an organization standard that is issued or approved by the electric reliability organization and made effective by the Commission under section (e); or

''(B) disapproved by the Commission if, on complaint or upon motion by the Commission and after notice and an opportunity for comment, the Commission finds the standard, guidance, or practice to be unjust, unreasonable, unduly discriminatory or preferential, or not in the public interest.

''(4) ENFORCEABILITY.—A standard, guidance, or practice in effect under this subsection shall be enforceable by the Commission.

''DESIGNATION OF ELECTRIC RELIABILITY ORGANIZATION.—

''(1) REGULATIONS.—

''(A) PROPOSED REGULATIONS.—Not later than 90 days after the date of enactment of this section, the Commission shall propose regulations specifying procedures and requirements for an entity to apply for designation as the electric reliability organization.

''(B) NOTICE AND COMMENT.—The Commission shall provide notice and opportunity— for comment on the proposed regulations.

(C) FINAL REGULATION.—Not later than 180 days after the date of enactment of this section, the Commission shall promulgate final regulations under this subsection.

''(2) APPLICATION.—

''(A) SUBMISSION.—Following the promulgation of final regulations under paragraph (1), an entity may submit an application to the Commission for designation as the electric reliability organization.

''(B) CONTENTS.—The applicant shall describe in the application—

''(i) the governance and procedures of the applicant; and

''(ii) the funding mechanism and initial funding requirements of the applicant.

''(3) NOTICE AND COMMENT.—The Commission shall—

''(A) provide public notice of the application; and

(B) afford interested parties an opportunity to comment.

''(4) DESIGNATION OF ELECTRIC RELIABILITY ORGANIZATION.—The Commission shall designate the applicant as the electric reliability organization if the Commission determines that the applicant—

''(A) has the ability to develop, implement, and enforce standards that provide for an adequate level of reliability of bulk-power systems;

''(B) permits voluntary membership to any bulk-power system user or public interest group;

''(C) ensures fair representation of its members in the selection of its directors and fair management of its affairs, taking into account the need for efficiency and effectiveness in decisionmaking and operations and the requirements for technical competency in the development of organization standards and the exercise of oversight of bulk-power system reliability;

''(D) ensures that no 2 industry sectors have the ability to control, and no 1 industry sector has the ability to veto, the applicant's discharge of its responsibilities as the electric reliability organization (including actions by committees recommending standards for approval by the board or other board actions to implement and enforce standards);

''(E) provides for governance by a board wholly comprised of independent directors;

''(F) provides a funding mechanism and requirements that—

''(i) are just, reasonable, not unduly discriminatory or preferential and in the public interest; and

''(ii) satisfy the requirements of subsection (1);

''(G) has established procedures for development of organization standards that—

''(i) provide reasonable notice and opportunity for public comment, taking into account the need for efficiency and effectiveness in decisionmaking and operations and the requirements for technical competency in the development of organization standards;

(ii) ensure openness, a balancing of interests, and due process; and

''(iii) includes alternative procedures to be followed in emergencies;

''(H) has established fair and impartial procedures for implementation and enforcement of organization standards, either directly or through delegation to an affiliated regional reliability entity, including the imposition of penalties, limitations on activities, functions, or operations, or other appropriate sanctions;

'(I) has established procedures for notice and opportunity for public observation of all meetings, except that the procedures for public observation may include alternative procedures for emergencies or for the discussion of information that the directors reasonably determine should take place in closed session, such as litigation, personnel actions, or commercially sensitive information;

''(J) provides for the consideration of recommendations of States and State commissions; and

''(K) addresses other matters that the Commission considers appropriate to ensure that the procedures, governance, and funding of the electric reliability organization are just, reasonable, not unduly discriminatory or preferential, and in the public interest.

''(5) EXCLUSIVE DESIGNATION.—

''(A) IN GENERAL.—The Commission shall designate only I electric reliability organization.

''(B) Multiple applications.—If the Commission receives 2 or more timely applications that satisfy the requirements of this subsection, the Commission shall approve only the application that the Commission determines will best implement this section.

''(e) ORGANIZATION STANDARDS.—

''(1) SUBMISSION OF PROPOSALS TO COMMISSION.—

''(A) IN GENERAL.—The electric reliability organization shall submit to the Commission proposals for any new or modified organization standards.

''(B) CONTENTS.—A proposal submitted under subparagraph (A) shall include—

''(i) a concise statement of the purpose of the proposal; and

''(ii) a record of any proceedings conducted with respect to the proposal.

''(2) REVIEW BY THE COMMISSION.—

''(A) NOTICE AND COMMENT.—The Commission shall—

''(i) provide notice of a proposal under paragraph (1); and

''(ii) allow interested persons 30 days to submit comments on the proposal.

''(B) ACTION BY THE COMMISSION.—

''(i) IN GENERAL.—After taking into consideration any submitted comments, the Commission shall approve or disapprove a proposed organization standard not later than the end of the 60-day period beginning on the date of the deadline for the submission of comments, except that the Commission may extend the 60-day period for an additional 90 days for good cause.

''(ii) FAILURE TO ACT.—If the Commission does not approve or disapprove a proposal within the period specified in clause (i), the proposed organization standard shall go into effect subject to its terms, without prejudice to the authority of the Commission to modify the organization standard in accordance with the standards and requirements of this section.

''(C) EFFECTIVE DATE.—An organization standard approved by the Commission shall take effect not earlier than 30 days after the date of the Commission's order of approval.

''(D) STANDARDS FOR APPROVAL.—

''(i) IN GENERAL.—The Commission shall approve a proposed new or modified organization standard if the Commission determines the organization standard to be just, reasonable, not unduly discriminatory or preferential, and in the public interest.

''(ii) CONSIDERATIONS.—In the exercise of its review responsibilities under this subsection, the Commission—

''(I) shall give due weight to the technical expertise of the electric reliability organization with respect to the content of a new or modified organization standard; but

''(II) shall not defer to the electric reliability organization with respect to the effect of the organization standard on competition.

''(E) REMAND.—A proposed organization standard that is disapproved in whole or in part by the Commission shall be remanded to the electric reliability organization for further consideration.

''(3) ORDERS TO DEVELOP OR MODIFY ORGANIZATION STANDARDS.—The Commission, on complaint or on motion of the Commission, may order the electric reliability organization to develop and submit to the Commission, by a date specified in the order, an organization standard or modification to an existing organization standard to address a specific matter if the Commission considers a new or modified organization standard appropriate to carry out this section, and the electric reliability organization shall develop and submit the organization standard or modification to the Commission in accordance with this subsection.

''(4) VARIANCES AND ENTITY RULES.—

''(A) PROPOSAL.—An affiliated regional reliability entity may propose a variance or entity rule to the electric reliability organization.

''(B) EXPEDITED CONSIDERATION.—If expedited consideration is necessary to provide for bulk-power system reliability, the affiliated regional reliability entity may—

''(i) request that the electric reliability organization expedite consideration of the proposal; and

''(ii) file a notice of the request with the Commission.

''(C) FAILURE TO ACT.—

''(i) IN GENERAL.—If the electric reliability organization fails to adopt the variance or entity rule, in whole or in part, the affiliated regional reliability entity may request that the Commission review the proposal.

''(ii) ACTION BY THE COMMISSION.—If the Commission determines, after a review of the request, that the action of the electric reliability organization did not conform to the applicable standards and procedures approved by the Commission, or if the Commission determines that the variance or entity

rule is just, reasonable, not unduly discriminatory or preferential, and in the public interest and that the electric reliability organization has unreasonably rejected or failed to act on the proposal, the Commission may—

''(I) remand the proposal for further consideration by the electric reliability organization; or

''(II) order the electric reliability organization or the affiliated regional reliability entity to develop a variance or entity rule consistent with that requested by the affiliated regional reliability entity.

''(D) PROCEDURE.—A variance or entity rule proposed by an affiliated regional reliability entity shall be submitted to the electric reliability organization for review and submission to the Commission in accordance with the procedures specified in paragraph (2).

''(5) IMMEDIATE EFFECTIVENESS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, a new or modified organization standard shall take effect immediately on submission to the Commission without notice or comment if the electric reliability organization—

''(i) determines that an emergency exists requiring that the new or modified organization standard take effect immediately without notice or comment;

''(ii) notifies the Commission as soon as practicable after making the determination;

''(iii) submits the new or modified organization standard to the Commission not later than 5 days after making the determination; and

''(iv) includes in the submission an explanation of the need for immediate effectiveness.

''(B) NOTICE AND COMMENT.—The Commission shall—

''(i) provide notice of the new or modified organization standard or amendment for comment; and

''(ii) follow the procedures set out in paragraphs (2) and (3) for review of the new or modified organization standard.

''(6) COMPLIANCE.—Each bulk power system user shall comply with an organization standard that takes effect under this section.

''(f) COORDINATION WITH CANADA AND MEXICO.—

''(1) RECOGNITION.—The electric reliability organization shall take all appropriate steps to gain recognition in Canada and Mexico.

''(2) INTERNATIONAL AGREEMENTS.—

''(A) IN GENERAL.—The President shall use best efforts to enter into international agreements with the appropriate governments of Canada and Mexico to provide for—

''(i) effective compliance with organization standards; and

''(ii) the effectiveness of the electric reliability organization in carrying out its mission and responsibilities.

''(B) COMPLIANCE.—All actions taken by the electric reliability organization, an affiliated regional reliability entity, and the Commission shall be consistent with any international agreement under subparagraph (A).

''(g) CHANGES IN PROCEDURE, GOVERNANCE, OR FUNDING.—

''(1) SUBMISSION TO THE COMMISSION.—The electric reliability organization shall submit to the Commission—

''(A) any proposed change in a procedure, governance, or funding provision; or

''(B) any change in an affiliated regional reliability entity's procedure, governance, or funding provision relating to delegated functions.

''(2) CONTENTS.—A submission under paragraph (1) shall include an explanation of the basis and purpose for the change.

''(3) EFFECTIVENESS.—

''(A) CHANGES IN PROCEDURE.—

''(i) CHANGES CONSTITUTING A STATEMENT OF POLICY, PRACTICE, OR INTERPRETATION.—A proposed change in procedure shall take effect 90 days after submission to the Commission if the change constitutes a statement of policy, practice, or interpretation with respect to the meaning or enforcement of the procedure.

''(ii) OTHER CHANGES.—A proposed change in procedure other than a change described in clause (i) shall take effect on a finding by the Commission, after notice and opportunity for comment, that the change—

''(I) is just, reasonable, not unduly discriminatory or preferential, and in the public interest; and

''(II) satisfies the requirements of subsection (d)(4).

''(B) CHANCES IN GOVERNANCE OR FUNDING.—A proposed change in governance or funding shall not take effect unless the Commission finds that the change—

''(i) is just, reasonable, not unduly discriminatory or preferential, and in the public interest; and

''(ii) satisfies the requirements of subsection (d)(4).

''(4) ORDER TO AMEND.—

''(A) IN GENERAL.—The Commission, on complaint or on the motion of the Commission, may require the electric reliability organization to amend a procedural, governance, or funding provision if the Commission determines that the amendment is necessary to meet the requirements of this section.

''(B) FILING.—The electric reliability organization shall submit the amendment in accordance with paragraph (1).

''(h) DELEGATIONS OF AUTHORITY.—

''(1) IN GENERAL.—

''(A) IMPLEMENTATION AND ENFORCEMENT OF COMPLIANCE.—At the request of an entity, the electric reliability organization shall enter into an agreement with the entity for the delegation of authority to implement and enforce compliance with organization standards in a specified geographic area if the electric reliability organization finds that—

''(i) the entity satisfies the requirements of subparagraphs (A), (B), (C), (D), (F), (J), and (K) of subsection (d)(4); and

''(ii) the delegation would promote the effective and efficient implementation and administration of bulk-power system reliability.

''(B) OTHER AUTHORITY.—The electric reliability organization may enter into an agreement to delegate to an entity any other authority, except that the electric reliability organization shall reserve the right to set and approve standards for bulk-power system reliability.

''(2) APPROVAL BY THE COMMISSION.—

''(A) SUBMISSION TO THE COMMISSION.—The electric reliability organization shall submit to the Commission—

''(i) any agreement entered into under this subsection; and

''(ii) any information the Commission requires with respect to the affiliated regional reliability entity to which authority is delegated.

''(B) STANDARDS FOR APPROVAL.—The Commission shall approve the agreement, following public notice and an opportunity for comment, if the Commission finds that the agreement—

''(i) meets the requirements of paragraph (1); and

''(ii) is just, reasonable, not unduly discriminatory or preferential, and in the public interest.

''(C) REBUTTABLE PRESUMPTION.—A proposed delegation agreement with an affiliated regional reliability entity organized on an interconnection-wide basis shall be rebuttably presumed by the Commission to promote the effective and efficient implementation and administration of the reliability of the bulk-power system.

''(D) INVALIDITY ABSENT APPROVAL.—No delegation by the electric reliability organization shall be valid unless the delegation is approved by the Commission.

''(3) PROCEDURES FOR ENTITY RULES AND VARIANCES.—

''(A) IN GENERAL.—A delegation agreement under this subsection shall specify the procedures by which the affiliated regional reliability entity may propose entity rules or variances for review by the electric reliability organization.

''(B) INTERCONNECTION-WIDE ENTITY RULES AND VARIANCES.—In the case of a proposal for an entity rule or variance that would apply on an interconnection-wide basis, the electric reliability organization shall approve the entity rule or variance unless the electric reliability organization makes a written finding that the entity rule or variance—

''(i) was not developed in a fair and open process that provided an opportunity for all interested parties to participate;

''(ii) would have a significant adverse impact on reliability or commerce in other interconnections;

''(iii) fails to provide a level of reliability of the bulk-power system wiin the interconnection such that the entity rule or variance would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or

''(iv) would create a serious and substantial burden on competitive markets within the interconnection that is not necessary for reliability.

''(C) NONINTERCONNECTION-WIDE ENTITY RULES AND VARIANCE.—In the case of a proposal for an entity rule or variance that would apply only to part of an interconnection, the electric reliability organization shall approve the entity rule or variance if the affiliated regional reliability entity demonstrates that the proposal—

''(i) was developed in a fair and open process that provided an opportunity for all interested parties to participate;

''(ii) would not have an adverse impact on commerce that is not necessary for reliability;

''(iii) provides a level of bulk-power system reliability that is adequate to protect public health, safety, welfare, and national security and would not have a significant adverse impact on reliability; and

''(iv) in the case of a variance, is based on a justifiable difference between regions or subregions within the affiliated regional reliability entity's geographic area.

''(D) ACTION BY THE ELECTRIC RELIABILITY ORGANIZATION.—

''(i) IN GENERAL.—The electric reliability organization shall approve or disapprove a proposal under subparagraph (A) within 120 days after the proposal is submitted.

''(ii) FAILURE TO ACT.—If the electric reliability organization fails to act within the time specified in clause (i), the proposal shall be deemed to have been approved.

''(iii) SUBMISSION TO THE COMMISSION.—After approving a proposal under subparagraph (A), the electric reliability organization shall submit the proposal to the Commission for approval under the procedures prescribed under subsection (e).

''(E) DIRECT SUBMISSIONS.—An affiliated regional reliability entity may not submit a proposal for approval directly to the Commission except as provided in subsection (e)(4).

(4) FAILURE TO REACH DELEGATION AGREEMENT.—

''(A) IN GENERAL.—If an affiliated regional reliability entity requests, consistent with

paragraph (1), that the electric reliability organization delegate authority to it, but is unable within 180 days to reach agreement with the electric reliability organization with respect to the requested delegation, the entity may seek relief from the Commission.

''(B) REVIEW BY THE COMMISSION.—The Commission shall order the electric reliablity organization to enter into a delegation agreement under terms specified by the Commission if, after notice and opportunity for comment, the Commission determines that—

''(i) a delegation to the affiliated regional reliability entity would—

''(I) meet the requirements of paragraph (1); and

''(II) would be just, reasonable, not unduly discriminatory or preferential, and in the public interest; and

''(ii) the electric reliability organization unreasonably withheld the delegation.

''(5) ORDERS TO MODIFY DELEGATION AGREEMENTS.—

''(A) IN GENERAL.—On complaint, or on motion of the Commission, after notice to the appropriate affiliated regional reliability entity, the Commission may order the electric reliability organization to propose a modification to a delegation agreement under this subsection if the Commission determines that—

''(i) the affiliated regional reliability entity—

''(I) no longer has the capacity to carry out effectively or efficiently the implementation or enforcement responsibilities under the delegation agreement;

''(II) has failed to meet its obligations under the delegation agreement; or

''(III) has violated this section;

''(ii) the rules, practices, or procedures of the affiliated regional reliability entity no longer provide for fair and impartial discharge of the implementation or enforcement responsibilities under the delegation agreement;

''(iii) the geographic boundary of a transmission entity approved by the Commission is not wholly within the boundary of an affiliated regional reliability entity, and the difference in boundaries is inconsistent with the effective and efficient implementation and administration of bulk-power system reliability; or

''(iv) the agreement is inconsistent with a delegation ordered by the Commission under paragraph (4).

''(B) SUSPENSION.—

''(i) IN GENERAL.—Following an order to modify a delegation agreement under subparagraph (A), the Commission may suspend the delegation agreement if the electric reliability organization or the affiliated regional reliability entity does not propose an appropriate and timely modification.

''(ii) ASSUMPTION OF RESPONSIBILITIES.—If a delegation agreement is suspended, the electric reliability organization shall assume the responsibilities delegated under the delegation agreement.

''(i) ORGANIZATION MEMBERSHIP.—Each system operator shall be a member of—

''(1) the electric reliability organization; and

''(2) any affiliated regional reliability entity operating under an agreement effective under subsection (h) applicable to the region in which the system operator operates, or is responsible for the operation of, a transmission facility.

''(j) ENFORCEMENT.—

''(1) DISCIPLINARY ACTIONS.—

''(A) IN GENERAL.—Consistent with procedures approved by the Commission under subsection (d)(4)(H), the electric reliability organization may impose a penalty, limitation on activities, functions, or operations, or other disciplinary action that the electric reliability organization finds appropriate against a bulk-power system user if the electric reliability organization, after notice and an opportunity for interested parties to be heard, issues a finding in writing that the bulk-power system user has violated an organization standard.

''(B) NOTIFICATION.—The electric reliability organization shall immediately notify the Commission of any disciplinary action imposed with respect to an act or failure to act of a bulk-power system user that affected or threatened to affect bulk-power system facilities located in the United States.

''(C) RIGHT TO PETITION.—A bulk-power system user that is the subject of disciplinary action under paragraph (1) shall have the right to petition the Commission for a modification or rescission of the disciplinary action.

''(D) INJUNCTIONS.—If the electric reliability organization finds it necessary to prevent a serious threat to reliability, the electric reliability organization may seek injunctive relief in the United States district court for the district in which the affected facilities are located.

''(E) EFFECTIVE DATE.—

''(i) IN GENERAL.—Unless the Commission, on motion of the Commission or on application by the bulk-power system user that is the subject of the disciplinary action, suspends the effectiveness of a disciplinary action, the disciplinary action shall take effect on the 30th day after the date on which—

''(I) the electric reliability organization submits to the Commission—

''(aa) a written finding that the bulk-power system user violated an organization standard; and

''(bb) the record of proceedings before the electric reliability organization; and

''(II) the Commission posts the written finding on the Internet.

''(ii) DURATION.—A disciplinary action shall remain in effect or remain suspended unless the Commission, after notice and opportunity for hearing, affirms, sets aside, modifies, or reinstates the disciplinary action.

''(iii) EXPEDITED CONSIDERATION.—The Commission shall conduct the hearing under procedures established to ensure expedited consideration of the action taken.

''(2) COMPLIANCE ORDERS.—The Commission, on complaint by any person or on motion of the Commission, may order compliance with an organization standard and may impose a penalty, limitation on activities, functions, or operations, or take such other disciplinary action as the Commission finds appropriate, against a bulk-power system user with respect to actions affecting or threatening to affect bulk-power system facilities located in the United States if the Commission finds, after notice and opportunity for a hearing, that the bulk-power system user has violated or threatens to violate an organization standard.

''(3) OTHER ACTIONS.—The Commission may take such action as is necessary against the electric reliability organization or an affiliated regional reliability entity to ensure compliance with an organization standard, or any Commission order affecting electric reliability organization or affiliated regional reliability entity.

''(k) RELIABILITY REPORTS.—The electric reliability organization shall—

''(1) conduct periodic assessments of the reliability and adequacy of the interconnected bulk-power system in North America; and

''(2) report annually to the Secretary of Energy and the Commission its findings and recommendations for monitoring or improving system reliability and adequacy.

''(l) ASSESSMENT AND RECOVERY OF CERTAIN COSTS.—

''(1) IN GENERAL.—The reasonable costs of the electric reliability organization, and the reasonable costs of each affiliated regional reliability entity that are related to implementation or enforcement of organization standards or other requirements contained in a delegation agreement approved under subsection (h), shall be assessed by the electric reliability organization and each affiliated regional reliability entity, respectively, taking into account the relationship of costs to each region and based on an allocation that reflects an equitable sharing of the costs among all electric energy consumers.

''(2) RULE.—The Commission shall provide by rule for the review of costs and allocations under paragraph (1) in accordance with the standards in this subsection and subsection (d)(4)(F).

''(m) APPLICATION OF ANTITRUST LAWS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the following activities are rebuttably presumed to be in compliance with the antitrust laws of the United States:

''(A) Activities undertaken by the electric reliability organization under this section or affiliated regional reliability entity operating under a delegation agreement under subsection (h).—

''(B) Activities of a member of the electric reliability organization or affiliated regional reliability entity in pursuit of the objectives of the electric reliability organization or affiliated regional reliability entity under this section undertaken in good faith under the rules of the organization of the electric reliability organization or affiliated regional reliability entity.

''(2) AVAILABILITY OF DEFENSES.—In a civil action brought by any person or entity against the electric reliability organization or an affiliated regional reliability entity alleging a violation of an antitrust law based on an activity under this Act, the defenses of primary jurisdiction and immunity from suit and other affirmative defenses shall be available to the extent applicable.

''(n) REGIONAL ADVISORY ROLE.—

''(1) ESTABLISHMENT OF REGIONAL ADVISORY BODY.—The Commission shall establish a regional advisory body on the petition of the Governors of at least two-thirds of the States within a region that have more than one-half of their electrical loads served within the region.

''(2) MEMBERSHIP.—A regional advisory body—

''(A) shall be composed of 1 member from each State in the region, appointed by the Governor of the State; and

''(B) may include representatives of agencies, States, and Provinces outside in United States, on execution of an appropriate international agreement described in subsection (f).

''(3) FUNCTIONS.—A regional advisory body may provide advice to the electric reliability organization, an affiliated regional reliability entity, or the Commission regarding—

''(A) the governance of an affiliated regional reliability entity existing or proposed within a region;

''(B) whether a standard proposed to apply within the region is just, reasonable, not unduly discrimatory or preferential, and the public interest; and

''(C) whether fees proposed to be assessed within the regions are—

''(i) just, reasonable, not unduly discriminatory or preferential, and in the public interest; and

''(ii) consistent with the requirements of subsection (1).

''(4) DEFERENCE.—In a case in which a regional advisory body encompasses an entire interconnection, the Commission may give

deference to advice provided by the regional advisory body under paragraph (3).

''(o) APPLICABILITY OF SECTION.—This section does not apply outside the 48 contiguous States.

''(p) REHEARINGS COURT REVIEW OF ORDERS.—Section 313 applies to an order of the Commission issued under this section.

''(q) PRESERVATION OF STATE AUTHORITY.—

''(1) The Electric Reliability Organization shall have authority to develop, implement, and enforce compliance with standards for the reliable operation of only the Bulk Power System.

''(2) This section does not provide the Electric Reliability Organization or the Commission with the authority to set and enforce compliance with standards for adequacy or safety of electric facility or services.

''(3) Nothing in this section shall be construed to preempt any authority of any State to take action to ensure the safety, adequacy, and reliability of electric service within that State, as long as such action is not inconsistent with any Organization Standard.

''(4) Not later than 90 days after the application of the Electric Reliability Organization or other affected party, the Commmission shall issue a final order dtermining whether a state action is inconsistent with an Organization Standard, after notice and opportunity for comment, taking into consideration any recommendations of the Electric Reliability Organization.

''(5) The Commission, after consultation with the Electric Reliability Organization, may stay the effectiveness of any state action, pending the Commission's issuance of a final order.''.

''(b) ENFORCEMENT.—

''(1) GENERAL PENALTIES.—Section 316(c) of the Federal Power Act (16 U.S.C. 825o(c)) is amended—

''(A) by striking ''subsection'' and inserting ''section''; and

''(B) by striking ''or 214'' and inserting ''214 or 215''.

''(2) CERTAIN PROVISIONS.—Section 316A of the Federal Power Act (16 U.S.C. 8250–1) is amended by striking ''or 214'' each place it appears and inserting ''214, or 215''.

HATCH (AND LEAHY) AMENDMENT NO. 3653

Mr. HATCH (for himself and Mr. LEAHY) proposed an amendment to the bill, H.R. 4577, supra; as follows:

Insert at the end the following:

SEC. . PROVISION OF INTERNET FILTERING OR SCREENING SOFTWARE BY CERTAIN INTERNET SERVICE PROVIDERS.

(a) REQUIREMENT TO PROVIDE.—Each Internet Service provider shall at the time of entering an agreement with a residential customer for the provision of Internet access services, provide to such customer, either at no fee or at fee not in excess of the amount specified in subsection (c), computer software or other filtering or blocking system that allows the customer to prevent the access of minors to material or the Internet.

(b) SURVEYS OF PROVISION OF SOFTWARE OR SYSTEMS.—

(1) SURVEYS.—The Office of Juvenile Justice and Delinquency Prevention of the Department of Justice and the Federal Trade Commission shall jointly conduct surveys of the extent to which Internet service providers are providing computer software or systems described in subsection (a) to their subscribers. In performing such surveys, neither the Department nor the Commission shall collect personally identifiable information of subscribers of the Internet service providers.

(2) FREQUENCY.—The surveys required by paragraph (1) shall be completed as follows:

(A) One shall be completed not later than one year after the date of the enactment of this Act.

(B) One shall be completed not later than two years after that date.

(C) One shall be completed not later than three years after that date.

(c) FEES.—The fee, if any, charged and collected by an Internet service provider for providing computer software or a system described in subsection (a) to a residential customer shall not exceed the amount equal to the cost of the provider in providing the software or system to the subscriber, including the cost of the software or system and of any license required with respect to the software or system.

(d) APPLICABILITY.—The requirement described in subsection (a) shall become effective only if—

(1) 1 year after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(A) that less than 75 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided computer software or systems described in subsection (a) by such providers;

(2) 2 years after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(B) that less than 85 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers; or

(3) 3 years after the date of the enactment of this Act, the Office and the Commission determine as a result of the survey completed by the deadline in subsection (b)(2)(C) that less than 100 percent of the total number of residential subscribers of Internet service providers as of such deadline are provided such software or systems by such providers.

(e) INTERNET SERVICE PROVIDER DEFINED.—In this section, the term 'Internet service provider' means a service provider as defined in section 512(k)(1)(A) of title 17, United States Code, which has more than 50,000 subscribers.

FRIST AMENDMENT NO. 3654

(Ordered to lie on the table.)

Mr. FRIST submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 18, line 7, insert before '': *Provided*,'' the following: ''(minus $10,000,000)''.

On page 68, line 23, strike ''$496,519,000'' and insert ''$506,519,000''.

On page 69, line 3, strike ''$40,000,000'' and insert ''$50,000,000''.

On page 69, line 6, insert after ''103–227'' the following: ''and $20,000,000 of that $50,000,000 shall be made available for the Interagency Education Research Initiative''.

JEFFORDS (AND OTHERS) AMENDMENT NO. 3655

(Ordered to lie on the table.)

Mr. JEFFORDS (for himself, Mr. GREGG, Mr. FRIST, Mr. ENZI, Mr. HUTCHINSON, Ms. COLLINS, Mr. HAGEL, Mr. SESSIONS, Mr. BROWNBACK, Mr. DEWINE, Mr. SANTORUM, and Mr. VOINOVICH) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 58, line 15, strike ''$4,672,534,000'' and insert ''$3,372,534,000''.

On page 58, line 17, strike ''$2,915,000,000'' and insert ''$1,615,000,000''.

On page 58, line 22, strike ''$3,100,000,000'' and insert ''$1,800,000,000''.

JEFFORDS AMENDMENT NO. 3656

(Ordered to lie on the table.)

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, H.R. 4577, supra; as follows:

On page 43, line 9, before the colon, insert the following: '', of which $5,000,000 shall be available for activities regarding medication management, screening, and education to prevent incorrect medication and adverse drug reactions''.

COLLINS AMENDMENT NO. 3657

(Ordered to lie on the table.)

Ms. COLLINS (for herself, Mr. FEINGOLD, Mr. JEFFORDS, Mr. BIDEN, Mrs. MURRAY, Mr. ENZI, Mr. WELLSTONE, Mr. BINGAMAN, Mr. ROBB, Mr. KERRY, Mr. ABRAHAM, and Mr. REED) submitted an amendment intended to be proposed by them to the bill, H.R. 4577, supra; as follows:

On page 24, line 1, strike ''and''.

On page 24, line 7, insert before the colon the following: '', and of which $4,000,000 shall be provided to the Rural Health Outreach Office of the Health Resources and Services Administration for the awarding of grants to community partnerships in rural areas for the purchase of automated external defibrillators and the training of individuals in basic cardiac life support''.

DASCHLE (AND OTHERS) AMENDMENT NO. 3658

Mr. HARKIN (for Mr. DASCHLE (for himself, Mr. MURKOWSKI, Mr. JOHNSON, Mr. WYDEN, Mrs. MURRAY, Mr. HARKIN, and Mr. REID)) proposed an amendment to the bill H.R. 4577, supra; as follows:

On page 27, line 4, insert before the colon the following: '', and of which $10,000,000 shall remain available until expended to carry out the Fetal Alcohol Syndrome prevention and services program''.

On page 34, line 13, insert before the colon the following: '', of which $15,000,000 shall remain available until expended to carry out the Fetal Alcohol Syndrome prevention and services program''.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on June 29, 2000 in SR–328A at 10 a.m. The purpose of this meeting will be to mark up new legislation.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. INHOFE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, June 27, 2000 at 9:30 a.m., in open session to consider the