

RESERVE PERSONNEL, ARMY

For an additional amount for "Reserve Personnel, Army", \$73,622,000.

RESERVE PERSONNEL, NAVY

For an additional amount for "Reserve Personnel, Navy", \$44,623,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for "Reserve Personnel, Marine Corps", \$5,660,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for "Reserve Personnel, Air Force", \$7,573,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for "National Guard Personnel, Army", \$314,091,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for "National Guard Personnel, Air Force", \$19,533,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and Maintenance, Army", \$15,400,000,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for "Operation and Maintenance, Navy", \$2,838,335,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", \$573,297,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", \$3,325,441,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", \$1,357,244,000.

OPERATION AND MAINTENANCE, ARMY

RESERVE

For an additional amount for "Operation and Maintenance, Army Reserve", \$37,025,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and Maintenance, Navy Reserve", \$55,533,000.

OPERATION AND MAINTENANCE, MARINE CORPS

RESERVE

For an additional amount for "Operation and Maintenance, Marine Corps Reserve", \$6,796,000.

OPERATION AND MAINTENANCE, AIR FORCE

RESERVE

For an additional amount for "Operation and Maintenance, Air Force Reserve", \$5,080,000.

OPERATION AND MAINTENANCE, ARMY

NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Army National Guard", \$41,785,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Air National Guard", \$19,215,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for "Afghanistan Security Forces Fund", \$2,953,200,000.

IRAQ SECURITY FORCES FUND

For an additional amount for "Iraq Security Forces Fund", \$1,921,150,000.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

For an additional amount for "Joint Improvised Explosive Device Defeat Fund", \$1,216,400,000, to remain available until September 30, 2008.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", \$1,217,000,000, to remain

available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", \$130,040,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", \$1,263,360,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", \$139,040,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", \$258,860,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Defense Health Program", \$3,251,853,000; of which \$2,802,153,000 shall be for operation and maintenance, including \$600,000,000 which shall be available for the treatment of traumatic brain injury and post-traumatic stress disorder and remain available until September 30, 2008; of which \$118,000,000 shall be for procurement, to remain available until September 30, 2009; and of which \$331,700,000 shall be for research, development, test and evaluation, to remain available until September 30, 2008: *Provided*, That the funds provided under this heading shall be allocated in accordance with the direction given in the joint explanatory statement accompanying the conference report on H.R. 1591 of the 110th Congress (H. Rept. 110-107): *Provided further*, That if the Secretary of Defense determines that funds made available in this paragraph for the treatment of traumatic brain injury and post-traumatic stress disorder are in excess of the requirements of the Department of Defense, the Secretary may transfer amounts in excess of that requirement to the Department of Veterans Affairs to be available only for the same purpose.

CHAPTER 2—ADDITIONAL FUNDING

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for "Military Personnel, Army", \$4,325,135,000.

MILITARY PERSONNEL, NAVY

For an additional amount for "Military Personnel, Navy", \$346,063,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for "Military Personnel, Marine Corps", \$693,436,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military Personnel, Air Force", \$528,643,000.

RESERVE PERSONNEL, ARMY

For an additional amount for "Reserve Personnel, Army", \$98,163,000.

RESERVE PERSONNEL, NAVY

For an additional amount for "Reserve Personnel, Navy", \$41,400,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for "Reserve Personnel, Air Force", \$4,000,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for "National Guard Personnel, Army", \$231,195,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for "National Guard Personnel, Air Force", \$24,500,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and Maintenance, Army", \$4,973,379,000.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation and Maintenance, Navy", \$2,313,794,000, of which up to \$120,293,000 shall be transferred to Coast Guard, "Operating Expenses", for reimbursement for activities which support activities requested by the Navy.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", \$573,297,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", \$3,325,441,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", \$1,357,244,000, of which—

(1) not to exceed \$25,000,000 may be used for the Combatant Commander Initiative Fund, to be used in support of Operation Iraqi Freedom and Operation Enduring Freedom; and

(2) not to exceed \$200,000,000, to remain available until expended, may be used for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical, military, and other support provided to United States military operations, notwithstanding any other provision of law: *Provided*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph.

OPERATION AND MAINTENANCE, ARMY

RESERVE

For an additional amount for "Operation and Maintenance, Army Reserve", \$37,025,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and Maintenance, Navy Reserve", \$55,533,000.

OPERATION AND MAINTENANCE, MARINE CORPS

RESERVE

For an additional amount for "Operation and Maintenance, Marine Corps Reserve", \$6,796,000.

OPERATION AND MAINTENANCE, AIR FORCE

RESERVE

For an additional amount for "Operation and Maintenance, Air Force Reserve", \$5,080,000.

OPERATION AND MAINTENANCE, ARMY
NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Army National Guard", \$41,785,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Air National Guard", \$19,215,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for "Afghanistan Security Forces Fund", \$2,953,200,000, to remain available until September 30, 2008.

IRAQ SECURITY FORCES FUND
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Iraq Freedom Fund", \$355,600,000, to remain available for transfer until September 30, 2008: *Provided*, That up to \$50,000,000 may be obligated and expended for purposes of the Task Force to Improve Business and Stability Operations in Iraq.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

For an additional amount for "Joint Improvised Explosive Device Defeat Fund", \$1,216,400,000, to remain available until September 30, 2009.

STRATEGIC RESERVE READINESS FUND
(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided in this or any other Act, for training, operations, repair of equipment, purchases of equipment, and other expenses related to improving the readiness of non-deployed United States military forces, \$2,000,000,000, to remain available until September 30, 2009; of which \$1,000,000,000 shall be transferred to "National Guard and Reserve Equipment" for the purchase of equipment for the Army National Guard; and of which \$1,000,000,000 shall be transferred by the Secretary of Defense only to appropriations for military personnel, operation and maintenance, procurement, and defense working capital funds to accomplish the purposes provided herein: *Provided*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the Secretary of Defense shall, not fewer than thirty days prior to making transfers under this authority, notify the congressional defense committees in writing of the details of any such transfers made pursuant to this authority: *Provided further*, That funds shall be transferred to the appropriation accounts not later than 120 days after the enactment of this Act: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for "Aircraft Procurement, Army", \$619,750,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, ARMY

For an additional amount for "Missile Procurement, Army", \$111,473,000, to remain available until September 30, 2009.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", \$3,404,315,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for "Procurement of Ammunition, Army", \$681,500,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", \$9,859,137,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for "Aircraft Procurement, Navy", \$1,090,287,000, to remain available until September 30, 2009.

WEAPONS PROCUREMENT, NAVY

For an additional amount for "Weapons Procurement, Navy", \$163,813,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for "Procurement of Ammunition, Navy and Marine Corps", \$159,833,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", \$618,709,000, to remain available until September 30, 2009.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", \$989,389,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft Procurement, Air Force", \$2,106,468,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile Procurement, Air Force", \$94,900,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for "Procurement of Ammunition, Air Force", \$6,000,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", \$1,957,160,000, to remain available until September 30, 2009.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", \$721,190,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for "Research, Development, Test and Evaluation, Army", \$100,006,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for "Research, Development, Test and Evaluation, Navy", \$298,722,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for "Research, Development, Test and Evaluation, Air Force", \$187,176,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for "Research, Development, Test and Evaluation, Defense-

Wide", \$512,804,000, to remain available until September 30, 2008.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for "Defense Working Capital Funds", \$1,315,526,000.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for "National Defense Sealift Fund", \$5,000,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense", \$254,665,000, to remain available until expended.

RELATED AGENCIES

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For an additional amount for "Intelligence Community Management Account", \$71,726,000.

CHAPTER 3—GENERAL PROVISIONS, THIS TITLE

SEC. 1301. Appropriations provided in this title are available for obligation until September 30, 2007, unless otherwise provided in this title.

(TRANSFER OF FUNDS)

SEC. 1302. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to \$3,500,000,000 of the funds made available to the Department of Defense in this title: *Provided*, That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: *Provided further*, That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2007 (Public Law 109-289; 120 Stat. 1257), except for the fourth proviso: *Provided further*, That funds previously transferred to the "Joint Improvised Explosive Device Defeat Fund" and the "Iraq Security Forces Fund" under the authority of section 8005 of Public Law 109-289 and transferred back to their source appropriations accounts shall not be taken into account for purposes of the limitation on the amount of funds that may be transferred under section 8005.

SEC. 1303. Funds appropriated in this title, or made available by the transfer of funds in or pursuant to this title, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

SEC. 1304. None of the funds provided in this title may be used to finance programs or activities denied by Congress in fiscal years 2006 or 2007 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior written notification to the congressional defense committees.

(TRANSFER OF FUNDS)

SEC. 1305. During fiscal year 2007, the Secretary of Defense may transfer not to exceed \$6,300,000 of the amounts in or credited to the Defense Cooperation Account, pursuant to 10 U.S.C. 2608, to such appropriations or funds of the Department of Defense as he shall determine for use consistent with the purposes for which such funds were contributed and accepted: *Provided*, That such amounts shall be available for the same time period as the

appropriation to which transferred: *Provided further*, That the Secretary shall report to the Congress all transfers made pursuant to this authority.

SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—Of the amount appropriated by this title under the heading, “Drug Interdiction and Counter-Drug Activities, Defense”, not to exceed \$60,000,000 may be used for support for counter-drug activities of the Governments of Afghanistan and Pakistan: *Provided*, That such support shall be in addition to support provided for the counter-drug activities of such Governments under any other provision of the law.

(b) TYPES OF SUPPORT.—

(1) Except as specified in subsection (b)(2) of this section, the support that may be provided under the authority in this section shall be limited to the types of support specified in section 1033(c)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85, as amended by Public Laws 106-398, 108-136, and 109-364) and conditions on the provision of support as contained in section 1033 shall apply for fiscal year 2007.

(2) The Secretary of Defense may transfer vehicles, aircraft, and detection, interception, monitoring and testing equipment to said Governments for counter-drug activities.

SEC. 1307. (a) From funds made available for operation and maintenance in this title to the Department of Defense, not to exceed \$456,400,000 may be used, notwithstanding any other provision of law, to fund the Commanders’ Emergency Response Program, for the purpose of enabling military commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi and Afghan people.

(b) QUARTERLY REPORTS.—Not later than 15 days after the end of each fiscal year quarter, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that quarter that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes of the programs under subsection (a).

SEC. 1308. Section 9010 of division A of Public Law 109-289 is amended by striking “2007” each place it appears and inserting “2008”.

SEC. 1309. During fiscal year 2007, supervision and administration costs associated with projects carried out with funds appropriated to “Afghanistan Security Forces Fund” or “Iraq Security Forces Fund” in this title may be obligated at the time a construction contract is awarded: *Provided*, That for the purpose of this section, supervision and administration costs include all in-house Government costs.

SEC. 1310. Section 1005(c)(2) of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109-364) is amended by striking “\$310,277,000” and inserting “\$376,446,000”.

SEC. 1311. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows:

(1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.

(2) To exercise United States control over any oil resource of Iraq.

SEC. 1312. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other

Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984)—

(1) section 2340A of title 18, United States Code;

(2) section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C. 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations; and

(3) sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148).

SEC. 1313. (a) REPORT BY SECRETARY OF DEFENSE.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains individual transition readiness assessments by unit of Iraq and Afghan security forces. The Secretary of Defense shall submit to the congressional defense committees updates of the report required by this subsection every 90 days after the date of the submission of the report until October 1, 2008. The report and updates of the report required by this subsection shall be submitted in classified form.

(b) REPORT BY OMB.—

(1) The Director of the Office of Management and Budget, in consultation with the Secretary of Defense; the Commander, Multi-National Security Transition Command—Iraq; and the Commander, Combined Security Transition Command—Afghanistan, shall submit to the congressional defense committees not later than 120 days after the date of the enactment of this Act and every 90 days thereafter a report on the proposed use of all funds under each of the headings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund” on a project-by-project basis, for which the obligation of funds is anticipated during the three-month period from such date, including estimates by the commanders referred to in this paragraph of the costs required to complete each such project.

(2) The report required by this subsection shall include the following:

(A) The use of all funds on a project-by-project basis for which funds appropriated under the headings referred to in paragraph (1) were obligated prior to the submission of the report, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(B) The use of all funds on a project-by-project basis for which funds were appropriated under the headings referred to in paragraph (1) in prior appropriations Acts, or for which funds were made available by transfer, reprogramming, or allocation from other headings in prior appropriations Acts, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(C) An estimated total cost to train and equip the Iraq and Afghan security forces, disaggregated by major program and sub-elements by force, arrayed by fiscal year.

(c) NOTIFICATION.—The Secretary of Defense shall notify the congressional defense committees of any proposed new projects or transfers of funds between sub-activity groups in excess of \$15,000,000 using funds appropriated by this Act under the headings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund”.

SEC. 1314. None of the funds appropriated or otherwise made available by this title may be obligated or expended to provide award fees to any defense contractor con-

trary to the provisions of section 814 of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109-364).

SEC. 1315. Not more than 85 percent of the funds appropriated in chapter 2 for operation and maintenance shall be available for obligation unless and until the Secretary of Defense submits to the congressional defense committees a report detailing the use of Department of Defense funded service contracts conducted in the theater of operations in support of United States military and reconstruction activities in Iraq and Afghanistan: *Provided*, That the report shall provide detailed information specifying the number of contracts and contract costs used to provide services in fiscal year 2006, with sub-allocations by major service categories: *Provided further*, That the report also shall include estimates of the number of contracts to be executed in fiscal year 2007: *Provided further*, That the report shall include the number of contractor personnel in Iraq and Afghanistan funded by the Department of Defense: *Provided further*, That the report shall be submitted to the congressional defense committees not later than August 1, 2007.

SEC. 1316. Section 1477 of title 10, United States Code, is amended—

(1) in subsection (a), by striking “A death gratuity” and inserting “Subject to subsection (d), a death gratuity”;

(2) by redesignating subsection (d) as subsection (e) and, in such subsection, by striking “If an eligible survivor dies before he” and inserting “If a person entitled to all or a portion of a death gratuity under subsection (a) or (d) dies before the person”; and

(3) by inserting after subsection (c) the following new subsection (d):

“(d) During the period beginning on the date of the enactment of this subsection and ending on September 30, 2007, a person covered by section 1475 or 1476 of this title may designate another person to receive not more than 50 percent of the amount payable under section 1478 of this title. The designation shall indicate the percentage of the amount, to be specified only in 10 percent increments up to the maximum of 50 percent, that the designated person may receive. The balance of the amount of the death gratuity shall be paid to or for the living survivors of the person concerned in accordance with paragraphs (1) through (5) of subsection (a).”.

SEC. 1317. Section 9007 of Public Law 109-289 is amended by striking “20” and inserting “28”.

SEC. 1318. (a) INSPECTION OF MILITARY MEDICAL TREATMENT FACILITIES, MILITARY QUARTERS HOUSING MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS HOUSING MEDICAL HOLDOVER PERSONNEL.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall inspect each facility of the Department of Defense as follows:

(A) Each military medical treatment facility.

(B) Each military quarters housing medical hold personnel.

(C) Each military quarters housing medical holdover personnel.

(2) PURPOSE.—The purpose of an inspection under this subsection is to ensure that the facility or quarters concerned meets acceptable standards for the maintenance and operation of medical facilities, quarters housing medical hold personnel, or quarters housing medical holdover personnel, as applicable.

(b) ACCEPTABLE STANDARDS.—For purposes of this section, acceptable standards for the operation and maintenance of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel are each of the following:

(1) Generally accepted standards for the accreditation of medical facilities, or for facilities used to quarter individuals with medical conditions that may require medical supervision, as applicable, in the United States.

(2) Where appropriate, standards under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICIENCIES.—

(1) IN GENERAL.—In the event a deficiency is identified pursuant to subsection (a) at a facility or quarters described in paragraph (1) of that subsection—

(A) the commander of such facility or quarters, as applicable, shall submit to the Secretary a detailed plan to correct the deficiency; and

(B) the Secretary shall reinspect such facility or quarters, as applicable, not less often than once every 180 days until the deficiency is corrected.

(2) CONSTRUCTION WITH OTHER INSPECTIONS.—An inspection of a facility or quarters under this subsection is in addition to any inspection of such facility or quarters under subsection (a).

(d) REPORTS ON INSPECTIONS.—A complete copy of the report on each inspection conducted under subsections (a) and (c) shall be submitted in unclassified form to the applicable military medical command and to the congressional defense committees.

(e) REPORT ON STANDARDS.—In the event no standards for the maintenance and operation of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel exist as of the date of the enactment of this Act, or such standards as do exist do not meet acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be, the Secretary shall, not later than 30 days after that date, submit to the congressional defense committees a report setting forth the plan of the Secretary to ensure—

(1) the adoption by the Department of standards for the maintenance and operation of military medical facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel, as applicable, that meet—

(A) acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be; and

(B) where appropriate, standards under the Americans with Disabilities Act of 1990; and

(2) the comprehensive implementation of the standards adopted under paragraph (1) at the earliest date practicable.

SEC. 1319. From funds made available for the “Iraq Security Forces Fund” for fiscal year 2007, up to \$155,500,000 may be used, notwithstanding any other provision of law, to provide assistance, with the concurrence of the Secretary of State, to the Government of Iraq to support the disarmament, demobilization, and reintegration of militias and illegal armed groups.

SEC. 1320. (a) INDEPENDENT ASSESSMENT OF CAPABILITIES OF IRAQI SECURITY FORCES.—Of the amount appropriated or otherwise made available for the Department of Defense, \$750,000 is provided to commission an independent, private-sector entity, which operates as a 501(c)(3) with recognized credentials and expertise in military affairs, to prepare an independent report assessing the following:

(1) The readiness of the Iraqi Security Forces (ISF) to assume responsibility for maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, and bringing greater security to Iraq’s 18 provinces in the next 12–18 months, and bringing an end to sectarian violence to achieve national reconciliation.

(2) The training; equipping; command, control and intelligence capabilities; and logistics capacity of the ISF.

(3) The likelihood that, given the ISF’s record of preparedness to date, following years of training and equipping by U.S. forces, the continued support of U.S. troops will contribute to the readiness of the ISF to fulfill the missions outlined in subparagraph (1).

(b) REPORT.—Not later than 120 days after passage of this Act, the designated private sector entity shall provide an unclassified report, with a classified annex, containing its findings, to the House and Senate Committees on Armed Services, Appropriations, Foreign Relations, and Intelligence.

SEC. 1321. (a) AWARD OF MEDAL OF HONOR TO WOODROW W. KEEBLE FOR VALOR DURING KOREAN WAR.—Notwithstanding any applicable time limitation under section 3744 of title 10, United States Code, or any other time limitation with respect to the award of certain medals to individuals who served in the Armed Forces, the President may award to Woodrow W. Keeble the Medal of Honor under section 3741 of that title for the acts of valor described in subsection (b).

(b) ACTS OF VALOR.—The acts of valor referred to in subsection (a) are the acts of Woodrow W. Keeble, then-acting platoon leader, carried out on October 20, 1951, during the Korean War.

(TRANSFER OF FUNDS)

SEC. 1322. Of the amount appropriated under the heading “Other Procurement, Army”, in title III of division A of Public Law 109-148, \$6,250,000 shall be transferred to “Military Construction, Army”.

SEC. 1323. The Secretary of the Navy shall, notwithstanding any other provision of law, transfer to the Secretary of the Air Force, at no cost, all lands, easements, Air Installation Compatible Use Zones, and facilities at NASJRB Willow Grove designated for operation as a Joint Interagency Installation for use by the Pennsylvania National Guard and other Department of Defense components, government agencies, and associated users to perform national defense, homeland security, and emergency preparedness missions.

(TRANSFER OF FUNDS)

SEC. 1324. Notwithstanding any other provision of law (except section 1331 of this Act), not to exceed \$110,000,000 may be transferred to the “Economic Support Fund”, Department of State, for use in programs in Pakistan from amounts appropriated in chapter 2 as follows:

“Military Personnel, Army”, \$70,000,000.
“National Guard Personnel, Army”, \$13,183,000.

“Defense Health Program”, \$26,817,000.

SEC. 1325. The Secretary of Defense, notwithstanding any other provision of law, acting through the Office of Economic Adjustment or the Office of Dependents Education of the Department of Defense, shall use not less than \$10,000,000 of funds made available in this title under the heading “Operations and Maintenance, Defense-Wide” to make grants and supplement other Federal funds to provide special assistance to local education agencies in districts adversely affected by significant changes in the military population.

SEC. 1326. (a) FINDINGS.—Congress finds the following:

(1) Congress has appropriated over \$15 billion to train and equip the security forces of Iraq since April 2004.

(2) The Administration has reported in the March 2007 report entitled “Measuring Stability and Security in Iraq” that the number of Iraqi security forces nearing combat proficiency is 328,700.

(3) The Iraqi security forces continue to be trained to achieve the highest level of com-

bat efficiency in order to provide for the security and stability of the Iraqi people.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) as battalions of the Iraqi security forces achieve a level of combat proficiency such that they can conduct independent combat operations without support from Coalition forces in Iraq, units of the United States Armed Forces should be redeployed from Iraq; and

(2) regular, accurate accounts of the combat proficiency of battalions of the Iraqi security forces are necessary for the American public to gauge the development of the Iraqi security forces.

(c) REPORT ON COMBAT PROFICIENCY OF IRAQI SECURITY FORCES.—The President shall transmit to the appropriate congressional committees each month a report in classified and unclassified form that contains an accounting of the number of battalions of the security forces of Iraq at each level of combat proficiency described in subsection (d).

(d) LEVELS OF COMBAT PROFICIENCY.—The levels of combat proficiency referred to in subsection (c) are the following:

(1) Level 1 means a battalion that can conduct independent combat operations without support from Coalition forces in Iraq.

(2) Level 2 means a battalion that can conduct independent combat operations, but only with logistical support, or non-combat-related support from Coalition forces in Iraq.

(3) Level 3 means a battalion that can participate in combat operations alongside Coalition forces, but cannot conduct independent combat operations without direct combat support from Coalition forces in Iraq.

(4) Level 4 means a battalion that cannot participate in combat operations, even with support from Coalition forces in Iraq.

(e) COMPARISON OF DATA.—The report shall include a comparison of data from each previous report with respect to each battalion of the security forces of Iraq.

(f) PUBLIC NOTIFICATION.—The President shall ensure that the unclassified form of each report required by this section is made available on the main public Internet Web site of the Department of Defense not later than 10 days after the date on which the report is transmitted to the appropriate congressional committees, and that a link to the accounting in the report is made available on the homepage of such Internet Web site.

(g) DEFINITION.—As used in this section, the term “appropriate congressional committees” means—

(1) the Committee on Appropriations, the Committee on Armed Services, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Appropriations, the Committee on Armed Services, and the Select Committee on Intelligence of the Senate.

(h) EFFECTIVE DATE.—The requirement to transmit and make available reports under this section shall apply with respect to the first month beginning after the date of the enactment of this Act and to each subsequent month thereafter until the President determines and certifies to the appropriate congressional committees that the security forces of Iraq have achieved combat proficiency to the extent necessary to combat the insurgency in Iraq.

SEC. 1327. (a) Congress finds that it is Defense Department policy that units should not be deployed for combat unless they are rated “fully mission capable”.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be used to deploy any unit of the Armed Forces to Iraq unless the President

has certified in writing to the Committees on Appropriations and the Committees on Armed Services at least 15 days in advance of the deployment that the unit is fully mission capable.

(c) For purposes of subsection (b), the term “fully mission capable” means capable of performing assigned mission essential tasks to prescribed standards under the conditions expected in the theater of operations, consistent with the guidelines set forth in the Department of Defense readiness reporting system.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the deployment to Iraq of a unit that is not assessed fully mission capable is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit’s deployment is necessary, may waive the limitation prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1328. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be deployed for combat beyond 365 days or that Marine Corps and Marine Corps Reserve units should not be deployed for combat beyond 210 days.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of extending the deployment for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve or Army National Guard beyond 365 days; or

(2) any unit of the Marine Corps or Marine Corps Reserve beyond 210 days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the extension of a unit’s deployment in Iraq beyond the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit’s extended deployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1329. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be redeployed for combat if the unit has been deployed within the previous 365 consecutive days or that Marine Corps and Marine Corps Reserve units should not be redeployed for combat if the unit has been deployed within the previous 210 days.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of deploying for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve or Army National Guard if such unit has been deployed within the previous 365 consecutive days; or

(2) any unit of the Marine Corps or Marine Corps Reserve if such unit has been deployed within the previous 210 consecutive days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the redeployment of a unit to Iraq in advance of the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit’s redeployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1330. The President shall transmit to the Congress a report in classified and unclassified form, on or before July 13, 2007, detailing—

(1) the progress the Government of Iraq has made in—

(A) giving the United States Armed Forces and Iraqi Security Forces the authority to pursue all extremists, including Sunni insurgents and Shiite militias;

(B) delivering necessary Iraqi Security Forces for Baghdad and protecting such Forces from political interference;

(C) intensifying efforts to build balanced security forces throughout Iraq that provide even-handed security for all Iraqis;

(D) ensuring that Iraq’s political authorities are not undermining or making false accusations against members of the Iraqi Security Forces;

(E) eliminating militia control of local security;

(F) establishing a strong militia disarmament program;

(G) ensuring fair and just enforcement of laws;

(H) establishing political, media, economic, and service committees in support of the Baghdad Security Plan;

(I) eradicating safe havens;

(J) reducing the level of sectarian violence in Iraq; and

(K) ensuring that the rights of minority political parties in the Iraqi Parliament are protected; and

(2) whether the Government of Iraq has—

(A) enacted a broadly accepted hydro-carbon law that equitably shares oil revenues among all Iraqis;

(B) adopted legislation necessary for the conduct of provincial and local elections, taken steps to implement such legislation, and set a schedule to conduct provincial and local elections;

(C) reformed current laws governing the de-Baathification process to allow for more equitable treatment of individuals affected by such laws;

(D) amended the Constitution of Iraq consistent with the principles contained in article 137 of such Constitution; and

(E) allocated and begun expenditure of \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.

SEC. 1331. (a) LIMITATION ON AVAILABILITY OF FUNDS.—None of the funds provided by chapter 2 shall be available for obligation or expenditure unless—

(1) the President submits to the Congress, on or before July 13, 2007, the report required by section 1330; and

(2) a joint resolution of approval is enacted into law.

(b) JOINT RESOLUTION OF APPROVAL.—For purposes of this section, the term “joint resolution of approval” means a joint resolution that is introduced by the chairman of the Committee on Appropriations of the House of Representatives or the Senate on the first legislative day following the date on which the report of the President required by section 1330 is received by the Congress, does not contain a preamble, and the sole matter after the resolving clause of which (other than as a result of the adoption of an amend-

ment permitted under subsection (f)) is as follows: “That the Congress approves the obligation and expenditure of funds provided by chapter 2 of title I of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007.”

(c) REFERRAL TO COMMITTEES.—A joint resolution of approval introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House, and a joint resolution of approval introduced in the Senate shall be referred to the Committee on Appropriations of the Senate.

(d) CONSIDERATION BY COMMITTEES.—A joint resolution of approval shall not be subject to amendment during consideration by the Committee on Appropriations of the House of Representatives or the Senate.

(e) DISCHARGE OF COMMITTEES.—If the committee of either House to which a joint resolution of approval has been referred has not reported the joint resolution at the end of 4 legislative days after its introduction, the committee shall be discharged from further consideration of the joint resolution, and the joint resolution shall be placed on the appropriate calendar of the House involved.

(f) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—For purposes of the House of Representatives:

(1) IN GENERAL.—Not later than the second legislative day following the date on which the Committee on Appropriations has reported (or has been discharged from further consideration of) a joint resolution of approval, the Speaker shall, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the joint resolution. The first reading of the joint resolution shall be dispensed with. All points of order against the joint resolution and against its consideration shall be waived. General debate shall be confined to the joint resolution and shall not exceed 2 hours equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate, the joint resolution shall be considered for amendment under the 5-minute rule. No amendment to the joint resolution shall be in order, except the amendment specified in paragraph (2). Such amendment shall be considered as read, shall be debatable for 2 hours equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendment are waived. At the conclusion of consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the joint resolution and amendment thereto to final passage without intervening motion.

(2) PERMITTED AMENDMENT.—The amendment specified in paragraph (1) is an amendment the sole matter of which is as follows: providing that defense funding related to Iraq may only be used to plan and execute the redeployment of troops within 180 days of enactment of the joint resolution of approval, with the exception of troops who are protecting American diplomatic facilities and American citizens (including members of the United States Armed Forces), serving in roles consistent with customary diplomatic positions, engaging in targeted special actions limited in duration and scope to killing or capturing members of al-Qaeda and other terrorist organizations with global reach, or training and equipping members of the Iraqi Security Forces.

(3) PERMITTED MOTIONS.—During consideration of a joint resolution of approval—

(A) the Chairman of the Committee of the Whole may entertain a motion that the Committee rise only if offered by the chairman of the Committee on Appropriations or a designee; and

(B) the Chairman of the Committee of the Whole may not entertain any motion to strike out the resolving words of the joint resolution (as described in clause 9 of rule XVIII).

(4) FURTHER CONSIDERATION.—If the Committee of the Whole rises and reports that it has come to no resolution on a joint resolution of approval, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee on the Whole for further consideration of the joint resolution.

(5) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the House to the procedures relating to a joint resolution of approval shall be decided without debate.

(g) FLOOR CONSIDERATION IN SENATE.—For purposes of the Senate:

(1) IN GENERAL.—When the Committee on Appropriations has reported (or has been discharged from further consideration of) a joint resolution of approval, it shall be in order (even though a previous motion to the same effect has been disagreed to) for any Senator to move to proceed to the consideration of the joint resolution. All points of order against the joint resolution (and against consideration of the joint resolution) shall be waived. The motion shall be privileged and not debatable. The motion shall not be subject to amendment, a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

(2) DEBATE.—Debate on a joint resolution of approval, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. A motion to further limit debate shall be in order and shall not be debatable, but such motion shall not be in order until after 5 hours of debate. An amendment to the joint resolution shall not be in order. A motion to table, postpone, proceed to other business, or recommit the joint resolution shall not be in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(3) FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution of approval, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(4) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate relating to the procedures relating to a joint resolution of approval shall be decided without debate.

(h) CONSIDERATION BY SENATE AFTER PASSAGE BY HOUSE OF REPRESENTATIVES.—

(1) PRIOR TO SENATE PASSAGE.—If, before passage by the Senate of a joint resolution of approval of the Senate, the Senate receives from the House of Representatives a joint resolution of approval, then the following procedures shall apply:

(A) The joint resolution of the House shall not be referred to a committee.

(B) With respect to a joint resolution of approval of the Senate—

(I) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

(ii) the vote on final passage shall be on the joint resolution of the House.

(C) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the joint resolution that originated in the Senate.

(2) FOLLOWING SENATE PASSAGE.—If the Senate receives from the House of Representatives a joint resolution of approval after the Senate has disposed of a Senate originated joint resolution, and the matter after the resolving clauses of the 2 joint resolutions are identical, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution.

(i) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsections (b) through (h) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

TITLE II—OTHER INTERNATIONAL AND SECURITY-RELATED FUNDING

CHAPTER 1

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for “Salaries and Expenses, General Legal Activities”, \$1,648,000, to remain available until September 30, 2008.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for “Salaries and Expenses, United States Attorneys”, \$5,000,000, to remain available until September 30, 2008.

UNITED STATES MARSHALS SERVICE

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$6,450,000, to remain available until September 30, 2008.

NATIONAL SECURITY DIVISION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$1,736,000, to remain available until September 30, 2008.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$268,000,000, of which \$258,000,000 is to remain available until September 30, 2008 and \$10,000,000 is to remain available until expended to implement corrective actions in response to the findings and recommendations in the Department of Justice Office of Inspector General report entitled, “A Review of the Federal Bureau of Investigation’s Use of National Security Letters”, of which \$500,000 shall be transferred to and merged with “Department of Justice, Office of the Inspector General”.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$12,166,000, to remain available until September 30, 2008.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$4,000,000, to remain available until September 30, 2008.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$17,000,000, to remain available until September 30, 2008.

CHAPTER 2

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for “Defense Nuclear Nonproliferation”, \$150,000,000, to remain available until expended.

GENERAL PROVISION—THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 2201. The Administrator of the National Nuclear Security Administration is authorized to transfer up to \$1,000,000 from Defense Nuclear Nonproliferation to the Office of the Administrator during fiscal year 2007 supporting nuclear nonproliferation activities.

CHAPTER 3

DEPARTMENT OF HOMELAND SECURITY

ANALYSIS AND OPERATIONS

For an additional amount for “Analysis and Operations”, \$15,000,000, to remain available until September 30, 2008, to be used for support of the State and Local Fusion Center program.

UNITED STATES CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Salaries and Expenses”, \$115,000,000, to remain available until September 30, 2008, to be used to increase the number of officers, intelligence analysts and support staff responsible for container security inspections, and for other efforts to improve supply chain security: *Provided*, That up to \$5,000,000 shall be transferred to Federal Law Enforcement Training Center “Salaries and Expenses”, for basic training costs.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

For an additional amount for “Air and Marine Interdiction, Operations, Maintenance, and Procurement”, for air and marine operations on the Northern Border, including the final Northern Border air wing, \$120,000,000, to remain available until September 30, 2008.

UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$10,000,000, to remain available until September 30, 2008.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For an additional amount for “Aviation Security”, \$970,000,000; of which \$815,000,000 shall be for procurement and installation of checked baggage explosives detection systems, to remain available until expended; of which \$45,000,000 shall be for expansion of checkpoint explosives detection pilot systems, to remain available until expended; and of which \$110,000,000 shall be for air cargo security, to remain available until September 30, 2009.

FEDERAL AIR MARSHALS

For an additional amount for “Federal Air Marshals”, \$8,000,000, to remain available until September 30, 2008.

NATIONAL PROTECTION AND PROGRAMS
INFRASTRUCTURE PROTECTION AND
INFORMATION SECURITY

For an additional amount for "Infrastructure Protection and Information Security", \$37,000,000, to remain available until September 30, 2008.

OFFICE OF HEALTH AFFAIRS

For an additional amount for "Office of Health Affairs" for nuclear event public health assessment and planning and other activities, \$15,000,000, to remain available until September 30, 2008.

FEDERAL EMERGENCY MANAGEMENT AGENCY
MANAGEMENT AND ADMINISTRATION

For expenses for management and administration of the Federal Emergency Management Agency, \$25,000,000, to remain available until September 30, 2008: *Provided*, That none of such funds made available under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further*, That unobligated amounts in the "Administrative and Regional Operations" and "Readiness, Mitigation, Response, and Recovery" accounts shall be transferred to "Management and Administration" and may be used for any purpose authorized for such amounts and subject to limitation on the use of such amounts.

STATE AND LOCAL PROGRAMS

For an additional amount for "State and Local Programs", \$552,500,000; of which \$190,000,000 shall be for port security grants pursuant to section 70107(1) of title 46, United States Code; of which \$325,000,000 shall be for intercity rail passenger transportation, freight rail, and transit security grants; of which \$35,000,000 shall be for regional grants and regional technical assistance to high risk urban areas for catastrophic event planning and preparedness; and of which \$2,500,000 shall be for technical assistance: *Provided*, That none of the funds made available under this heading may be obligated for such regional grants and regional technical assistance until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further*, That funds for such regional grants and regional technical assistance shall remain available until September 30, 2008.

EMERGENCY MANAGEMENT PERFORMANCE
GRANTS

For an additional amount for "Emergency Management Performance Grants", \$100,000,000.

UNITED STATES CITIZENSHIP AND IMMIGRATION
SERVICES

For an additional amount for expenses of "United States Citizenship and Immigration Services" to address backlogs of security checks associated with pending applications and petitions, \$10,000,000, to remain available until September 30, 2008: *Provided*, That none of the funds made available under this heading shall be available for obligation until the Secretary of Homeland Security, in consultation with the United States Attorney General, submits to the Committees on Appropriations of the Senate and the House of Representatives a plan to eliminate the backlog of security checks that establishes information sharing protocols to ensure United States Citizenship and Immigration Services has the information it needs to carry out its mission.

SCIENCE AND TECHNOLOGY

RESEARCH, DEVELOPMENT, ACQUISITION, AND
OPERATIONS

For an additional amount for "Research, Development, Acquisition, and Operations"

for air cargo security research, \$10,000,000, to remain available until expended.

DOMESTIC NUCLEAR DETECTION OFFICE

RESEARCH, DEVELOPMENT, AND OPERATIONS

For an additional amount for "Research, Development, and Operations" for non-container, rail, aviation and intermodal radiation detection activities, \$39,000,000, to remain available until expended.

SYSTEMS ACQUISITION

For an additional amount for "Systems Acquisition", \$223,500,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be obligated for full scale procurement of Advanced Spectroscopic Portal Monitors until the Secretary of Homeland Security has certified through a report to the Committees on Appropriations of the Senate and the House of Representatives that a significant increase in operational effectiveness will be achieved.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2301. (a) AMENDMENTS.—Section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note) is amended by—

(1) in subsection (c), by striking "consistent with similar" and inserting "identical to the protections given";

(2) in subsection (c), by striking "site security plans, and other information submitted to or obtained by the Secretary under this section, and related vulnerability or security information, shall be treated as if the information were classified material" and inserting "and site security plans shall be treated as sensitive security information (as that term is used in section 1520.5 of title 49, Code of Federal Regulations, or any subsequent regulations relating to the same matter)"; and

(3) by adding at the end of the section the following:

"(h) This section shall not preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulation, requirement, or standard of performance with respect to chemical facility security that is more stringent than a regulation, requirement, or standard of performance issued under this section, or otherwise impair any right or jurisdiction of any State with respect to chemical facilities within that State.".

(b) REGULATORY CLARIFICATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security shall update the regulations administered by the Secretary that govern sensitive security information, including 49 CFR 1520, to ensure the protection of all information required to be protected under section 550(c) of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note), as amended by paragraph (a).

SEC. 2302. None of the funds provided in this Act, or Public Law 109-295, shall be available to carry out section 872 of Public Law 107-296.

SEC. 2303. The Secretary of Homeland Security shall require that all contracts of the Department of Homeland Security that provide award fees link such fees to successful acquisition outcomes (which outcomes shall be specified in terms of cost, schedule, and performance).

CHAPTER 4

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", \$6,437,000, as follows:

ALLOWANCES AND EXPENSES

For an additional amount for allowances and expenses as authorized by House resolu-

tion or law, \$6,437,000 for business continuity and disaster recovery, to remain available until expended.

GOVERNMENT ACCOUNTABILITY OFFICE
SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" of the Government Accountability Office, \$374,000, to remain available until September 30, 2008.

CHAPTER 5

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION, ARMY

For an additional amount for "Military Construction, Army", \$1,255,890,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$173,700,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds made available under this heading, \$369,690,000 shall not be obligated or expended until the Secretary of Defense submits a detailed report explaining how military road construction is coordinated with NATO and coalition nations: *Provided further*, That of the funds made available under this heading, \$401,700,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Army end-strength growth to the Committees on Appropriations of the House of Representatives and Senate: *Provided further*, That of the funds provided under this heading, \$274,800,000 shall not be obligated or expended until the Secretary of Defense certifies that none of the funds are to be used for the purpose of providing facilities for the permanent basing of United States military personnel in Iraq.

MILITARY CONSTRUCTION, NAVY AND MARINE
CORPS

For an additional amount for "Military Construction, Navy and Marine Corps", \$370,990,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$49,600,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds made available under this heading, \$324,270,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Marine Corps end-strength growth to the Committees on Appropriations of the House of Representatives and Senate.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for "Military Construction, Air Force", \$43,300,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$3,000,000 shall be available for study, planning, design, and architect and engineer services.

DEPARTMENT OF DEFENSE BASE CLOSURE
ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906A(a)(1) of the Defense Base

Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), \$3,136,802,000, to remain available until expended: *Provided*, That within 30 days of the enactment of this Act, the Secretary of Defense shall submit a detailed spending plan to the Committees on Appropriations of the House of Representatives and Senate.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2501. Notwithstanding any other provision of law, none of the funds in this or any other Act may be used to close Walter Reed Army Medical Center until equivalent medical facilities at the Walter Reed National Military Medical Center at Naval Medical Center, Bethesda, Maryland, and/or the Fort Belvoir, Virginia, Community Hospital have been constructed and equipped: *Provided*, That to ensure that the quality of care provided by the Military Health System is not diminished during this transition, the Walter Reed Army Medical Center shall be adequately funded, to include necessary renovation and maintenance of existing facilities, to maintain the maximum level of inpatient and outpatient services.

SEC. 2502. Notwithstanding any other provision of law, none of the funds in this or any other Act shall be used to reorganize or relocate the functions of the Armed Forces Institute of Pathology (AFIP) until the Secretary of Defense has submitted, not later than December 31, 2007, a detailed plan and timetable for the proposed reorganization and relocation to the Committees on Appropriations and Armed Services of the Senate and House of Representatives. The plan shall take into consideration the recommendations of a study being prepared by the Government Accountability Office (GAO), provided that such study is available not later than 45 days before the date specified in this section, on the impact of dispersing selected functions of AFIP among several locations, and the possibility of consolidating those functions at one location. The plan shall include an analysis of the options for the location and operation of the Program Management Office for second opinion consults that are consistent with the recommendations of the Base Realignment and Closure Commission, together with the rationale for the option selected by the Secretary.

CHAPTER 6

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Diplomatic and Consular Programs", \$870,658,000, to remain available until September 30, 2008, of which \$96,500,000 for World Wide Security Upgrades is available until expended: *Provided*, That of the funds appropriated under this heading, not more than \$20,000,000 shall be made available for public diplomacy programs: *Provided further*, That prior to the obligation of funds pursuant to the previous proviso, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive public diplomacy strategy, with goals and expected results, for fiscal years 2007 and 2008: *Provided further*, That of the amount available under this heading, \$258,000 shall be transferred to, and merged with, funds available in fiscal year 2007 for expenses for the United States Commission on International Religious Freedom: *Provided further*, That 20 percent of the amount available for Iraq operations shall not be obligated until the Committees on Appropriations receive and approve a detailed plan for expenditure, pre-

pared by the Secretary of State, and submitted within 60 days after the date of enactment of this Act: *Provided further*, That within 15 days of enactment of this Act, the Office of Management and Budget shall apportion \$15,000,000 from amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109-148 under the heading "Emergencies in the Diplomatic and Consular Service" for emergency evacuations: *Provided further*, That of the amount made available under this heading for Iraq, not to exceed \$20,000,000 may be transferred to, and merged with, funds in the "Emergencies in the Diplomatic and Consular Service" appropriations account, to be available only for terrorism rewards.

OFFICE OF THE INSPECTOR GENERAL (INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Office of Inspector General", \$36,500,000, to remain available until December 31, 2008: *Provided*, That \$35,000,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For an additional amount for "Educational and Cultural Exchange Programs", \$20,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For an additional amount for "Contributions to International Organizations", \$50,000,000, to remain available until September 30, 2008.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For an additional amount for "Contributions for International Peacekeeping Activities", \$288,000,000, to remain available until September 30, 2008.

RELATED AGENCY BROADCASTING BOARD OF GOVERNORS

INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for "International Broadcasting Operations" for activities related to broadcasting to the Middle East, \$10,000,000, to remain available until September 30, 2008.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND (INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Child Survival and Health Programs Fund", \$161,000,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, if the President determines and reports to the Committees on Appropriations that the human-to-human transmission of the avian influenza virus is efficient and sustained, and is spreading internationally, funds made available under the heading "Millennium Challenge Corporation" and "Global HIV/AIDS Initiative" in prior Acts making appropriations for foreign operations, export financing, and related programs may be transferred to, and merged with, funds made available under this heading to combat avian influenza: *Provided further*, That funds made available pursuant to the authority of the previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

For an additional amount for "International Disaster and Famine Assistance",

\$165,000,000, to remain available until expended.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for "Operating Expenses of the United States Agency for International Development", \$8,700,000, to remain available until September 30, 2008.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For an additional amount for "Operating Expenses of the United States Agency for International Development Office of Inspector General", \$3,500,000, to remain available until September 30, 2008.

OTHER BILATERAL ECONOMIC ASSISTANCE ECONOMIC SUPPORT FUND

For an additional amount for "Economic Support Fund", \$2,649,300,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, \$57,400,000 shall be made available to nongovernmental organizations in Iraq for economic and social development programs and activities in areas of conflict: *Provided further*, That the responsibility for policy decisions and justifications for the use of funds appropriated by the previous proviso shall be the responsibility of the United States Chief of Mission in Iraq: *Provided further*, That none of the funds appropriated under this heading in this Act or in prior Acts making appropriations for foreign operations, export financing, and related programs may be made available for the Political Participation Fund and the National Institutions Fund: *Provided further*, That of the funds made available under the heading "Economic Support Fund" in Public Law 109-234 for Iraq to promote democracy, rule of law and reconciliation, \$2,000,000 should be made available for the United States Institute of Peace for programs and activities in Afghanistan to remain available until September 30, 2008.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

For an additional amount for "Assistance for Eastern Europe and the Baltic States", \$229,000,000, to remain available until September 30, 2008, for assistance for Kosovo.

DEPARTMENT OF STATE DEMOCRACY FUND

For an additional amount for "Democracy Fund", \$260,000,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, not less than \$190,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, and not less than \$60,000,000 shall be made available for the United States Agency for International Development, for democracy, human rights and rule of law programs in Iraq: *Provided further*, That not later than 60 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive, long-term strategy, with goals and expected results, for strengthening and advancing democracy in Iraq.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT (INCLUDING RESCISSION OF FUNDS)

For an additional amount for "International Narcotics Control and Law Enforcement", \$257,000,000, to remain available until September 30, 2008.

Of the amounts made available for procurement of a maritime patrol aircraft for the Colombian Navy under this heading in Public Law 109-234, \$13,000,000 are rescinded.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for "Migration and Refugee Assistance", \$130,500,000, to remain available until September 30, 2008, of which not less than \$5,000,000 shall be made available to rescue Iraqi scholars.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for "United States Emergency Refugee and Migration Assistance Fund", \$55,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs", \$57,500,000, to remain available until September 30, 2008.

DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For an additional amount for "International Affairs Technical Assistance", \$2,750,000, to remain available until September 30, 2008.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT
FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for "Foreign Military Financing Program", \$265,000,000, to remain available until September 30, 2008.

PEACEKEEPING OPERATIONS

For an additional amount for "Peacekeeping Operations", \$230,000,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, not less than \$40,000,000 shall be made available, notwithstanding section 660 of the Foreign Assistance Act of 1961, for assistance for Liberia for security sector reform: *Provided further*, That not later than 30 days after enactment of this Act and every 30 days thereafter until September 30, 2008, the Secretary of State shall submit a report to the Committees on Appropriations detailing the obligation and expenditure of funds made available under this heading in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs.

GENERAL PROVISIONS—THIS CHAPTER
AUTHORIZATION OF FUNDS

SEC. 2601. Funds appropriated by this title may be obligated and expended notwithstanding section 10 of Public Law 91-672 (22 U.S.C. 2412), section 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680), section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6212), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

EXTENSION OF OVERSIGHT AUTHORITY

SEC. 2602. Section 3001(o)(1)(B) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95-452), as amended by section 1054(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2397) and section 2 of the Iraq Reconstruction Accountability Act of 2006 (Public Law 109-440), is amended by inserting "or fiscal year 2007" after "fiscal year 2006".

LEBANON

SEC. 2603. (a) LIMITATION ON ECONOMIC SUPPORT FUND ASSISTANCE FOR LEBANON.—None of the funds made available in this Act under the heading "Economic Support Fund" for cash transfer assistance for the Government

of Lebanon may be made available for obligation until the Secretary of State reports to the Committees on Appropriations on Lebanon's economic reform plan and on the specific conditions and verifiable benchmarks that have been agreed upon by the United States and the Government of Lebanon pursuant to the Memorandum of Understanding on cash transfer assistance for Lebanon.

(b) LIMITATION ON FOREIGN MILITARY FINANCING PROGRAM AND INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—None of the funds made available in this Act under the heading "Foreign Military Financing Program" or "International Narcotics Control and Law Enforcement" for military or police assistance to Lebanon may be made available for obligation until the Secretary of State submits to the Committees on Appropriations a report on procedures established to determine eligibility of members and units of the armed forces and police forces of Lebanon to participate in United States training and assistance programs and on the end use monitoring of all equipment provided under such programs to the Lebanese armed forces and police forces.

(c) CERTIFICATION REQUIRED.—Prior to the initial obligation of funds made available in this Act for assistance for Lebanon under the headings "Foreign Military Financing Program" and "Nonproliferation, Anti-Terrorism, Demining and Related Programs", the Secretary of State shall certify to the Committees on Appropriations that all practicable efforts have been made to ensure that such assistance is not provided to or through any individual, or private or government entity, that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.

(d) REPORT REQUIRED.—Not later than 45 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a report on the Government of Lebanon's actions to implement section 14 of United Nations Security Council Resolution 1701 (August 11, 2006).

(e) SPECIAL AUTHORITY.—This section shall be effective notwithstanding section 534(a) of Public Law 109-102, which is made applicable to funds appropriated for fiscal year 2007 by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5).

DEBT RESTRUCTURING

SEC. 2604. Amounts appropriated for fiscal year 2007 for "Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring" may be used to assist Liberia in retiring its debt arrearages to the International Monetary Fund, the International Bank for Reconstruction and Development, and the African Development Bank.

GOVERNMENT ACCOUNTABILITY OFFICE

SEC. 2605. To facilitate effective oversight of programs and activities in Iraq by the Government Accountability Office (GAO), the Department of State shall provide GAO staff members the country clearances, life support, and logistical and security support necessary for GAO personnel to establish a presence in Iraq for periods of not less than 45 days.

HUMAN RIGHTS AND DEMOCRACY FUND

SEC. 2606. The Assistant Secretary of State for Democracy, Human Rights, and Labor shall be responsible for all policy, funding, and programming decisions regarding funds made available under this Act and prior Acts making appropriations for foreign operations, export financing and related programs for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor.

INSPECTOR GENERAL OVERSIGHT OF IRAQ AND AFGHANISTAN

SEC. 2607. (a) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Department of State and the Broadcasting Board of Governors (referred to in this section as the "Inspector General") may use personal services contracts to engage citizens of the United States to facilitate and support the Office of the Inspector General's oversight of programs and operations related to Iraq and Afghanistan. Individuals engaged by contract to perform such services shall not, by virtue of such contract, be considered to be employees of the United States Government for purposes of any law administered by the Office of Personnel Management. The Secretary of State may determine the applicability to such individuals of any law administered by the Secretary concerning the performance of such services by such individuals.

(b) CONDITIONS.—The authority under paragraph (1) is subject to the following conditions:

(1) The Inspector General determines that existing personnel resources are insufficient.

(2) The contract length for a personal services contractor, including options, may not exceed 1 year, unless the Inspector General makes a finding that exceptional circumstances justify an extension of up to 1 additional year.

(3) Not more than 10 individuals may be employed at any time as personal services contractors under the program.

(c) TERMINATION OF AUTHORITY.—The authority to award personal services contracts under this section shall terminate on December 31, 2007. A contract entered into prior to the termination date under this paragraph may remain in effect until not later than December 31, 2009.

(d) OTHER AUTHORITIES NOT AFFECTED.—The authority under this section is in addition to any other authority of the Inspector General to hire personal services contractors.

FUNDING TABLES

SEC. 2608. (a) Funds provided in this Act for the following accounts shall be made available for programs and countries in the amounts contained in the respective tables included in the joint explanatory statement accompanying the conference report on H.R. 1591 of the 110th Congress (H. Rept. 110-107):

"Diplomatic and Consular Programs".

"Economic Support Fund".

"Democracy Fund".

"International Narcotics Control and Law Enforcement".

"Migration and Refugee Assistance".

(b) Any proposed increases or decreases to the amounts contained in the tables in the accompanying report shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

SPENDING PLAN AND NOTIFICATION PROCEDURES

SEC. 2609. Not later than 45 days after enactment of this Act the Secretary of State shall submit to the Committees on Appropriations a report detailing planned expenditures for funds appropriated under the headings in this chapter, except for funds appropriated under the heading "International Disaster and Famine Assistance": *Provided*, That funds appropriated under the headings in this chapter, except for funds appropriated under the heading named in this section, shall be subject to the regular notification procedures of the Committees on Appropriations.

CONDITIONS ON ASSISTANCE FOR PAKISTAN

SEC. 2610. None of the funds made available for assistance for the central Government of

Pakistan under the heading “Economic Support Fund” in this title may be made available for non-project assistance until the Secretary of State submits to the Committees on Appropriations a report on the oversight mechanisms, performance benchmarks, and implementation processes for such funds: *Provided*, That notwithstanding any other provision of law, funds made available for non-project assistance pursuant to the previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds made available for assistance for Pakistan under the heading “Economic Support Fund” in this title, \$5,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, for political party development and election observation programs.

CIVILIAN RESERVE CORPS

SEC. 2611. Of the funds appropriated by this Act under the heading “Diplomatic and Consular Programs”, up to \$50,000,000 may be made available to support and maintain a civilian reserve corps: *Provided*, That none of the funds for a civilian reserve corps may be obligated without specific authorization in a subsequent Act of Congress: *Provided further*, That funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

COORDINATOR FOR IRAQ ASSISTANCE

SEC. 2612. (a) COORDINATOR FOR IRAQ ASSISTANCE.—Not later than 30 days after the date of the enactment of this Act, the President shall appoint a Coordinator for Iraq Assistance (hereinafter in this section referred to as the “Coordinator”), by and with the advice and consent of the Senate, who shall report directly to the President.

(b) DUTIES.—The Coordinator shall be responsible for—

(1) developing and implementing an overall strategy for political, economic, and military assistance for Iraq;

(2) coordinating and ensuring coherence of Iraq assistance programs and policy among all departments and agencies of the Government of the United States that are implementing assistance programs in Iraq, including the Department of State, the United States Agency for International Development, the Department of Defense, the Department of the Treasury, and the Department of Justice;

(3) working with the Government of Iraq in meeting the benchmarks described in section 1904(a) of this Act in order to ensure Iraq continues to be eligible to receive United States assistance described in such section;

(4) coordinating with other donors and international organizations that are providing assistance for Iraq;

(5) ensuring adequate management and accountability of United States assistance programs for Iraq;

(6) resolving policy and program disputes among departments and agencies of the United States Government that are implementing assistance programs in Iraq; and

(7) coordinating United States assistance programs with the reconstruction programs funded and implemented by the Government of Iraq.

(c) RANK AND STATUS.—The Coordinator shall have the rank and status of ambassador.

TITLE III—ADDITIONAL HURRICANE DISASTER RELIEF AND RECOVERY

CHAPTER 1

DEPARTMENT OF AGRICULTURE

GENERAL PROVISION—THIS CHAPTER

SEC. 3101. Section 1231(k)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(2)) is

amended by striking “During calendar year 2006, the” and inserting “The”.

CHAPTER 2

DEPARTMENT OF JUSTICE

OFFICE OF JUSTICE PROGRAMS

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For an additional amount for “State and Local Law Enforcement Assistance”, for discretionary grants authorized by subpart 2 of part E, of title I of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect on September 30, 2006, notwithstanding the provisions of section 511 of said Act, \$50,000,000, to remain available until expended: *Provided*, That the amount made available under this heading shall be for local law enforcement initiatives in the Gulf Coast region related to the aftermath of Hurricanes Katrina and Rita: *Provided further*, That these funds shall be apportioned among the States in quotient to their level of violent crime as estimated by the Federal Bureau of Investigation’s Uniform Crime Report for the year 2005.

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for “Operations, Research, and Facilities”, for necessary expenses related to the consequences of Hurricanes Katrina and Rita on the shrimp and fishing industries, \$110,000,000, to remain available until September 30, 2008.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

EXPLORATION CAPABILITIES

For an additional amount for “Exploration Capabilities” for necessary expenses related to the consequences of Hurricane Katrina, \$35,000,000, to remain available until September 30, 2009.

GENERAL PROVISION—THIS CHAPTER

SEC. 3201. Up to \$48,000,000 of amounts made available to the National Aeronautics and Space Administration in Public Law 109-148 and Public Law 109-234 for emergency hurricane and other natural disaster-related expenses may be used to reimburse hurricane-related costs incurred by NASA in fiscal year 2005.

CHAPTER 3

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION

For an additional amount for “Construction” for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$25,300,000, to remain available until expended, which may be used to continue construction of projects related to interior drainage for the greater New Orleans metropolitan area.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for “Flood Control and Coastal Emergencies”, as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), for necessary expenses relating to the consequences of Hurricanes Katrina and Rita and for other purposes, \$1,407,700,000, to remain available until expended: *Provided*, That \$1,300,000,000 of the amount provided may be used by the Secretary of the Army to carry out projects and measures for the West Bank and Vicinity and Lake Ponchartrain and Vicinity, Louisiana, projects, as described under the heading “Flood Control and Coastal Emergencies”, in chapter 3 of Public Law 109-148: *Provided further*, That \$107,700,000 of the

amount provided may be used to implement the projects for hurricane storm damage reduction, flood damage reduction, and ecosystem restoration within Hancock, Harrison, and Jackson Counties, Mississippi substantially in accordance with the Report of the Chief of Engineers dated December 31, 2006, and entitled “Mississippi, Coastal Improvements Program Interim Report, Hancock, Harrison, and Jackson Counties, Mississippi”: *Provided further*, That projects authorized for implementation under this Chief’s report shall be carried out at full Federal expense, except that the non-Federal interests shall be responsible for providing for all costs associated with operation and maintenance of the project: *Provided further*, That any project using funds appropriated under this heading shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary requiring the non-Federal interests to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3301. The Secretary is authorized and directed to determine the value of eligible reimbursable expenses incurred by local governments in storm-proofing pumping stations, constructing safe houses for operators, and other interim flood control measures in and around the New Orleans metropolitan area that the Secretary determines to be integral to the overall plan to ensure operability of the stations during hurricanes, storms and high water events and the flood control plan for the area.

SEC. 3302. (a) The Secretary of the Army is authorized and directed to utilize funds remaining available for obligation from the amounts appropriated in chapter 3 of Public Law 109-234 under the heading “Flood Control and Coastal Emergencies” for projects in the greater New Orleans metropolitan area to prosecute these projects in a manner which promotes the goal of continuing work at an optimal pace, while maximizing, to the greatest extent practicable, levels of protection to reduce the risk of storm damage to people and property.

(b) The expenditure of funds as provided in subsection (a) may be made without regard to individual amounts or purposes specified in chapter 3 of Public Law 109-234.

(c) Any reallocation of funds that are necessary to accomplish the goal established in subsection (a) are authorized, subject to the approval of the House and Senate Committees on Appropriations.

SEC. 3303. The Chief of Engineers shall investigate the overall technical advantages, disadvantages and operational effectiveness of operating the new pumping stations at the mouths of the 17th Street, Orleans Avenue and London Avenue canals in the New Orleans area directed for construction in Public Law 109-234 concurrently or in series with existing pumping stations serving these canals and the advantages, disadvantages and technical operational effectiveness of removing the existing pumping stations and configuring the new pumping stations and associated canals to handle all needed discharges; and the advantages, disadvantages

and technical operational effectiveness of replacing or improving the floodwalls and levees adjacent to the three outfall canals: *Provided*, That the analysis should be conducted at Federal expense: *Provided further*, That the analysis shall be completed and furnished to the Congress not later than three months after enactment of this Act.

SEC. 3304. Using funds made available in Chapter 3 under title II of Public Law 109-234, under the heading “Investigations”, the Secretary of the Army, in consultation with other agencies and the State of Louisiana shall accelerate completion as practicable the final report of the Chief of Engineers recommending a comprehensive plan to de-authorize deep draft navigation on the Mississippi River Gulf Outlet: *Provided*, That the plan shall incorporate and build upon the Interim Mississippi River Gulf Outlet Deep-Draft De-Authorization Report submitted to Congress in December 2006 pursuant to Public Law 109-234.

CHAPTER 4

SMALL BUSINESS ADMINISTRATION DISASTER LOANS PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

Of the unobligated balances under the heading “Small Business Administration, Disaster Loans Program Account”, \$25,069,000, to remain available until expended, shall be used for administrative expenses to carry out the disaster loan program, which may be transferred to and merged with “Small Business Administration, Salaries and Expenses”.

Of the unobligated balances under the heading “Small Business Administration, Disaster Loans Program Account”, \$25,000,000 shall be used for loans under section 7(b)(2) of the Small Business Act for businesses located in an area for which the President declared a major disaster because of the hurricanes in the Gulf of Mexico in calendar year 2005, of which not to exceed \$8,750,000 is for direct administrative expenses and may be transferred to and merged with “Small Business Administration, Salaries and Expenses” to carry out the disaster loan program of the Small Business Administration.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY DISASTER RELIEF (INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Disaster Relief”, \$4,610,000,000, to remain available until expended: *Provided*, That \$4,000,000 shall be transferred to “Office of Inspector General”.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3501. (a) IN GENERAL.—Notwithstanding any other provision of law, including any agreement, the Federal share of assistance, including direct Federal assistance, provided for the States of Louisiana, Mississippi, Florida, Alabama, and Texas in connection with Hurricanes Katrina, Wilma, Dennis, and Rita under sections 403, 406, 407, and 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, 5173, and 5174) shall be 100 percent of the eligible costs under such sections.

(b) APPLICABILITY.—The Federal share provided by subsection (a) shall apply to disaster assistance applied for before the date of enactment of this Act.

SEC. 3502. (a) COMMUNITY DISASTER LOAN ACT.—

(1) IN GENERAL.—Section 2(a) of the Community Disaster Loan Act of 2005 (Public Law 109-88) is amended by striking “Provided

further, That notwithstanding section 417(c)(1) of the Stafford Act, such loans may not be canceled.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of enactment of the Community Disaster Loan Act of 2005 (Public Law 109-88).

(b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—

(1) IN GENERAL.—Chapter 4 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) is amended under Federal Emergency Management Agency, “Disaster Assistance Direct Loan Program Account” by striking “Provided further, That notwithstanding section 417(c)(1) of such Act, such loans may not be canceled.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of enactment of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

SEC. 3503. (a) IN GENERAL.—Section 2401 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) is amended by striking “12 months” and inserting “24 months”.

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on the date of enactment of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

CHAPTER 6

DEPARTMENT OF THE INTERIOR NATIONAL PARK SERVICE HISTORIC PRESERVATION FUND

For an additional amount for the “Historic Preservation Fund” for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$10,000,000, to remain available until September 30, 2008: *Provided*, That the funds provided under this heading shall be provided to the State Historic Preservation Officer, after consultation with the National Park Service, for grants for disaster relief in areas of Louisiana impacted by Hurricanes Katrina or Rita: *Provided further*, That grants shall be for the preservation, stabilization, rehabilitation, and repair of historic properties listed in or eligible for the National Register of Historic Places, for planning and technical assistance: *Provided further*, That grants shall only be available for areas that the President determines to be a major disaster under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)) due to Hurricanes Katrina or Rita: *Provided further*, That individual grants shall not be subject to a non-Federal matching requirement: *Provided further*, That no more than 5 percent of funds provided under this heading for disaster relief grants may be used for administrative expenses.

GENERAL PROVISION—THIS CHAPTER (INCLUDING TRANSFER OF FUNDS)

SEC. 3601. Of the disaster relief funds from Public Law 109-234, 120 Stat. 418, 461, (June 30, 2006), chapter 5, “National Park Service—Historic Preservation Fund”, for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season that were allocated to the State of Mississippi by the National Park Service, \$500,000 is hereby transferred to the “National Park Service—National Recreation and Preservation” appropriation: *Provided*, That these funds may be used to reconstruct destroyed properties that at the time of de-

struction were listed in the National Register of Historic Places and are otherwise qualified to receive these funds: *Provided further*, That the State Historic Preservation Officer certifies that, for the community where that destroyed property was located, the property is iconic to or essential to illustrating that community’s historic identity, that no other property in that community with the same associative historic value has survived, and that sufficient historical documentation exists to ensure an accurate re-production.

CHAPTER 7

DEPARTMENT OF EDUCATION HIGHER EDUCATION

For an additional amount under part B of title VII of the Higher Education Act of 1965 (“HEA”) for institutions of higher education (as defined in section 101 or section 102(c) of that Act) that are located in an area in which a major disaster was declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act related to Hurricanes Katrina or Rita, \$30,000,000: *Provided*, That such funds shall be available to the Secretary of Education only for payments to help defray the expenses (which may include lost revenue, reimbursement for expenses already incurred, and construction) incurred by such institutions of higher education that were forced to close, relocate or significantly curtail their activities as a result of damage directly caused by such hurricanes and for payments to enable such institutions to provide grants to students who attend such institutions for academic years beginning on or after July 1, 2006: *Provided further*, That such payments shall be made in accordance with criteria established by the Secretary and made publicly available without regard to section 437 of the General Education Provisions Act, section 553 of title 5, United States Code, or part B of title VII of the HEA.

HURRICANE EDUCATION RECOVERY

For carrying out activities authorized by subpart 1 of part D of title V of the Elementary and Secondary Education Act of 1965, \$30,000,000, to remain available until expended, for use by the States of Louisiana, Mississippi, and Alabama primarily for recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators, who commit to work for at least three years in school-based positions in public elementary and secondary schools located in an area with respect to which a major disaster was declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness, with priority given to teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators who previously worked or lived in one of the affected areas, are currently employed (or become employed) in such a school in any of the affected areas after those disasters, and commit to continue that employment for at least 3 years, *Provided*, That funds available under this heading to such States may also be used for 1 or more of the following activities: (1) to build the capacity, knowledge, and skill of teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators in such public elementary

and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (2) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and other school-based school principals, assistant principals, principal resident directors, and assistant directors; and (3) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools: *Provided further*, That the Secretary of Education shall allocate amounts available under this heading among such States that submit applications; that such allocation shall be based on the number of public elementary and secondary schools in each State that were closed for 19 days or more during the period beginning on August 29, 2005, and ending on December 31, 2005, due to Hurricane Katrina or Hurricane Rita; and that such States shall in turn allocate funds to local educational agencies, with priority given first to such agencies with the highest percentages of public elementary and secondary schools that are closed as a result of such hurricanes as of the date of enactment of this Act and then to such agencies with the highest percentages of public elementary and secondary schools with a student-teacher ratio of at least 25 to 1, and with any remaining amounts to be distributed to such agencies with demonstrated need, as determined by the State Superintendent of Education: *Provided further*, That, in the case of any State that chooses to use amounts available under this heading for performance bonuses, not later than 60 days after the date of enactment of this Act, and in collaboration with local educational agencies, teachers' unions, local principals' organizations, local parents' organizations, local business organizations, and local charter schools organizations, the State educational agency shall develop a plan for a rating system for performance bonuses, and if no agreement has been reached that is satisfactory to all consulting entities by such deadline, the State educational agency shall immediately send a letter notifying Congress and shall, not later than 30 days after such notification, establish and implement a rating system that shall be based on classroom observation and feedback more than once annually, conducted by multiple sources (including, but not limited to, principals and master teachers), and evaluated against research-based rubrics that use planning, instructional, and learning environment standards to measure teacher performance, except that the requirements of this proviso shall not apply to a State that has enacted a State law in 2006 authorizing performance pay for teachers.

PROGRAMS TO RESTART SCHOOL OPERATIONS

Funds made available under section 102 of the Hurricane Education Recovery Act (title IV of division B of Public Law 109-148) may be used by the States of Louisiana, Mississippi, Alabama, and Texas, in addition to the uses of funds described in section 102(e), for the following costs: (1) recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators for school-based positions in public elementary and secondary schools impacted by Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness; (2) activities to build the capacity, knowledge, and skills of teachers and school-based school principals, assistant principals, prin-

cipal resident directors, assistant directors, and other educators in such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (3) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and school-based school principals, assistant principals, principal resident directors, and assistant directors; and (4) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3701. Section 105(b) of title IV of division B of Public Law 109-148 is amended by adding at the end the following new sentence: “With respect to the program authorized by section 102 of this Act, the waiver authority in subsection (a) of this section shall be available until the end of fiscal year 2008.”

SEC. 3702. Notwithstanding section 2002(c) of the Social Security Act (42 U.S.C. 1397a(c)), funds made available under the heading “Social Services Block Grant” in division B of Public Law 109-148 shall be available for expenditure by the States through the end of fiscal year 2009.

SEC. 3703. (a) In the event that Louisiana, Mississippi, Alabama, or Texas fails to meet its match requirement with funds appropriated in fiscal years 2006 or 2007, for fiscal years 2008 and 2009, the Secretary of Health and Human Services may waive the application of section 2617(d)(4) of the Public Health Service Act for Louisiana, Mississippi, Alabama, and Texas.

(b) The Secretary may not exercise the waiver authority available under subsection (a) to allow a grantee to provide less than a 25 percent matching grant.

(c) For grant years beginning in 2008, Louisiana, Mississippi, Alabama, and Texas and any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas shall comply with each of the applicable requirements under title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq.).

CHAPTER 8

DEPARTMENT OF TRANSPORTATION FEDERAL HIGHWAY ADMINISTRATION FEDERAL-AID HIGHWAYS EMERGENCY RELIEF PROGRAM (INCLUDING RESCISSION OF FUNDS)

For an additional amount for the Emergency Relief Program as authorized under section 125 of title 23, United States Code, \$682,942,000, to remain available until expended: *Provided*, That section 125(d)(1) of title 23, United States Code, shall not apply to emergency relief projects that respond to damage caused by the 2005-2006 winter storms in the State of California: *Provided further*, That of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, \$682,942,000 are rescinded: *Provided further*, That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109-59; and the first sentence of section 133(d)(3)(A) of such title.

FEDERAL TRANSIT ADMINISTRATION FORMULA GRANTS

For an additional amount to be allocated by the Secretary to recipients of assistance under chapter 53 of title 49, United States Code, directly affected by Hurricanes Katrina and Rita, \$35,000,000, for the oper-

ating and capital costs of transit services, to remain available until expended: *Provided*, That the Federal share for any project funded from this amount shall be 100 percent.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

For an additional amount for the Office of Inspector General, for the necessary costs related to the consequences of Hurricanes Katrina and Rita, \$7,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3801. The third proviso under the heading “Department of Housing and Urban Development—Public and Indian Housing—Tenant-Based Rental Assistance” in chapter 9 of title I of division B of Public Law 109-148 (119 Stat. 2779) is amended by striking “for up to 18 months” and inserting “until December 31, 2007”.

SEC. 3802. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by adding after the third proviso: “: *Provided further*, That notwithstanding the previous proviso, except for applying the 2007 Annual Adjustment Factor and making any other specified adjustments, public housing agencies specified in category 1 below shall receive funding for calendar year 2007 based on the higher of the amounts the agencies would receive under the previous proviso or the amounts the agencies received in calendar year 2006, and public housing agencies specified in categories 2 and 3 below shall receive funding for calendar year 2007 equal to the amounts the agencies received in calendar year 2006, except that public housing agencies specified in categories 1 and 2 below shall receive funding under this proviso only if, and to the extent that, any such public housing agency submits a plan, approved by the Secretary, that demonstrates that the agency can effectively use within 12 months the funding that the agency would receive under this proviso that is in addition to the funding that the agency would receive under the previous proviso: (1) public housing agencies that are eligible for assistance under section 901 in Public Law 109-148 (119 Stat. 2781) or are located in the same counties as those eligible under section 901 and operate voucher programs under section 8(o) of the United States Housing Act of 1937 but do not operate public housing under section 9 of such Act, and any public housing agency that otherwise qualifies under this category must demonstrate that they have experienced a loss of rental housing stock as a result of the 2005 hurricanes; (2) public housing agencies that would receive less funding under the previous proviso than they would receive under this proviso and that have been placed in receivership or the Secretary has declared to be in breach of an Annual Contributions Contract by June 1, 2007; and (3) public housing agencies that spent more in calendar year 2006 than the total of the amounts of any such public housing agency’s allocation amount for calendar year 2006 and the amount of any such public housing agency’s available housing assistance payments undesignated funds balance from calendar year 2005 and the amount of any such public housing agency’s available administrative fees undesignated funds balance through calendar year 2006”.

SEC. 3803. Section 901 of Public Law 109-148 is amended by deleting “calendar year 2006” and inserting “calendar years 2006 and 2007”.

TITLE IV—OTHER EMERGENCY APPROPRIATIONS**CHAPTER 1****DEPARTMENT OF DEFENSE—CIVIL
DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS—CIVIL
INVESTIGATIONS**

For an additional amount for “Investigations” for flood damage reduction studies to address flooding associated with disasters covered by Presidential Disaster Declaration FEMA-1962-DR, \$8,165,000, to remain available until expended.

CONSTRUCTION

For an additional amount for “Construction” for flood damage reduction activities associated with disasters covered by Presidential Disaster Declaration FEMA-1962-DR, \$500,000 to remain available until expended.

OPERATION AND MAINTENANCE

For an additional amount for “Operation and Maintenance” to dredge navigation channels related to the consequences of hurricanes of the 2005 season, \$3,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for “Flood Control and Coastal Emergencies”, as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), to support emergency operations, repairs and other activities in response to flood, drought and earthquake emergencies as authorized by law, \$153,300,000, to remain available until expended: *Provided*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

DEPARTMENT OF THE INTERIOR**BUREAU OF RECLAMATION****WATER AND RELATED RESOURCES**

For an additional amount for “Water and Related Resources”, \$18,000,000, to remain available until expended for drought assistance: *Provided*, That drought assistance may be provided under the Reclamation States Drought Emergency Act or other applicable Reclamation authorities to assist drought plagued areas of the West.

CHAPTER 2**DEPARTMENT OF THE INTERIOR
UNITED STATES FISH AND WILDLIFE SERVICE****RESOURCE MANAGEMENT**

For an additional amount for “Resource Management” for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, \$7,398,000, to remain available until September 30, 2008.

NATIONAL PARK SERVICE**OPERATION OF THE NATIONAL PARK SYSTEM**

For an additional amount for “Operation of the National Park System” for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, \$525,000, to remain available until September 30, 2008.

UNITED STATES GEOLOGICAL SURVEY**SURVEYS, INVESTIGATIONS, AND RESEARCH**

For an additional amount for “Surveys, Investigations, and Research” for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted

surveillance in hunter-taken birds, \$5,270,000, to remain available until September 30, 2008.

DEPARTMENT OF AGRICULTURE**FOREST SERVICE****NATIONAL FOREST SYSTEM**

For an additional amount for “National Forest System” for the implementation of a nationwide initiative to increase protection of national forest lands from drug-trafficking organizations, including funding for additional law enforcement personnel, training, equipment and cooperative agreements, \$12,000,000, to remain available until expended.

CHAPTER 3**DEPARTMENT OF HEALTH AND HUMAN SERVICES****CENTERS FOR DISEASE CONTROL AND PREVENTION****DISEASE CONTROL, RESEARCH AND TRAINING**

For an additional amount for “Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training”, to carry out section 501 of the Federal Mine Safety and Health Act of 1977 and section 6 of the Mine Improvement and New Emergency Response Act of 2006, \$13,000,000 for research to develop mine safety technology, including necessary repairs and improvements to leased laboratories: *Provided*, That progress reports on technology development shall be submitted to the House and Senate Committees on Appropriations and the Committee on Health, Education, Labor and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives on a quarterly basis: *Provided further*, That the amount provided under this heading shall remain available until September 30, 2008.

For an additional amount for “Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training”, to carry out activities under section 5011(b) of the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109-148), \$50,000,000, to remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES**LOW-INCOME HOME ENERGY ASSISTANCE**

For an additional amount for “Low-Income Home Energy Assistance” under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), \$200,000,000.

For an additional amount for “Low-Income Home Energy Assistance” under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)), \$200,000,000.

**OFFICE OF THE SECRETARY
PUBLIC HEALTH AND SOCIAL SERVICES
EMERGENCY FUND****(INCLUDING TRANSFER OF FUNDS)**

For an additional amount for “Public Health and Social Services Emergency Fund” to prepare for and respond to an influenza pandemic, \$625,000,000, to remain available until expended: *Provided*, That this amount shall be for activities including the development and purchase of vaccine, antivirals, necessary medical supplies, diagnostics, and other surveillance tools: *Provided further*, That products purchased with these funds may, at the discretion of the Secretary of Health and Human Services, be deposited in the Strategic National Stockpile: *Provided further*, That notwithstanding section 496(b) of the Public Health Service Act, funds may be used for the construction or renovation of privately owned

facilities for the production of pandemic vaccine and other biologicals, where the Secretary finds such a contract necessary to secure sufficient supplies of such vaccines or biologicals: *Provided further*, That funds appropriated herein may be transferred to other appropriation accounts of the Department of Health and Human Services, as determined by the Secretary to be appropriate, to be used for the purposes specified in this sentence.

COVERED COUNTERMEASURE PROCESS FUND

For carrying out section 319F-4 of the Public Health Service Act (42 U.S.C. 247d-6e) to compensate individuals for injuries caused by H5N1 vaccine, in accordance with the declaration regarding avian influenza viruses issued by the Secretary of Health and Human Services on January 26, 2007, pursuant to section 319F-3(b) of such Act (42 U.S.C. 247d-6d(b)), \$25,000,000, to remain available until expended.

**GENERAL PROVISIONS—THIS CHAPTER
(INCLUDING RESCISSIONS)**

SEC. 4301. (a) From unexpended balances available for the Training and Employment Services account under the Department of Labor, the following amounts are hereby rescinded—

(1) \$3,589,000 transferred pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107-38);

(2) \$834,000 transferred pursuant to the Emergency Supplemental Appropriations Act of 1994 (Public Law 103-211); and

(3) \$71,000 for the Consortium for Worker Education pursuant to the Emergency Supplemental Act, 2002 (Public Law 107-117).

(b) From unexpended balances available for the State Unemployment Insurance and Employment Service Operations account under the Department of Labor pursuant to the Emergency Supplemental Act, 2002 (Public Law 107-117), \$4,100,000 are hereby rescinded.

SEC. 4302. (a) For an additional amount under “Department of Education, Safe Schools and Citizenship Education”, \$8,594,000 shall be available for Safe and Drug-Free Schools National Programs for competitive grants to local educational agencies to address youth violence and related issues.

(b) The competition under subsection (a) shall be limited to local educational agencies that operate schools currently identified as persistently dangerous under section 9532 of the Elementary and Secondary Education Act of 1965.

CHAPTER 4**LEGISLATIVE BRANCH****CAPITOL POLICE****GENERAL EXPENSES**

For an additional amount for “Capitol Police, General Expenses”, \$15,000,000 for a radio modernization program, to remain available until expended.

ARCHITECT OF THE CAPITOL**CAPITOL POWER PLANT**

For an additional amount for “Capitol Power Plant”, \$50,000,000, for utility tunnel repairs and asbestos abatement, to remain available until September 30, 2011: *Provided*, That the Architect of the Capitol may not obligate any of the funds appropriated under this heading without approval of an obligation plan by the Committees on Appropriations of the Senate and House of Representatives.

CHAPTER 5**DEPARTMENT OF VETERANS AFFAIRS****VETERANS HEALTH ADMINISTRATION****MEDICAL SERVICES**

For an additional amount for “Medical Services”, \$466,778,000, to remain available

until expended, of which \$30,000,000 shall be for the establishment of at least one new Level I comprehensive polytrauma center; \$9,440,000 shall be for the establishment of polytrauma residential transitional rehabilitation programs; \$10,000,000 shall be for additional transition caseworkers; \$20,000,000 shall be for substance abuse treatment programs; \$20,000,000 shall be for readjustment counseling; \$10,000,000 shall be for blind rehabilitation services; \$100,000,000 shall be for enhancements to mental health services; \$8,000,000 shall be for polytrauma support clinic teams; \$5,356,000 shall be for additional polytrauma points of contact; \$228,982,000 shall be for treatment of Operation Enduring Freedom and Operation Iraqi Freedom veterans; and \$25,000,000 shall be for prosthetics.

MEDICAL ADMINISTRATION

For an additional amount for "Medical Administration", \$250,000,000, to remain available until expended.

MEDICAL FACILITIES

For an additional amount for "Medical Facilities", \$595,000,000, to remain available until expended, of which \$45,000,000 shall be used for facility and equipment upgrades at the Department of Veterans Affairs polytrauma network sites; and \$550,000,000 shall be for non-recurring maintenance as identified in the Department of Veterans Affairs Facility Condition Assessment report: *Provided*, That the amount provided under this heading for non-recurring maintenance shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation: *Provided further*, That within 30 days of enactment of this Act the Secretary shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan, by project, for non-recurring maintenance prior to obligation: *Provided further*, That semi-annually, on October 1 and April 1, the Secretary shall submit to the Committees on Appropriations of both Houses of Congress a report on the status of funding for non-recurring maintenance, including obligations and unobligated balances for each project identified in the expenditure plan.

MEDICAL AND PROSTHETIC RESEARCH

For an additional amount for "Medical and Prosthetic Research", \$32,500,000, to remain available until expended, which shall be used for research related to the unique medical needs of returning Operation Enduring Freedom and Operation Iraqi Freedom veterans.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "General Operating Expenses", \$83,200,000, to remain available until expended, of which \$1,250,000 shall be for digitization of military records; \$60,750,000 shall be for expenses related to hiring and training new claims processing personnel; up to \$1,200,000 for an independent study of the organizational structure, management and coordination processes, including seamless transition, utilized by the Department of Veterans Affairs to provide health care and benefits to active duty personnel and veterans, including those returning Operation Enduring Freedom and Operation Iraqi Freedom veterans; and \$20,000,000 shall be for disability examinations: *Provided*, That not to exceed \$1,250,000 of the amount appropriated under this heading may be transferred to the Department of Defense for the digitization of military records used to verify stressors for benefits claims.

INFORMATION TECHNOLOGY SYSTEMS

For an additional amount for "Information Technology Systems", \$35,100,000, to remain available until expended, of which \$20,000,000 shall be for information technology support

and improvements for processing of Operation Enduring Freedom and Operation Iraqi Freedom veterans benefits claims, including making electronic Department of Defense medical records available for claims processing and enabling electronic benefits applications by veterans; and \$15,100,000 shall be for electronic data breach remediation and prevention.

CONSTRUCTION, MINOR PROJECTS

For an additional amount for "Construction, Minor Projects", \$326,000,000, to remain available until expended, of which up to \$36,000,000 shall be for construction costs associated with the establishment of polytrauma residential transitional rehabilitation programs.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4501. The Director of the Congressional Budget Office shall, not later than November 15, 2007, submit to the Committees on Appropriations of the House of Representatives and the Senate a report projecting appropriations necessary for the Departments of Defense and Veterans Affairs to continue providing necessary health care to veterans of the conflicts in Iraq and Afghanistan. The projections should span several scenarios for the duration and number of forces deployed in Iraq and Afghanistan, and more generally, for the long-term health care needs of deployed troops engaged in the global war on terrorism over the next ten years.

SEC. 4502. Notwithstanding any other provision of law, appropriations made by Public Law 110-5, which the Secretary of Veterans Affairs contributes to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund under the authority of section 8111(d) of title 38, United States Code, shall remain available until expended for any purpose authorized by section 8111 of title 38, United States Code.

SEC. 4503. (a)(1) Notwithstanding any other provision of law, the Secretary of Veterans Affairs (referred to in this section as the "Secretary") may convey to the State of Texas, without consideration, all right, title, and interest of the United States in and to the parcel of real property comprising the location of the Marlin, Texas, Department of Veterans Affairs Medical Center.

(2) The property conveyed under paragraph (1) shall be used by the State of Texas for the purposes of a prison.

(b) In carrying out the conveyance under subsection (a), the Secretary—

(1) shall not be required to comply with, and shall not be held liable under, any Federal law (including a regulation) relating to the environment or historic preservation; but

(2) may, at the discretion of the Secretary, conduct environmental cleanup on the parcel to be conveyed, at a cost not to exceed \$500,000, using amounts made available for environmental cleanup of sites under the jurisdiction of the Secretary.

TITLE V—OTHER MATTERS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" of the Farm Service Agency, \$37,500,000, to remain available until September 30, 2008: *Provided*, That this amount shall only be available for network and database/application stabilization.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5101. Of the funds made available through appropriations to the Food and Drug Administration for fiscal year 2007, not less than \$4,000,000 shall be for the Office of Women's Health of such Administration.

SEC. 5102. None of the funds made available to the Department of Agriculture for fiscal year 2007 may be used to implement the risk-based inspection program in the 30 prototype locations announced on February 22, 2007, by the Under Secretary for Food Safety, or at any other locations, until the USDA Office of Inspector General has provided its findings to the Food Safety and Inspection Service and the Committees on Appropriations of the House of Representatives and the Senate on the data used in support of the development and design of the risk-based inspection program and FSIS has addressed and resolved issues identified by OIG.

CHAPTER 2

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5201. Hereafter, federal employees at the National Energy Technology Laboratory shall be classified as inherently governmental for the purpose of the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note).

SEC. 5202. None of the funds made available under this or any other Act shall be used during fiscal year 2007 to make, or plan or prepare to make, any payment on bonds issued by the Administrator of the Bonneville Power Administration (referred in this section as the "Administrator") or for an appropriated Federal Columbia River Power System investment, if the payment is both—

(1) greater, during any fiscal year, than the payments calculated in the rate hearing of the Administrator to be made during that fiscal year using the repayment method used to establish the rates of the Administrator as in effect on October 1, 2006; and

(2) based or conditioned on the actual or expected net secondary power sales receipts of the Administrator.

CHAPTER 3

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5301. (a) Section 102(a)(3)(B) of the Help America Vote Act of 2002 (42 U.S.C. 15302(a)(3)(B)) is amended by striking "January 1, 2006" and inserting "March 1, 2008".

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Help America Vote Act of 2002.

SEC. 5302. The structure of any of the offices or components within the Office of National Drug Control Policy shall remain as they were on October 1, 2006. None of the funds appropriated or otherwise made available in the Continuing Appropriations Resolution, 2007 (Public Law 110-5) may be used to implement a reorganization of offices within the Office of National Drug Control Policy without the explicit approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 5303. From the amount provided by section 21067 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5), the National Archives and Records Administration may obligate monies necessary to carry out the activities of the Public Interest Declassification Board.

SEC. 5304. Notwithstanding the notice requirement of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, 119 Stat. 2509 (Public Law 109-115), as continued in section 104 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5), the District of Columbia Courts may reallocate not more than \$1,000,000 of the funds provided for fiscal year 2007 under the Federal Payment to the District of Columbia Courts for facilities among the items and entities funded under that heading for operations.

SEC. 5305. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in coordination with

the Securities and Exchange Commission and in consultation with the Departments of State and Energy, shall prepare and submit to the Senate Committee on Appropriations, the House Committee on Appropriations, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on Financial Services, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee a written report, which may include a classified annex, containing the names of companies which either directly or through a parent or subsidiary company, including partly-owned subsidiaries, are known to conduct significant business operations in Sudan relating to natural resource extraction, including oil-related activities and mining of minerals. The reporting provision shall not apply to companies operating under licenses from the Office of Foreign Assets Control or otherwise expressly exempted under United States law from having to obtain such licenses in order to operate in Sudan.

(b) Not later than 45 days following the submission to Congress of the list of companies conducting business operations in Sudan relating to natural resource extraction as required above, the General Services Administration shall determine whether the United States Government has an active contract for the procurement of goods or services with any of the identified companies, and provide notification to the appropriate committees of Congress, which may include a classified annex, regarding the companies, nature of the contract, and dollar amounts involved.

(INCLUDING RESCISSION)

SEC. 5306. (a) Of the funds provided for the General Services Administration, "Office of Inspector General" in section 21061 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), \$4,500,000 are rescinded.

(b) For an additional amount for the General Services Administration, "Office of Inspector General", \$4,500,000, to remain available until September 30, 2008.

SEC. 5307. Section 21073 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5) is amended by adding a new subsection (j) as follows:

"(j) Notwithstanding section 101, any appropriation or funds made available to the District of Columbia pursuant to this division for 'Federal Payment for Foster Care Improvement in the District of Columbia', shall be available in accordance with an expenditure plan submitted by the Mayor of the District of Columbia not later than 60 days after the enactment of this section which details the activities to be carried out with such Federal Payment."

CHAPTER 4

**DEPARTMENT OF HOMELAND SECURITY
GENERAL PROVISIONS—THIS CHAPTER**

SEC. 5401. Not to exceed \$30,000,000 from unobligated balances remaining from prior appropriations for United States Coast Guard, "Retired Pay", shall remain available until expended in the account and for the purposes for which the appropriations were provided, including the payment of obligations otherwise chargeable to lapsed or current appropriations for this purpose.

SEC. 5402. (a) IN GENERAL.—Any contract, subcontract, task or delivery order described in subsection (b) shall contain the following:

(1) A requirement for a technical review of all designs, design changes, and engineering change proposals, and a requirement to specifically address all engineering concerns identified in the review before the obligation of further funds may occur.

(2) A requirement that the Coast Guard maintain technical warrant holder authority, or the equivalent, for major assets.

(3) A requirement that no procurement subject to subsection (b) for lead asset production or the implementation of a major design change shall be entered into unless an independent third party with no financial interest in the development, construction, or modification of any component of the asset, selected by the Commandant, determines that such action is advisable.

(4) A requirement for independent life-cycle cost estimates of lead assets and major design and engineering changes.

(5) A requirement for the measurement of contractor and subcontractor performance based on the status of all work performed. For contracts under the Integrated Deepwater Systems program, such requirement shall include a provision that links award fees to successful acquisition outcomes (which shall be defined in terms of cost, schedule, and performance).

(6) A requirement that the Commandant of the Coast Guard assign an appropriate officer or employee of the Coast Guard to act as chair of each integrated product team and higher-level team assigned to the oversight of each integrated product team.

(7) A requirement that the Commandant of the Coast Guard may not award or issue any contract, task or delivery order, letter contract modification thereof, or other similar contract, for the acquisition or modification of an asset under a procurement subject to subsection (b) unless the Coast Guard and the contractor concerned have formally agreed to all terms and conditions or the head of contracting activity for the Coast Guard determines that a compelling need exists for the award or issue of such instrument.

(b) CONTRACTS, SUBCONTRACTS, TASK AND DELIVERY ORDERS COVERED.—Subsection (a) applies to—

(1) any major procurement contract, first-tier subcontract, delivery or task order entered into by the Coast Guard;

(2) any first-tier subcontract entered into under such a contract; and

(3) any task or delivery order issued pursuant to such a contract or subcontract.

(c) EXPENDITURE OF DEEPWATER FUNDS.—Of the funds available for the Integrated Deepwater Systems program, \$650,000,000 may not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive an expenditure plan directly from the Coast Guard that—

(1) defines activities, milestones, yearly costs, and life-cycle costs for each procurement of a major asset, including an independent cost estimate for each;

(2) identifies life-cycle staffing and training needs of Coast Guard project managers and of procurement and contract staff;

(3) identifies competition to be conducted in each procurement;

(4) describes procurement plans that do not rely on a single industry entity or contract;

(5) contains very limited indefinite delivery/indefinite quantity contracts and explains the need for any indefinite delivery/indefinite quantity contracts;

(6) complies with all applicable acquisition rules, requirements, and guidelines, and incorporates the best systems acquisition management practices of the Federal Government;

(7) complies with the capital planning and investment control requirements established by the Office of Management and Budget, including circular A-11, part 7;

(8) includes a certification by the head of contracting activity for the Coast Guard and the Chief Procurement Officer of the Department of Homeland Security that the Coast Guard has established sufficient controls and procedures and has sufficient staffing to comply with all contracting requirements,

and that any conflicts of interest have been sufficiently addressed;

(9) includes a description of the process used to act upon deviations from the contractually specified performance requirements and clearly explains the actions taken on such deviations;

(10) includes a certification that the Assistant Commandant of the Coast Guard for Engineering and Logistics is designated as the technical authority for all engineering, design, and logistics decisions pertaining to the Integrated Deepwater Systems program; and

(11) identifies progress in complying with the requirements of subsection (a).

(d) REPORTS.—(1) Not later than 30 days after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science and Transportation of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives: (i) a report on the resources (including training, staff, and expertise) required by the Coast Guard to provide appropriate management and oversight of the Integrated Deepwater Systems program; and (ii) a report on how the Coast Guard will utilize full and open competition for any contract that provides for the acquisition or modification of assets under, or in support of, the Integrated Deepwater Systems program, entered into after the date of enactment of this Act.

(2) Within 30 days following the submission of the expenditure plan required under subsection (c), the Government Accountability Office shall review the plan and brief the Committees on Appropriations of the Senate and the House of Representatives on its findings.

SEC. 5403. None of the funds provided in this Act or any other Act may be used to alter or reduce operations within the Civil Engineering Program of the Coast Guard nationwide, including the civil engineering units, facilities, design and construction centers, maintenance and logistics command centers, the Coast Guard Academy and the Coast Guard Research and Development Center, except as specifically authorized by a statute enacted after the date of enactment of this Act.

(INCLUDING RESCISSIONS OF FUNDS)

SEC. 5404. (a) RESCISSIONS.—The following unobligated balances made available pursuant to section 505 of Public Law 109-90 are rescinded: \$1,200,962 from the "Office of the Secretary and Executive Management"; \$512,855 from the "Office of the Under Secretary for Management"; \$461,874 from the "Office of the Chief Information Officer"; \$45,080 from the "Office of the Chief Financial Officer"; \$968,211 from "Preparedness Management and Administration"; \$1,215,486 from "Science and Technology Management and Administration"; \$450,000 from United States Secret Service "Salaries and Expenses"; \$450,000 from Federal Emergency Management Agency "Administrative and Regional Operations"; and \$25,595,532 from United States Coast Guard "Operating Expenses".

(b) ADDITIONAL APPROPRIATIONS.—

(1) For an additional amount for United States Coast Guard "Acquisition, Construction, and Improvements", \$30,000,000, to remain available until September 30, 2009, to mitigate the Service's patrol boat operational gap; and

(2) For an additional amount for the "Office of the Under Secretary for Management", \$900,000, for an independent study to compare the Department of Homeland Security senior career and political staffing levels and senior career training programs with

those of similarly structured cabinet-level agencies.

SEC. 5405. (a) IN GENERAL.—With respect to contracts entered into after June 1, 2007, and except as provided in subsection (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Homeland Security may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

(b) EXCEPTION.—An entity described in subsection (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if—

(1) the Secretary of Homeland Security certifies to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Commerce, Science and Transportation of the Senate that—

(A) the entity was selected by the Department of Homeland Security as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

(B) the Department took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(2) the entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

(d) REGULATIONS UPDATE.—Not later than June 1, 2007, the Secretary of Homeland Security shall update the acquisition regulations of the Department of Homeland Security in order to specify fully in such regulations the matters with respect to lead system integrators set forth in this section. Included in such regulations shall be: (1) a precise and comprehensive definition of the term “lead system integrator”, modeled after that used by the Department of Defense; and (2) a specification of various types of contracts and fee structures that are appropriate for use by lead system integrators in the production, fielding, and sustainment of complex systems.

CHAPTER 5

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5501. Section 20515 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting before the period: “; and of which, not to exceed \$143,628,000 shall be available for contract support costs under the terms and conditions contained in Public Law 109-54”.

SEC. 5502. Section 20512 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting after the first dollar amount: “, of which not to exceed \$7,300,000 shall be transferred to the ‘Indian Health Facilities’ account; the amount in the second proviso shall be \$18,000,000; the amount in the third proviso shall be \$525,099,000; the amount in the ninth proviso shall be \$269,730,000; and the \$15,000,000 allocation of funding under the eleventh proviso shall not be required”.

SEC. 5503. Section 20501 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public

Law 110-5) is amended by inserting after “\$55,663,000” the following: “of which \$13,000,000 shall be for Save America’s Treasures”.

SEC. 5504. Funds made available to the United States Fish and Wildlife Service for fiscal year 2007 under the heading “Land Acquisition” may be used for land conservation partnerships authorized by the Highlands Conservation Act of 2004.

CHAPTER 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES (TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for “National Institute of Allergy and Infectious Diseases”, \$49,500,000 shall be transferred to “Public Health and Social Services Emergency Fund” to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

OFFICE OF THE DIRECTOR (TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for “Office of the Director”, \$49,500,000 shall be transferred to “Public Health and Social Services Emergency Fund” to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

NATIONAL COUNCIL ON DISABILITY SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$300,000, to remain available until expended, for necessary expenses related to the requirements of the Post-Katrina Emergency Management Reform Act of 2006, as enacted by the Department of Homeland Security Appropriations Act, 2007 (Public Law 109-295).

GENERAL PROVISIONS—THIS CHAPTER (INCLUDING TRANSFERS OF FUNDS AND RESCISSON)

SEC. 5601. Section 20602 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting the following after “\$5,000,000”: “(together with an additional \$7,000,000 which shall be transferred by the Pension Benefit Guaranty Corporation as an authorized administrative cost), to remain available through September 30, 2008.”.

SEC. 5602. Section 20607 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting “of which \$9,666,000 shall be for the Women’s Bureau,” after “for child labor activities.”.

SEC. 5603. Of the amount provided for “Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services” in the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), \$23,000,000 shall be for Poison Control Centers.

SEC. 5604. From the amounts made available by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for the Office of the Secretary, General Departmental Management under the Department of Health and Human Services, \$1,000,000 are rescinded.

SEC. 5605. Section 20625(b)(1) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by—

(1) striking “\$7,172,994,000” and inserting “\$7,176,431,000”;

(2) amending subparagraph (A) to read as follows: “(A) \$5,454,824,000 shall be for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965 (ESEA), of which up to \$3,437,000 shall be available to the Secretary of Education on October 1, 2006, to obtain annually updated educational-agency-level census poverty data from the Bureau of the Census;”; and

(3) amending subparagraph (C) to read as follows: “(C) not to exceed \$2,352,000 may be available for section 1608 of the ESEA and for a clearinghouse on comprehensive school reform under part D of title V of the ESEA.”.

SEC. 5606. The provision in the first proviso under the heading “Rehabilitation Services and Disability Research” in the Department of Education Appropriations Act, 2006, relating to alternative financing programs under section 4(b)(2)(D) of the Assistive Technology Act of 1998 shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007.

SEC. 5607. Notwithstanding sections 20639 and 20640 of the Continuing Appropriations Resolution, 2007, as amended by section 2 of the Revised Continuing Appropriations Resolution, 2007 (Public Law 110-5), the Chief Executive Officer of the Corporation for National and Community Service may transfer an amount of not more than \$1,360,000 from the account under the heading “National and Community Service Programs, Operating Expenses” under the heading “Corporation for National and Community Service”, to the account under the heading “Salaries and Expenses” under the heading “Corporation for National and Community Service”.

SEC. 5608. (a) Section 1310.12(a) of title 45, Code of Federal Regulations, shall take effect 30 days after the date of enactment of this Act.

(b)(1) Notwithstanding subsection (a), any vehicle used to transport children for a Head Start program as of January 1, 2007, shall not be subject to a requirement under such section (including a requirement based on the definitions set forth or referenced in section 1310.3 or any other provision set forth or referenced in part 1310 of such title, or any corresponding similar regulation or ruling) regarding rear emergency exit doors, for 1 year after that date of enactment.

(2) Not later than 60 days after the National Highway Traffic Safety Administration of the Department of Transportation submits its study on occupant protection on Head Start transit vehicles (related to Government Accountability Office report GAO-06-767R), the Secretary of Health and Human Services shall review and shall revise as necessary the allowable alternate vehicle standards described in that part 1310 (or any corresponding similar regulation or ruling) relating to allowable alternate vehicles used to transport children for a Head Start program. In making any such revision, the Secretary shall revise the standards to be consistent with the findings contained in such study, including making a determination on the exemption of such a vehicle from Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, if such vehicle meets all other applicable Federal motor vehicle safety standards, including standards for seating systems, occupant crash protection, seat belt assemblies, and child restraint anchorage systems consistent with that part 1310 (or any corresponding similar regulation or ruling).

(3) Notwithstanding subsection (a), until such date as the Secretary of Health and

Human Services completes the review and any necessary revision specified in paragraph (2), the provisions of section 1310.12(a) relating to Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, for allowable alternate vehicles used to transport children for a Head Start program, shall not apply to such a vehicle if such vehicle meets all other applicable Federal motor vehicle safety standards, as described in paragraph (2).

SEC. 5609. (a)(1) Section 3(37)(G) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)(G)) (as amended by section 1106(a) of the Pension Protection Act of 2006) is amended—

(A) in clause (i)(II)(aa), by striking “for each of the 3 plan years immediately before the date of the enactment of the Pension Protection Act of 2006,” and inserting “for each of the 3 plan years immediately preceding the first plan year for which the election under this paragraph is effective with respect to the plan.”;

(B) in clause (ii), by striking “starting with the first plan year ending after the date of the enactment of the Pension Protection Act of 2006” and inserting “starting with any plan year beginning on or after January 1, 1999, and ending before January 1, 2008, as designated by the plan in the election made under clause (i)(II);” and

(C) by adding at the end the following new clause:

“(vii) For purposes of this Act and the Internal Revenue Code of 1986, a plan making an election under this subparagraph shall be treated as maintained pursuant to a collective bargaining agreement if a collective bargaining agreement, expressly or otherwise, provides for or permits employer contributions to the plan by one or more employers that are signatory to such agreement, or participation in the plan by one or more employees of an employer that is signatory to such agreement, regardless of whether the plan was created, established, or maintained for such employees by virtue of another document that is not a collective bargaining agreement.”

(2) Paragraph (6) of section 414(f) of the Internal Revenue Code of 1986 (relating to election with regard to multiemployer status) (as amended by section 1106(b) of the Pension Protection Act of 2006) is amended—

(A) in subparagraph (A)(ii)(I), by striking “for each of the 3 plan years immediately before the date of enactment of the Pension Protection Act of 2006,” and inserting “for each of the 3 plan years immediately preceding the first plan year for which the election under this paragraph is effective with respect to the plan.”;

(B) in subparagraph (B), by striking “starting with the first plan year ending after the date of the enactment of the Pension Protection Act of 2006” and inserting “starting with any plan year beginning on or after January 1, 1999, and ending before January 1, 2008, as designated by the plan in the election made under subparagraph (A)(ii);” and

(C) by adding at the end the following new subparagraph:

“(F) MAINTENANCE UNDER COLLECTIVE BARGAINING AGREEMENT.—For purposes of this title and the Employee Retirement Income Security Act of 1974, a plan making an election under this paragraph shall be treated as maintained pursuant to a collective bargaining agreement if a collective bargaining agreement, expressly or otherwise, provides for or permits employer contributions to the plan by one or more employers that are signatory to such agreement, or participation in the plan by one or more employees of an employer that is signatory to such agreement, regardless of whether the plan was

created, established, or maintained for such employees by virtue of another document that is not a collective bargaining agreement.”

(b)(1) Clause (vi) of section 3(37)(G) of the Employee Retirement Income Security Act of 1974 (as amended by section 1106(a) of the Pension Protection Act of 2006) is amended by striking “if it is a plan—” and all that follows and inserting the following: “if it is a plan sponsored by an organization which is described in section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which was established in Chicago, Illinois, on August 12, 1881.”

(2) Subparagraph (E) of section 414(f)(6) of the Internal Revenue Code of 1986 (as amended by section 1106(b) of the Pension Protection Act of 2006) is amended by striking “if it is a plan—” and all that follows and inserting the following: “if it is a plan sponsored by an organization which is described in section 501(c)(5) and exempt from tax under section 501(a) and which was established in Chicago, Illinois, on August 12, 1881.”

(c) The amendments made by this section shall take effect as if included in section 1106 of the Pension Protection Act of 2006.

SEC. 5610. (a) Subclause (III) of section 420(f)(2)(E)(i) of the Internal Revenue Code of 1986 is amended by striking “subsection (c)(2)(E)(ii)(II)” and inserting “subsection (c)(3)(E)(ii)(II)”.

(b) Section 420(e)(2)(B) of the Internal Revenue Code of 1986 is amended by striking “funding shortfall” and inserting “funding target”.

(c) The amendments made by this section shall take effect as if included in the provisions of the Pension Protection Act of 2006 to which they relate.

SEC. 5611. (a) Subparagraph (A) of section 420(c)(3) of the Internal Revenue Code of 1986 is amended by striking “transfer.” and inserting “transfer or, in the case of a transfer which involves a plan maintained by an employer described in subsection (f)(2)(E)(i)(III), if the plan meets the requirements of subsection (f)(2)(D)(i)(II).”

(b) The amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

SEC. 5612. (a) Section 402(i)(1) of the Pension Protection Act of 2006 is amended by striking “December 28, 2007” and inserting “January 1, 2008”.

(b) The amendment made by subsection (a) shall take effect as if included in section 402 of the Pension Protection Act of 2006.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102) is amended, in the second proviso, by inserting after “subsection (b) of that section” the following: “and the requirement that a majority of the members of the board of directors be United States citizens provided in subsection (d)(3)(B) of that section”.

(c) Subject to section 101(c)(2) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), the amount of funds appropriated for “Foreign Military Financing Program” pursuant to such Resolution shall be construed to be the total of the amount appropriated for such program by section 20401 of that Resolution and the amount made available for such program by section 591 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102) which is made applicable to the fiscal year 2007 by the provisions of such Resolution.

SEC. 5802. Notwithstanding any provision of title I of division B of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Laws 109-369, 109-383, and 110-5), the dollar amount limitation of the first proviso under the heading, “Administration of Foreign Affairs, Diplomatic and Consular Programs”, in title IV of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109-108; 119 Stat. 2319) shall not apply to funds appropriated under such heading for fiscal year 2007.

CHAPTER 9

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount to carry out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, \$6,150,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund and to be subject to the same terms and conditions pertaining to funds provided under this heading in Public Law 109-115: *Provided*, That not to exceed the total amount provided for these activities for fiscal year 2007 shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than \$0.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5901. Hereafter, funds limited or appropriated for the Department of Transportation may be obligated or expended to grant authority to a Mexican motor carrier to operate beyond United States municipalities and commercial zones on the United States-Mexico border only to the extent that—

(1) granting such authority is first tested as part of a pilot program;

(2) such pilot program complies with the requirements of section 350 of Public Law 107-87 and the requirements of section 31315(c) of title 49, United States Code, related to pilot programs; and

(3) simultaneous and comparable authority to operate within Mexico is made available to motor carriers domiciled in the United States.

SEC. 5902. Funds provided for the “National Transportation Safety Board, Salaries and Expenses” in section 21031 of the Continuing

LEGISLATIVE BRANCH HOUSE OF REPRESENTATIVES

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Gloria W. Norwood, widow of Charles W. Norwood, Jr., late a Representative from the State of Georgia, \$165,200.

For payment to James McDonald, Jr., widower of Juanita Millender-McDonald, late a Representative from the State of California, \$165,200.

CHAPTER 8

GENERAL PROVISIONS—THIS CHAPTER

TECHNICAL AMENDMENT

SEC. 5801. (a) Notwithstanding any other provision of law, subsection (c) under the heading “Assistance for the Independent States of the Former Soviet Union” in Public Law 109-102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109-289, division B) as amended by Public Laws 109-369, 109-383, and 110-5.

Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) include amounts necessary to make lease payments due in fiscal year 2007 only, on an obligation incurred in 2001 under a capital lease.

SEC. 5903. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by adding after the second proviso: “: *Provided further*, That paragraph (2) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$149,300,000, but additional section 8 tenant protection rental assistance costs may be funded in 2007 by using unobligated balances, notwithstanding the purposes for which such amounts were appropriated, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading ‘Annual Contributions for Assisted Housing’, the heading ‘Housing Certificate Fund’, and the heading ‘Project-Based Rental Assistance’ for fiscal year 2006 and prior fiscal years: *Provided further*, That paragraph (3) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$47,500,000: *Provided further*, That paragraph (4) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$5,900,000: *Provided further*, That paragraph (5) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$1,281,100,000, of which \$1,251,100,000 shall be allocated for the calendar year 2007 funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year 2006, and of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, with up to \$20,000,000 to be for fees associated with section 8 tenant protection rental assistance”.

SEC. 5904. Section 232(b) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106-377) is amended to read as follows:

“(b) APPLICABILITY.—In the case of any dwelling unit that, upon the date of the enactment of this Act, is assisted under a housing assistance payment contract under section 8(o)(13) as in effect before such enactment, or under section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437ff(d)(2)) as in effect before the enactment of the Quality Housing and Work Responsibility Act of 1998 (title V of Public Law 105-276), assistance may be renewed or extended under such section 8(o)(13), as amended by subsection (a), provided that the initial contract term and rent of such renewed or extended assistance shall be determined pursuant to subparagraphs (F) and (H), and subparagraphs (C) and (D) of such section shall not apply to such extensions or renewals.”.

CHAPTER 10

GENERAL PROVISIONS—THIS ACT AVAILABILITY OF FUNDS

SEC. 5951. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

DESIGNATION FOR TITLES I AND II

SEC. 5952. Amounts in titles I and II are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and as making appropriations for contingency operations directly related to the global war on terrorism and other unanticipated defense-related operations pursuant to section 402 of H. Con. Res. 376 (109th Congress) as made applicable to the House of

Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

EMERGENCY DESIGNATION FOR OTHER TITLES

SEC. 5953. Amounts in titles III, IV, and VI are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and pursuant to section 501 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

TITLE VI—ELIMINATION OF SCHIP SHORTFALL AND OTHER HEALTH MATTERS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE AND MEDICAID SERVICES STATE CHILDREN'S HEALTH INSURANCE FUND

For an additional amount to provide additional allotments to remaining shortfall States under section 2104(h)(4) of the Social Security Act, as inserted by section 6001, such sums as may be necessary, but not to exceed \$650,000,000 for fiscal year 2007, to remain available until expended.

GENERAL PROVISIONS—THIS TITLE

SEC. 6001. (a) **ELIMINATION OF REMAINDER OF SCHIP FUNDING SHORTFALLS, TIERED MATCH, AND OTHER LIMITATION ON EXPENDITURES.**—Section 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)), as added by section 201(a) of the National Institutes of Health Reform Act of 2006 (Public Law 109-482), is amended—

(1) in the heading for paragraph (2), by striking “REMAINDER OF REDUCTION” and inserting “PART”; and

(2) by striking paragraph (4) and inserting the following:

“(4) ADDITIONAL AMOUNTS TO ELIMINATE REMAINDER OF FISCAL YEAR 2007 FUNDING SHORTFALLS.—

“(A) IN GENERAL.—From the amounts provided in advance in appropriations Acts, the Secretary shall allot to each remaining shortfall State described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such subparagraph for the State for fiscal year 2007.

“(B) REMAINING SHORTFALL STATE DESCRIBED.—For purposes of subparagraph (A), a remaining shortfall State is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of the date of the enactment of this paragraph, that the projected Federal expenditures under such plan for the State for fiscal year 2007 will exceed the sum of—

“(i) the amount of the State’s allotments for each of fiscal years 2005 and 2006 that will not be expended by the end of fiscal year 2006;

“(ii) the amount of the State’s allotment for fiscal year 2007; and

“(iii) the amounts, if any, that are to be redistributed to the State during fiscal year 2007 in accordance with paragraphs (1) and (2).”.

(b) **CONFORMING AMENDMENTS.**—Section 2104(h) of such Act (42 U.S.C. 1397dd(h)) (as so added), is amended—

(1) in paragraph (1)(B), by striking “subject to paragraph (4)(B) and”; and

(2) in paragraph (2)(B), by striking “subject to paragraph (4)(B) and”; and

(3) in paragraph (5)(A), by striking “and (3)” and inserting “(3), and (4)”; and

(4) in paragraph (6)—

(A) in the first sentence—

(i) by inserting “or allotted” after “redistributed”; and

(ii) by inserting “or allotments” after “redistributions”; and

(B) by striking “and (3)” and inserting “(3), and (4)”.

SEC. 6002. (a) PROHIBITION.—

(1) **LIMITATION ON SECRETARIAL AUTHORITY.**—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not, prior to the date that is 1 year after the date of enactment of this Act, take any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to—

(A) finalize or otherwise implement provisions contained in the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations);

(B) promulgate or implement any rule or provisions similar to the provisions described in subparagraph (A) pertaining to the Medicaid program established under title XIX of the Social Security Act or the State Children’s Health Insurance Program established under title XXI of such Act; or

(C) promulgate or implement any rule or provisions restricting payments for graduate medical education under the Medicaid program.

(2) **CONTINUATION OF OTHER SECRETARIAL AUTHORITY.**—The Secretary of Health and Human Service shall not be prohibited during the period described in paragraph (1) from taking any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to enforce a provision of law in effect as of the date of enactment of this Act with respect to the Medicaid program or the State Children’s Health Insurance Program, or to promulgate or implement a new rule or provision during such period with respect to such programs, other than a rule or provision described in paragraph (1) and subject to the prohibition set forth in that paragraph.

(b) **REQUIREMENT FOR USE OF TAMPER-RESISTANT PRESCRIPTION PADS UNDER THE MEDICAID PROGRAM.**—

(1) **IN GENERAL.**—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended—

(A) by striking “or” at the end of paragraph (2);

(B) by striking the period at the end of paragraph (22) and inserting “; or”; and

(C) by inserting after paragraph (22) the following new paragraph:

“(23) with respect to amounts expended for medical assistance for covered outpatient drugs (as defined in section 1927(k)(2)) for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad.”.

(2) **EFFECTIVE DATE.**—The amendments made by paragraph (1) shall apply to prescriptions executed after September 30, 2007.

(c) **EXTENSION OF CERTAIN PHARMACY PLUS WAIVERS.**—

(1) **AUTHORITY TO CONTINUE TO OPERATE WAIVERS.**—Notwithstanding any other provision of law, any State that is operating a Pharmacy Plus waiver described in paragraph (2) which would otherwise expire on June 30, 2007, may elect to continue to operate the waiver through December 31, 2009.

(2) **PHARMACY PLUS WAIVER DESCRIBED.**—For purposes of paragraph (1), a Pharmacy Plus waiver described in this paragraph is a waiver approved by the Secretary of Health and Human Services under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315) that provides coverage for prescription drugs for individuals who have attained age 65 and whose family income does not exceed 200 percent of the poverty line (as defined in section 2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5))).

TITLE VII—FAIR MINIMUM WAGE AND TAX RELIEF**Subtitle A—Fair Minimum Wage****SEC. 7101. SHORT TITLE.**

This subtitle may be cited as the “Fair Minimum Wage Act of 2007”.

SEC. 7102. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) \$5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

“(B) \$6.55 an hour, beginning 12 months after that 60th day; and

“(C) \$7.25 an hour, beginning 24 months after that 60th day.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 7103. APPLICABILITY OF MINIMUM WAGE TO AMERICAN SAMOA AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to American Samoa and the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a)—

(1) the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) \$3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(B) increased by \$0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this paragraph is equal to the minimum wage set forth in such section; and

(2) the minimum wage applicable to American Samoa under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) the applicable wage rate in effect for each industry and classification under section 697 of title 29, Code of Federal Regulations, on the date of enactment of this Act;

(B) increased by \$0.50 an hour, beginning on the 60th day after the date of enactment of this Act; and

(C) increased by \$0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to American Samoa under this paragraph is equal to the minimum wage set forth in such section.

(c) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—The Fair Labor Standards Act of 1938 is amended—

(A) by striking sections 5 and 8; and

(B) in section 6(a), by striking paragraph

(3) and redesignating paragraphs (4) and (5)

as paragraphs (3) and (4), respectively.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 60 days after the date of enactment of this Act.

SEC. 7104. STUDY ON PROJECTED IMPACT.

(a) STUDY.—Beginning on the date that is 26 months after the date of enactment of this Act, the Secretary of Labor shall, through the Bureau of Labor Statistics, conduct a study to—

(1) assess the impact of the wage increases required by this Act through such date; and

(2) to project the impact of any further wage increase,

on living standards and rates of employment in American Samoa and the Commonwealth of the Northern Mariana Islands.

(b) REPORT.—Not later than the date that is 32 months after the date of enactment of this Act, the Secretary of Labor shall transmit to Congress a report on the findings of the study required by subsection (a).

Subtitle B—Small Business Tax Incentives**SEC. 7201. SHORT TITLE; AMENDMENT OF CODE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This subtitle may be cited as the “Small Business and Work Opportunity Tax Act of 2007”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 7201. Short title; amendment of Code; table of contents.

PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS**SUBPART A—GENERAL PROVISIONS**

Sec. 7211. Extension and modification of work opportunity tax credit.

Sec. 7212. Extension and increase of expensing for small business.

Sec. 7213. Determination of credit for certain taxes paid with respect to employee cash tips.

Sec. 7214. Waiver of individual and corporate alternative minimum tax limits on work opportunity credit and credit for taxes paid with respect to employee cash tips.

Sec. 7215. Family business tax simplification.

SUBPART B—GULF OPPORTUNITY ZONE TAX INCENTIVES

Sec. 7221. Extension of increased expensing for qualified section 179 Gulf Opportunity Zone property.

Sec. 7222. Extension and expansion of low-income housing credit rules for buildings in the GO Zones.

Sec. 7223. Special tax-exempt bond financing rule for repairs and reconstructions of residences in the GO Zones.

Sec. 7224. GAO study of practices employed by State and local governments in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005.

SUBPART C—SUBCHAPTER S PROVISIONS

Sec. 7231. Capital gain of S corporation not treated as passive investment income.

Sec. 7232. Treatment of bank director shares.

Sec. 7233. Special rule for bank required to change from the reserve method of accounting on becoming S corporation.

Sec. 7234. Treatment of the sale of interest in a qualified subchapter S subsidiary.

Sec. 7235. Elimination of all earnings and profits attributable to pre-1983 years for certain corporations.

Sec. 7236. Deductibility of interest expense on indebtedness incurred by an electing small business trust to acquire S corporation stock.

PART 2—REVENUE PROVISIONS

Sec. 7241. Increase in age of children whose unearned income is taxed as if parent's income.

Sec. 7242. Suspension of certain penalties and interest.

Sec. 7243. Modification of collection due process procedures for employment tax liabilities.

Sec. 7244. Permanent extension of IRS user fees.

Sec. 7245. Increase in penalty for bad checks and money orders.

Sec. 7246. Understatement of taxpayer liability by return preparers.

Sec. 7247. Penalty for filing erroneous refund claims.

Sec. 7248. Time for payment of corporate estimated taxes.

PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS**Subpart A—General Provisions****SEC. 7211. EXTENSION AND MODIFICATION OF WORK OPPORTUNITY TAX CREDIT.**

(a) EXTENSION.—Section 51(c)(4)(B) (relating to termination) is amended by striking “December 31, 2007” and inserting “August 31, 2011”.

(b) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

“(5) DESIGNATED COMMUNITY RESIDENTS.—

“(A) IN GENERAL.—The term ‘designated community resident’ means any individual who is certified by the designated local agency—

“(i) as having attained age 18 but not age 40 on the hiring date, and

“(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

“(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.—In the case of a designated community resident, the term ‘qualified wages’ shall not include wages paid or incurred for services performed while the individual’s principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

“(C) RURAL RENEWAL COUNTY.—For purposes of this paragraph, the term ‘rural renewal county’ means any county which—

“(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

“(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.”.

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

“(D) a designated community resident.”.

(c) CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, or”, and by adding at the end the following new clause:

“(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.”.

(d) TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.—

(1) DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.—

(A) IN GENERAL.—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking “agency as being a member of a family” and all that follows and inserting “agency as—

“(i) being a member of a family receiving assistance under a food stamp program under

the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

“(ii) entitled to compensation for a service-connected disability, and—

“(I) having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

“(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.”.

(B) DEFINITIONS.—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

“(C) OTHER DEFINITIONS.—For purposes of subparagraph (A), the terms ‘compensation’ and ‘service-connected’ have the meanings given such terms under section 101 of title 38, United States Code.”.

(2) INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.—Paragraph (3) of section 51(b) is amended—

(A) by inserting “\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii)”, before the period at the end, and

(B) by striking “ONLY FIRST \$6,000 OF” in the heading and inserting “LIMITATION ON”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

SEC. 7212. EXTENSION AND INCREASE OF EXPENSES FOR SMALL BUSINESS.

(a) EXTENSION.—Subsections (b)(1), (b)(2), (b)(5), (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election to expense certain depreciable business assets) are each amended by striking “2010” and inserting “2011”.

(b) INCREASE IN LIMITATIONS.—Subsection (b) of section 179 is amended—

(1) by striking “\$100,000 in the case of taxable years beginning after 2002” in paragraph (1) and inserting “\$125,000 in the case of taxable years beginning after 2006”, and

(2) by striking “\$400,000 in the case of taxable years beginning after 2002” in paragraph (2) and inserting “\$500,000 in the case of taxable years beginning after 2006”.

(c) INFLATION ADJUSTMENT.—Subparagraph (A) of section 179(b)(5) is amended—

(1) by striking “2003” and inserting “2007”,

(2) by striking “\$100,000 and \$400,000” and inserting “\$125,000 and \$500,000”, and

(3) by striking “2002” in clause (ii) and inserting “2006”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7213. DETERMINATION OF CREDIT FOR CERTAIN TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) IN GENERAL.—Subparagraph (B) of section 45B(b)(1) is amended by inserting “as in effect on January 1, 2007, and” before “determined without regard to”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to tips received for services performed after December 31, 2006.

SEC. 7214. WAIVER OF INDIVIDUAL AND CORPORATE ALTERNATIVE MINIMUM TAX LIMITS ON WORK OPPORTUNITY CREDIT AND CREDIT FOR TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) is amended by striking “and” at the end of clause (i), by inserting a comma at the end of clause (ii), and by adding at the end the following new clauses:

“(iii) the credit determined under section 45B, and

“(iv) the credit determined under section 51.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined under sections 45B and 51 of the Internal Revenue Code of 1986 in taxable years beginning after December 31, 2006, and to carrybacks of such credits.

SEC. 7215. FAMILY BUSINESS TAX SIMPLIFICATION.

(a) IN GENERAL.—Section 761 (defining terms for purposes of partnerships) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) QUALIFIED JOINT VENTURE.—

“(1) IN GENERAL.—In the case of a qualified joint venture conducted by a husband and wife who file a joint return for the taxable year, for purposes of this title—

“(A) such joint venture shall not be treated as a partnership,

“(B) all items of income, gain, loss, deduction, and credit shall be divided between the spouses in accordance with their respective interests in the venture, and

“(C) each spouse shall take into account such spouse’s respective share of such items as if they were attributable to a trade or business conducted by such spouse as a sole proprietor.

“(2) QUALIFIED JOINT VENTURE.—For purposes of paragraph (1), the term ‘qualified joint venture’ means any joint venture involving the conduct of a trade or business if—

“(A) the only members of such joint venture are a husband and wife,

“(B) both spouses materially participate (within the meaning of section 469(h) without regard to paragraph (5) thereof) in such trade or business, and

“(C) both spouses elect the application of this subsection.”.

(b) NET EARNINGS FROM SELF-EMPLOYMENT.—

(1) Subsection (a) of section 1402 (defining net earnings from self-employment) is amended by striking “, and” at the end of paragraph (15) and inserting a semicolon, by striking the period at the end of paragraph (16) and inserting “; and”, and by inserting after paragraph (16) the following new paragraph:

“(17) notwithstanding the preceding provisions of this subsection, each spouse’s share of income or loss from a qualified joint venture shall be taken into account as provided in section 761(f) in determining net earnings from self-employment of such spouse.”.

(2) Subsection (a) of section 211 of the Social Security Act (defining net earnings from self-employment) is amended by striking “and” at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting “; and”, and by inserting after paragraph (15) the following new paragraph:

“(16) Notwithstanding the preceding provisions of this subsection, each spouse’s share of income or loss from a qualified joint venture shall be taken into account as provided in section 761(f) of the Internal Revenue Code of 1986 in determining net earnings from self-employment of such spouse.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

Subpart B—Gulf Opportunity Zone Tax Incentives

SEC. 7221. EXTENSION OF INCREASED EXPENSING FOR QUALIFIED SECTION 179 GULF OPPORTUNITY ZONE PROPERTY.

Paragraph (2) of section 1400N(e) (relating to qualified section 179 Gulf Opportunity Zone property) is amended—

(1) by striking “this subsection, the term” and inserting “this subsection—

“(A) IN GENERAL.—The term”, and

(2) by adding at the end the following new subparagraph:

“(B) EXTENSION FOR CERTAIN PROPERTY.—In the case of property substantially all of the use of which is in one or more specified portions of the GO Zone (as defined by subsection (d)(6)), such term shall include section 179 property (as so defined) which is described in subsection (d)(2), determined—

“(i) without regard to subsection (d)(6), and

“(ii) by substituting ‘2008’ for ‘2007’ in subparagraph (A)(v) thereof.”.

SEC. 7222. EXTENSION AND EXPANSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN THE GO ZONES.

(a) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Subsection (c) of section 1400N (relating to low-income housing credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

“(5) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011.”.

(b) EXTENSION OF PERIOD FOR TREATING GO ZONES AS DIFFICULT DEVELOPMENT AREAS.—

(1) IN GENERAL.—Subparagraph (A) of section 1400N(c)(3) is amended by striking “2006, 2007, or 2008” and inserting “the period beginning on January 1, 2006, and ending on December 31, 2010”.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 1400N(c)(3)(B) is amended by striking “such period” and inserting “the period described in subparagraph (A)”.

(c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N (relating to low-income housing credit), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

“(6) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.”.

SEC. 7223. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Subsection (a) of section 1400N (relating to tax-exempt bond financing) is amended by adding at the end the following new paragraph:

“(7) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

“(A) IN GENERAL.—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

“(B) QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.—For purposes of subparagraph

(A), the term 'qualified GO Zone repair or reconstruction' means any repair of damage caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor's adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor's adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

"(C) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011."

SEC. 7224. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit a report on the findings of the study conducted under subsection (a) and shall include therein recommendations (if any) relating to such findings. The report shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(c) CONGRESSIONAL HEARINGS.—In the case that the report submitted under this section includes findings of significant fraud, waste or abuse, each Committee specified in subsection (b) shall, within 60 days after the date the report is submitted under subsection (b), hold a public hearing to review such findings.

Subpart C—Subchapter S Provisions

SEC. 7231. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C), (D), (E), and (F) and inserting the following new subparagraphs:

"(B) GROSS RECEIPTS FROM THE SALES OF CERTAIN ASSETS.—For purposes of this paragraph—

"(i) in the case of dispositions of capital assets (other than stock and securities), gross receipts from such dispositions shall be taken into account only to the extent of the capital gain net income therefrom, and

"(ii) in the case of sales or exchanges of stock or securities, gross receipts shall be taken into account only to the extent of the gains therefrom.

"(C) PASSIVE INVESTMENT INCOME DEFINED.

"(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

"(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

"(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6)

for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

"(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

"(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1))), the term 'passive investment income' shall not include—

"(I) interest income earned by such bank or company, or

"(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank."

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

SEC. 7232. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

"(f) RESTRICTED BANK DIRECTOR STOCK.

"(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

"(2) RESTRICTED BANK DIRECTOR STOCK.

"For purposes of this subsection, the term 'restricted bank director stock' means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1))), if such stock—

"(A) is required to be held by an individual under applicable Federal or State law in order to permit such individual to serve as a director, and

"(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

"(3) CROSS REFERENCE.

"For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)."

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

"(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

"(1) shall be includable in gross income of the director, and

"(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount is included in the gross income of the director."

(c) EFFECTIVE DATES.

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 7233. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

"(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7234. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking "For purposes of this title," and inserting the following:

"(i) IN GENERAL.—For purposes of this title," and

(2) by inserting at the end the following new clause:

"(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

"(I) the sale were a sale of an undivided interest in the assets of such corporation (based on the percentage of the corporation's stock sold), and

"(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7235. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act, the amount of such corporation's accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 7236. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

“(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART 2—REVENUE PROVISIONS

SEC. 7241. INCREASE IN AGE OF CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

“(A) such child—

“(i) has not attained age 18 before the close of the taxable year, or

“(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

“(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual's support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof) for such taxable year.”.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 1 is amended by striking “MINOR” in the heading thereof.

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

SEC. 7242. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking “18-month period” and inserting “36-month period”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of this Act.

SEC. 7243. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking “; or” at the end of paragraph (1) and inserting a comma,

(2) by adding “or” at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

“(3) the Secretary has served a disqualified employment tax levy.”.

(b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Section 6330 of such Code (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

“(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served. For purposes of the preceding sentence, the

term ‘employment taxes’ means any taxes under chapter 21, 22, 23, or 24.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 7244. PERMANENT EXTENSION OF IRS USER FEES.

Section 7528 (relating to Internal Revenue Service user fees) is amended by striking subsection (c).

SEC. 7245. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking “\$750” and inserting “\$1,250”, and

(2) by striking “\$15” and inserting “\$25”.

(b) EFFECTIVE DATE.—The amendments made by this section apply to checks or money orders received after the date of the enactment of this Act.

SEC. 7246. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking “income” each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking “subtitle A” each place it appears and inserting “this title”.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”.

(ii) Section 6060(a) is amended—

(I) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”;

(II) by striking “each income tax return preparer” and inserting “each tax return preparer”, and

(III) by striking “another income tax return preparer” and inserting “another tax return preparer”.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(B) Section 6103(k)(5) is amended—

(i) by striking “income tax return preparer” each place it appears and inserting “tax return preparer”, and

(ii) by striking “income tax return preparers” each place it appears and inserting “tax return preparers”.

(C)(i) Section 6107 is amended—

(I) by striking “INCOME TAX RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”;

(II) by striking “an income tax return preparer” each place it appears in subsections (a) and (b) and inserting “a tax return preparer”;

(III) by striking “INCOME TAX RETURN PREPARER” in the heading for subsection (b) and inserting “TAX RETURN PREPARER”, and

(IV) in subsection (c), by striking “income tax return preparers” and inserting “tax return preparers”.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter

61 is amended by striking “Income tax return preparer” and inserting “Tax return preparer”.

(D) Section 6109(a)(4) is amended—

(i) by striking “an income tax return preparer” and inserting “a tax return preparer”, and

(ii) by striking “INCOME RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”.

(E) Section 6503(k)(4) is amended by striking “Income tax return preparers” and inserting “Tax return preparers”.

(F)(i) Section 6694 is amended—

(I) by striking “INCOME TAX RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”,

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”,

(III) in subsection (c)(2), by striking “the income tax return preparer” and inserting “the tax return preparer”,

(IV) in subsection (e), by striking “subtitle A” and inserting “this title”, and

(V) in subsection (f), by striking “income tax return preparer” and inserting “tax return preparer”.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking “income tax return preparer” and inserting “tax return preparer”.

(G)(i) Section 6695 is amended—

(I) by striking “INCOME” in the heading, and

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”.

(ii) Section 6695(f) is amended—

(I) by striking “subtitle A” and inserting “this title”, and

(II) by striking “the income tax return preparer” and inserting “the tax return preparer”.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking “income”.

(H) Section 6696(e) is amended by striking “subtitle A” each place it appears and inserting “this title”.

(I)(i) Section 7407 is amended—

(I) by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”,

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”,

(III) by striking “income tax preparer” both places it appears in subsection (a) and inserting “tax return preparer”, and

(IV) by striking “income tax return” in subsection (a) and inserting “tax return”.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(J)(i) Section 7427 is amended—

(I) by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”, and

(II) by striking “an income tax return preparer” and inserting “a tax return preparer”.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

“Sec. 7427. Tax return preparers.”.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

“(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

“(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund

with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

“(A) \$1,000, or

“(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

“(A) the tax return preparer knew (or reasonably should have known) of the position,

“(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

“(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

“(ii) there was no reasonable basis for the position.

“(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

“(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

“(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

“(A) \$5,000, or

“(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

“(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

“(B) a reckless or intentional disregard of rules or regulations.

“(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).”.

“(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns prepared after the date of the enactment of this Act.

SEC. 7247. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

“SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

“(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

“(b) EXCESSIVE AMOUNT.—For purposes of this section, the term ‘excessive amount’ means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

“(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit which is subject to a penalty imposed under part II of subchapter A of chapter 68.”.

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item: “Sec. 6676. Erroneous claim for refund or credit.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim filed or submitted after the date of the enactment of this Act.

SEC. 7248. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “106.25 percent” and inserting “114.25 percent”.

The SPEAKER pro tempore. Pursuant to House Resolution 387, the amendment printed in part A of House Report 110-143 is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 2206

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

SECTION 1. SHORT TITLE.

This Act may be cited as the “U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007”.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—FUNDING FOR MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN

TITLE II—OTHER INTERNATIONAL AND SECURITY-RELATED FUNDING

TITLE III—ADDITIONAL HURRICANE DISASTER RELIEF AND RECOVERY

TITLE IV—OTHER EMERGENCY APPROPRIATIONS

TITLE V—OTHER MATTERS

TITLE VI—ELIMINATION OF SCHIP SHORTFALL AND OTHER HEALTH MATTERS

TITLE VII—FAIR MINIMUM WAGE AND TAX RELIEF

SEC. 3. STATEMENT OF APPROPRIATIONS.

The following sums in this Act are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2007.

TITLE I—FUNDING FOR MILITARY OPERATIONS IN IRAQ AND AFGHANISTAN

CHAPTER 1—IMMEDIATE FUNDING NEEDS

DEPARTMENT OF DEFENSE—MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for “Military Personnel, Army”, \$4,528,215,000.

MILITARY PERSONNEL, NAVY

For an additional amount for “Military Personnel, Navy”, \$754,347,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for “Military Personnel, Marine Corps”, \$802,391,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for “Military Personnel, Air Force”, \$689,944,000.

RESERVE PERSONNEL, ARMY

For an additional amount for “Reserve Personnel, Army”, \$73,622,000.

RESERVE PERSONNEL, NAVY

For an additional amount for “Reserve Personnel, Navy”, \$44,623,000.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for “Reserve Personnel, Marine Corps”, \$5,660,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for “Reserve Personnel, Air Force”, \$7,573,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for “National Guard Personnel, Army”, \$314,091,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for “National Guard Personnel, Air Force”, \$19,533,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for “Operation and Maintenance, Army”, \$15,400,000,000.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for “Operation and Maintenance, Navy”, \$2,338,335,000.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for “Operation and Maintenance, Marine Corps”, \$573,297,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for “Operation and Maintenance, Air Force”, \$3,325,441,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$1,357,244,000.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for “Operation and Maintenance, Army Reserve”, \$37,025,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for “Operation and Maintenance, Navy Reserve”, \$55,533,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$6,796,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for “Operation and Maintenance, Air Force Reserve”, \$5,080,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Army National Guard”, \$41,785,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for “Operation and Maintenance, Air National Guard”, \$19,215,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for “Afghanistan Security Forces Fund”, \$2,953,200,000.

IRAQ SECURITY FORCES FUND

For an additional amount for “Iraq Security Forces Fund”, \$1,921,150,000.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

For an additional amount for “Joint Improvised Explosive Device Defeat Fund”, \$1,216,400,000, to remain available until September 30, 2008.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for “Other Procurement, Army”, \$1,217,000,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER PROCUREMENT, NAVY

For an additional amount for “Other Procurement, Navy”, \$130,040,000, to remain

available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", \$1,263,360,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", \$139,040,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", \$258,860,000, to remain available until September 30, 2009: *Provided*, That the amount provided under this heading shall be available only for the purchase of mine resistant ambush protected vehicles.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM (INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Defense Health Program", \$3,251,853,000; of which \$2,802,153,000 shall be for operation and maintenance, including \$600,000,000 which shall be available for the treatment of traumatic brain injury and post-traumatic stress disorder and remain available until September 30, 2008; of which \$118,000,000 shall be for procurement, to remain available until September 30, 2009; and of which \$331,700,000 shall be for research, development, test and evaluation, to remain available until September 30, 2008: *Provided*, That the funds provided under this heading shall be allocated in accordance with the direction given in the joint explanatory statement accompanying the conference report on H.R. 1591 of the 110th Congress (H. Rept. 110-107): *Provided further*, That if the Secretary of Defense determines that funds made available in this paragraph for the treatment of traumatic brain injury and post-traumatic stress disorder are in excess of the requirements of the Department of Defense, the Secretary may transfer amounts in excess of that requirement to the Department of Veterans Affairs to be available only for the same purpose.

CHAPTER 2—ADDITIONAL FUNDING
DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for "Military Personnel, Army", \$4,325,135,000.

MILITARY PERSONNEL, NAVY

For an additional amount for "Military Personnel, Navy", \$346,063,000.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for "Military Personnel, Marine Corps", \$693,436,000.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military Personnel, Air Force", \$528,643,000.

RESERVE PERSONNEL, ARMY

For an additional amount for "Reserve Personnel, Army", \$98,163,000.

RESERVE PERSONNEL, NAVY

For an additional amount for "Reserve Personnel, Navy", \$41,400,000.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for "Reserve Personnel, Air Force", \$4,000,000.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for "National Guard Personnel, Army", \$231,195,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for "National Guard Personnel, Air Force", \$24,500,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for "Operation and Maintenance, Army", \$4,973,379,000.

OPERATION AND MAINTENANCE, NAVY (INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Operation and Maintenance, Navy", \$2,313,794,000, of which up to \$120,293,000 shall be transferred to Coast Guard, "Operating Expenses", for reimbursement for activities which support activities requested by the Navy.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for "Operation and Maintenance, Marine Corps", \$573,297,000.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for "Operation and Maintenance, Air Force", \$3,325,441,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for "Operation and Maintenance, Defense-Wide", \$1,357,244,000, of which—

(1) not to exceed \$25,000,000 may be used for the Combatant Commander Initiative Fund, to be used in support of Operation Iraqi Freedom and Operation Enduring Freedom; and

(2) not to exceed \$200,000,000, to remain available until expended, may be used for payments to reimburse Pakistan, Jordan, and other key cooperating nations, for logistical, military, and other support provided to United States military operations, notwithstanding any other provision of law: *Provided*, That such payments may be made in such amounts as the Secretary of Defense, with the concurrence of the Secretary of State, and in consultation with the Director of the Office of Management and Budget, may determine, in his discretion, based on documentation determined by the Secretary of Defense to adequately account for the support provided, and such determination is final and conclusive upon the accounting of officers of the United States, and 15 days following notification to the appropriate congressional committees: *Provided further*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees on the use of funds provided in this paragraph.

OPERATION AND MAINTENANCE, ARMY RESERVE

For an additional amount for "Operation and Maintenance, Army Reserve", \$37,025,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for "Operation and Maintenance, Navy Reserve", \$55,533,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For an additional amount for "Operation and Maintenance, Marine Corps Reserve", \$6,796,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For an additional amount for "Operation and Maintenance, Air Force Reserve", \$5,080,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Army National Guard", \$41,785,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For an additional amount for "Operation and Maintenance, Air National Guard", \$19,215,000.

AFGHANISTAN SECURITY FORCES FUND

For an additional amount for "Afghanistan Security Forces Fund", \$2,953,200,000, to remain available until September 30, 2008.

IRAQ SECURITY FORCES FUND

For an additional amount for "Iraq Security Forces Fund", \$1,921,150,000, to remain available until September 30, 2008.

IRAQ FREEDOM FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Iraq Freedom Fund", \$355,600,000, to remain available for transfer until September 30, 2008: *Provided*, That up to \$50,000,000 may be obligated and expended for purposes of the Task Force to Improve Business and Stability Operations in Iraq.

JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

For an additional amount for "Joint Improvised Explosive Device Defeat Fund", \$1,216,400,000, to remain available until September 30, 2009.

STRATEGIC RESERVE READINESS FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to amounts provided in this or any other Act, for training, operations, repair of equipment, purchases of equipment, and other expenses related to improving the readiness of non-deployed United States military forces, \$2,000,000,000, to remain available until September 30, 2009; of which \$1,000,000,000 shall be transferred to "National Guard and Reserve Equipment" for the purchase of equipment for the Army National Guard; and of which \$1,000,000,000 shall be transferred by the Secretary of Defense only to appropriations for military personnel, operation and maintenance, procurement, and defense working capital funds to accomplish the purposes provided herein: *Provided*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriation to which transferred: *Provided further*, That the Secretary of Defense shall, not fewer than thirty days prior to making transfers under this authority, notify the congressional defense committees in writing of the details of any such transfers made pursuant to this authority: *Provided further*, That funds shall be transferred to the appropriation accounts not later than 120 days after the enactment of this Act: *Provided further*, That the transfer authority provided in this paragraph is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For an additional amount for "Aircraft Procurement, Army", \$619,750,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, ARMY

For an additional amount for "Missile Procurement, Army", \$111,473,000, to remain available until September 30, 2009.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", \$3,404,315,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, ARMY

For an additional amount for "Procurement of Ammunition, Army", \$681,500,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, ARMY

For an additional amount for "Other Procurement, Army", \$9,859,137,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, NAVY

For an additional amount for "Aircraft Procurement, Navy", \$1,090,287,000, to remain available until September 30, 2009.

WEAPONS PROCUREMENT, NAVY

For an additional amount for "Weapons Procurement, Navy", \$163,813,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

For an additional amount for "Procurement of Ammunition, Navy and Marine Corps", \$159,833,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, NAVY

For an additional amount for "Other Procurement, Navy", \$618,709,000, to remain available until September 30, 2009.

PROCUREMENT, MARINE CORPS

For an additional amount for "Procurement, Marine Corps", \$989,389,000, to remain available until September 30, 2009.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for "Aircraft Procurement, Air Force", \$2,106,468,000, to remain available until September 30, 2009.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for "Missile Procurement, Air Force", \$94,900,000, to remain available until September 30, 2009.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for "Procurement of Ammunition, Air Force", \$6,000,000, to remain available until September 30, 2009.

OTHER PROCUREMENT, AIR FORCE

For an additional amount for "Other Procurement, Air Force", \$1,957,160,000, to remain available until September 30, 2009.

PROCUREMENT, DEFENSE-WIDE

For an additional amount for "Procurement, Defense-Wide", \$721,190,000, to remain available until September 30, 2009.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For an additional amount for "Research, Development, Test and Evaluation, Army", \$100,006,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For an additional amount for "Research, Development, Test and Evaluation, Navy", \$298,722,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For an additional amount for "Research, Development, Test and Evaluation, Air Force", \$187,176,000, to remain available until September 30, 2008.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For an additional amount for "Research, Development, Test and Evaluation, Defense-Wide", \$512,804,000, to remain available until September 30, 2008.

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For an additional amount for "Defense Working Capital Funds", \$1,315,526,000.

NATIONAL DEFENSE SEALIFT FUND

For an additional amount for "National Defense Sealift Fund", \$5,000,000.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense", \$254,665,000, to remain available until expended.

RELATED AGENCIES

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

For an additional amount for "Intelligence Community Management Account", \$71,726,000.

CHAPTER 3—GENERAL PROVISIONS, THIS TITLE

SEC. 1301. Appropriations provided in this title are available for obligation until September 30, 2007, unless otherwise provided in this title.

(TRANSFER OF FUNDS)

SEC. 1302. Upon his determination that such action is necessary in the national interest, the Secretary of Defense may transfer between appropriations up to \$3,500,000,000 of the funds made available to the Department of Defense in this title: *Provided*, That the Secretary shall notify the Congress promptly of each transfer made pursuant to the authority in this section: *Provided further*, That the authority provided in this section is in addition to any other transfer authority available to the Department of Defense and is subject to the same terms and conditions as the authority provided in section 8005 of the Department of Defense Appropriations Act, 2007 (Public Law 109-289; 120 Stat. 1257), except for the fourth proviso: *Provided further*, That funds previously transferred to the "Joint Improvised Explosive Device Defeat Fund" and the "Iraq Security Forces Fund" under the authority of section 8005 of Public Law 109-289 and transferred back to their source appropriations accounts shall not be taken into account for purposes of the limitation on the amount of funds that may be transferred under section 8005.

SEC. 1303. Funds appropriated in this title, or made available by the transfer of funds in or pursuant to this title, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

SEC. 1304. None of the funds provided in this title may be used to finance programs or activities denied by Congress in fiscal years 2006 or 2007 appropriations to the Department of Defense or to initiate a procurement or research, development, test and evaluation new start program without prior written notification to the congressional defense committees.

(TRANSFER OF FUNDS)

SEC. 1305. During fiscal year 2007, the Secretary of Defense may transfer not to exceed \$6,300,000 of the amounts in or credited to the Defense Cooperation Account, pursuant to 10 U.S.C. 2608, to such appropriations or funds of the Department of Defense as he shall determine for use consistent with the purposes for which such funds were contributed and accepted: *Provided*, That such amounts shall be available for the same time period as the appropriation to which transferred: *Provided further*, That the Secretary shall report to the Congress all transfers made pursuant to this authority.

SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—Of the amount appropriated by this title under the heading, "Drug Interdiction

and Counter-Drug Activities, Defense", not to exceed \$60,000,000 may be used for support for counter-drug activities of the Governments of Afghanistan and Pakistan: *Provided*, That such support shall be in addition to support provided for the counter-drug activities of such Governments under any other provision of the law.

(b) TYPES OF SUPPORT.—

(1) Except as specified in subsection (b)(2) of this section, the support that may be provided under the authority in this section shall be limited to the types of support specified in section 1033(c)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85, as amended by Public Laws 106-398, 108-136, and 109-364) and conditions on the provision of support as contained in section 1033 shall apply for fiscal year 2007.

(2) The Secretary of Defense may transfer vehicles, aircraft, and detection, interception, monitoring and testing equipment to said Governments for counter-drug activities.

SEC. 1307. (a) From funds made available for operation and maintenance in this title to the Department of Defense, not to exceed \$456,400,000 may be used, notwithstanding any other provision of law, to fund the Commanders' Emergency Response Program, for the purpose of enabling military commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi and Afghan people.

(b) QUARTERLY REPORTS.—Not later than 15 days after the end of each fiscal year quarter, the Secretary of Defense shall submit to the congressional defense committees a report regarding the source of funds and the allocation and use of funds during that quarter that were made available pursuant to the authority provided in this section or under any other provision of law for the purposes of the programs under subsection (a).

SEC. 1308. Section 9010 of division A of Public Law 109-289 is amended by striking "2007" each place it appears and inserting "2008".

SEC. 1309. During fiscal year 2007, supervision and administration costs associated with projects carried out with funds appropriated to "Afghanistan Security Forces Fund" or "Iraq Security Forces Fund" in this title may be obligated at the time a construction contract is awarded: *Provided*, That for the purpose of this section, supervision and administration costs include all in-house Government costs.

SEC. 1310. Section 1005(c)(2) of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109-364) is amended by striking "\$310,277,000" and inserting "\$376,446,000".

SEC. 1311. None of the funds appropriated or otherwise made available by this or any other Act shall be obligated or expended by the United States Government for a purpose as follows:

(1) To establish any military installation or base for the purpose of providing for the permanent stationing of United States Armed Forces in Iraq.

(2) To exercise United States control over any oil resource of Iraq.

SEC. 1312. None of the funds made available in this Act may be used in contravention of the following laws enacted or regulations promulgated to implement the United Nations Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (done at New York on December 10, 1984)—

(1) section 2340A of title 18, United States Code;

(2) section 2242 of the Foreign Affairs Reform and Restructuring Act of 1998 (division

G of Public Law 105-277; 112 Stat. 2681-822; 8 U.S.C. 1231 note) and regulations prescribed thereto, including regulations under part 208 of title 8, Code of Federal Regulations, and part 95 of title 22, Code of Federal Regulations; and

(3) sections 1002 and 1003 of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 (Public Law 109-148).

SEC. 1313. (a) REPORT BY SECRETARY OF DEFENSE.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report that contains individual transition readiness assessments by unit of Iraq and Afghan security forces. The Secretary of Defense shall submit to the congressional defense committees updates of the report required by this subsection every 90 days after the date of the submission of the report until October 1, 2008. The report and updates of the report required by this subsection shall be submitted in classified form.

(b) REPORT BY OMB.—

(1) The Director of the Office of Management and Budget, in consultation with the Secretary of Defense; the Commander, Multi-National Security Transition Command—Iraq; and the Commander, Combined Security Transition Command—Afghanistan, shall submit to the congressional defense committees not later than 120 days after the date of the enactment of this Act and every 90 days thereafter a report on the proposed use of all funds under each of the headings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund” on a project-by-project basis, for which the obligation of funds is anticipated during the three-month period from such date, including estimates by the commanders referred to in this paragraph of the costs required to complete each such project.

(2) The report required by this subsection shall include the following:

(A) The use of all funds on a project-by-project basis for which funds appropriated under the headings referred to in paragraph (1) were obligated prior to the submission of the report, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(B) The use of all funds on a project-by-project basis for which funds were appropriated under the headings referred to in paragraph (1) in prior appropriations Acts, or for which funds were made available by transfer, reprogramming, or allocation from other headings in prior appropriations Acts, including estimates by the commanders referred to in paragraph (1) of the costs to complete each project.

(C) An estimated total cost to train and equip the Iraq and Afghan security forces, disaggregated by major program and sub-elements by force, arrayed by fiscal year.

(c) NOTIFICATION.—The Secretary of Defense shall notify the congressional defense committees of any proposed new projects or transfers of funds between sub-activity groups in excess of \$15,000,000 using funds appropriated by this Act under the headings “Iraq Security Forces Fund” and “Afghanistan Security Forces Fund”.

SEC. 1314. None of the funds appropriated or otherwise made available by this title may be obligated or expended to provide award fees to any defense contractor contrary to the provisions of section 814 of the National Defense Authorization Act, Fiscal Year 2007 (Public Law 109-364).

SEC. 1315. Not more than 85 percent of the funds appropriated in chapter 2 for operation and maintenance shall be available for obligation unless and until the Secretary of De-

fense submits to the congressional defense committees a report detailing the use of Department of Defense funded service contracts conducted in the theater of operations in support of United States military and reconstruction activities in Iraq and Afghanistan: *Provided*, That the report shall provide detailed information specifying the number of contracts and contract costs used to provide services in fiscal year 2006, with sub-allocations by major service categories: *Provided further*, That the report also shall include estimates of the number of contracts to be executed in fiscal year 2007: *Provided further*, That the report shall include the number of contractor personnel in Iraq and Afghanistan funded by the Department of Defense: *Provided further*, That the report shall be submitted to the congressional defense committees not later than August 1, 2007.

SEC. 1316. Section 1477 of title 10, United States Code, is amended—

(1) in subsection (a), by striking “A death gratuity” and inserting “Subject to subsection (d), a death gratuity”;

(2) by redesignating subsection (d) as subsection (e) and, in such subsection, by striking “If an eligible survivor dies before him” and inserting “If a person entitled to all or a portion of a death gratuity under subsection (a) or (d) dies before the person”; and

(3) by inserting after subsection (c) the following new subsection (d):

“(d) During the period beginning on the date of the enactment of this subsection and ending on September 30, 2007, a person covered by section 1475 or 1476 of this title may designate another person to receive not more than 50 percent of the amount payable under section 1478 of this title. The designation shall indicate the percentage of the amount, to be specified only in 10 percent increments up to the maximum of 50 percent, that the designated person may receive. The balance of the amount of the death gratuity shall be paid to or for the living survivors of the person concerned in accordance with paragraphs (1) through (5) of subsection (a).”

SEC. 1317. Section 9007 of Public Law 109-289 is amended by striking “20” and inserting “287”.

SEC. 1318. (a) INSPECTION OF MILITARY MEDICAL TREATMENT FACILITIES, MILITARY QUARTERS HOUSING MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS HOUSING MEDICAL HOLDOVER PERSONNEL.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and annually thereafter, the Secretary of Defense shall inspect each facility of the Department of Defense as follows:

(A) Each military medical treatment facility.

(B) Each military quarters housing medical hold personnel.

(C) Each military quarters housing medical holdover personnel.

(2) PURPOSE.—The purpose of an inspection under this subsection is to ensure that the facility or quarters concerned meets acceptable standards for the maintenance and operation of medical facilities, quarters housing medical hold personnel, or quarters housing medical holdover personnel, as applicable.

(b) ACCEPTABLE STANDARDS.—For purposes of this section, acceptable standards for the operation and maintenance of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel are each of the following:

(1) Generally accepted standards for the accreditation of medical facilities, or for facilities used to quarter individuals with medical conditions that may require medical supervision, as applicable, in the United States.

(2) Where appropriate, standards under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

(c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICIENCIES.—

(1) IN GENERAL.—In the event a deficiency is identified pursuant to subsection (a) at a facility or quarters described in paragraph (1) of that subsection—

(A) the commander of such facility or quarters, as applicable, shall submit to the Secretary a detailed plan to correct the deficiency; and

(B) the Secretary shall reinspect such facility or quarters, as applicable, not less often than once every 180 days until the deficiency is corrected.

(2) CONSTRUCTION WITH OTHER INSPECTIONS.—An inspection of a facility or quarters under this subsection is in addition to any inspection of such facility or quarters under subsection (a).

(d) REPORTS ON INSPECTIONS.—A complete copy of the report on each inspection conducted under subsections (a) and (c) shall be submitted in unclassified form to the applicable military medical command and to the congressional defense committees.

(e) REPORT ON STANDARDS.—In the event no standards for the maintenance and operation of military medical treatment facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel exist as of the date of the enactment of this Act, or such standards as do exist do not meet acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be, the Secretary shall, not later than 30 days after that date, submit to the congressional defense committees a report setting forth the plan of the Secretary to ensure—

(1) the adoption by the Department of standards for the maintenance and operation of military medical facilities, military quarters housing medical hold personnel, or military quarters housing medical holdover personnel, as applicable, that meet—

(A) acceptable standards for the maintenance and operation of such facilities or quarters, as the case may be; and

(B) where appropriate, standards under the Americans with Disabilities Act of 1990; and

(2) the comprehensive implementation of the standards adopted under paragraph (1) at the earliest date practicable.

SEC. 1319. From funds made available for the “Iraq Security Forces Fund” for fiscal year 2007 up to \$155,500,000 may be used, notwithstanding any other provision of law, to provide assistance, with the concurrence of the Secretary of State, to the Government of Iraq to support the disarmament, demobilization, and reintegration of militias and illegal armed groups.

SEC. 1320. (a) INDEPENDENT ASSESSMENT OF CAPABILITIES OF IRAQI SECURITY FORCES.—Of the amount appropriated or otherwise made available for the Department of Defense, \$750,000 is provided to commission an independent, private-sector entity, which operates as a 501(c)(3) with recognized credentials and expertise in military affairs, to prepare an independent report assessing the following:

(1) The readiness of the Iraqi Security Forces (ISF) to assume responsibility for maintaining the territorial integrity of Iraq, denying international terrorists a safe haven, and bringing greater security to Iraq’s 18 provinces in the next 12-18 months, and bringing an end to sectarian violence to achieve national reconciliation.

(2) The training; equipping; command, control and intelligence capabilities; and logistics capacity of the ISF.

(3) The likelihood that, given the ISF’s record of preparedness to date, following years of training and equipping by U.S. forces, the continued support of U.S. troops will contribute to the readiness of the ISF to

fulfill the missions outlined in subparagraph (1).

(b) REPORT.—Not later than 120 days after passage of this Act, the designated private sector entity shall provide an unclassified report, with a classified annex, containing its findings, to the House and Senate Committees on Armed Services, Appropriations, Foreign Relations, and Intelligence.

SEC. 1321. (a) AWARD OF MEDAL OF HONOR TO WOODROW W. KEEBLE FOR VALOR DURING KOREAN WAR.—Notwithstanding any applicable time limitation under section 3744 of title 10, United States Code, or any other time limitation with respect to the award of certain medals to individuals who served in the Armed Forces, the President may award to Woodrow W. Keeble the Medal of Honor under section 3741 of that title for the acts of valor described in subsection (b).

(b) ACTS OF VALOR.—The acts of valor referred to in subsection (a) are the acts of Woodrow W. Keeble, then-acting platoon leader, carried out on October 20, 1951, during the Korean War.

(TRANSFER OF FUNDS)

SEC. 1322. Of the amount appropriated under the heading “Other Procurement, Army”, in title III of division A of Public Law 109-148, \$6,250,000 shall be transferred to “Military Construction, Army”.

SEC. 1323. The Secretary of the Navy shall, notwithstanding any other provision of law, transfer to the Secretary of the Air Force, at no cost, all lands, easements, Air Installation Compatible Use Zones, and facilities at NASJRB Willow Grove designated for operation as a Joint Interagency Installation for use by the Pennsylvania National Guard and other Department of Defense components, government agencies, and associated users to perform national defense, homeland security, and emergency preparedness missions.

(TRANSFER OF FUNDS)

SEC. 1324. Notwithstanding any other provision of law (except section 1331 of this Act), not to exceed \$110,000,000 may be transferred to the “Economic Support Fund”, Department of State, for use in programs in Pakistan from amounts appropriated in chapter 2 as follows:

“Military Personnel, Army”, \$70,000,000.

“National Guard Personnel, Army”, \$13,183,000.

“Defense Health Program”, \$26,817,000.

SEC. 1325. The Secretary of Defense, notwithstanding any other provision of law, acting through the Office of Economic Adjustment or the Office of Dependents Education of the Department of Defense, shall use not less than \$10,000,000 of funds made available in this title under the heading “Operations and Maintenance, Defense-Wide” to make grants and supplement other Federal funds to provide special assistance to local education agencies in districts adversely affected by significant changes in the military population.

SEC. 1326. (a) FINDINGS.—Congress finds the following:

(1) Congress has appropriated over \$15 billion to train and equip the security forces of Iraq since April 2004.

(2) The Administration has reported in the March 2007 report entitled “Measuring Stability and Security in Iraq” that the number of Iraqi security forces nearing combat proficiency is 328,700.

(3) The Iraqi security forces continue to be trained to achieve the highest level of combat efficiency in order to provide for the security and stability of the Iraqi people.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) as battalions of the Iraqi security forces achieve a level of combat proficiency such that they can conduct independent combat

operations without support from Coalition forces in Iraq, units of the United States Armed Forces should be redeployed from Iraq; and

(2) regular, accurate accounts of the combat proficiency of battalions of the Iraqi security forces are necessary for the American public to gauge the development of the Iraqi security forces.

(c) REPORT ON COMBAT PROFICIENCY OF IRAQI SECURITY FORCES.—The President shall transmit to the appropriate congressional committees each month a report in classified and unclassified form that contains an accounting of the number of battalions of the security forces of Iraq at each level of combat proficiency described in subsection (d).

(d) LEVELS OF COMBAT PROFICIENCY.—The levels of combat proficiency referred to in subsection (c) are the following:

(1) Level 1 means a battalion that can conduct independent combat operations without support from Coalition forces in Iraq.

(2) Level 2 means a battalion that can conduct independent combat operations, but only with logistical support, or non-combat-related support from Coalition forces in Iraq.

(3) Level 3 means a battalion that can participate in combat operations alongside Coalition forces, but cannot conduct independent combat operations without direct combat support from Coalition forces in Iraq.

(4) Level 4 means a battalion that cannot participate in combat operations, even with support from Coalition forces in Iraq.

(e) COMPARISON OF DATA.—The report shall include a comparison of data from each previous report with respect to each battalion of the security forces of Iraq.

(f) PUBLIC NOTIFICATION.—The President shall ensure that the unclassified form of each report required by this section is made available on the main public Internet Web site of the Department of Defense not later than 10 days after the date on which the report is transmitted to the appropriate congressional committees, and that a link to the accounting in the report is made available on the homepage of such Internet Web site.

(g) DEFINITION.—As used in this section, the term “appropriate congressional committees” means—

(1) the Committee on Appropriations, the Committee on Armed Services, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Appropriations, the Committee on Armed Services, and the Select Committee on Intelligence of the Senate.

(h) EFFECTIVE DATE.—The requirement to transmit and make available reports under this section shall apply with respect to the first month beginning after the date of the enactment of this Act and to each subsequent month thereafter until the President determines and certifies to the appropriate congressional committees that the security forces of Iraq have achieved combat proficiency to the extent necessary to combat the insurgency in Iraq.

SEC. 1327. (a) Congress finds that it is Defense Department policy that units should not be deployed for combat unless they are rated “fully mission capable”.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be used to deploy any unit of the Armed Forces to Iraq unless the President has certified in writing to the Committees on Appropriations and the Committees on Armed Services at least 15 days in advance of the deployment that the unit is fully mission capable.

(c) For purposes of subsection (b), the term “fully mission capable” means capable of

performing assigned mission essential tasks to prescribed standards under the conditions expected in the theater of operations, consistent with the guidelines set forth in the Department of Defense readiness reporting system.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the deployment to Iraq of a unit that is not assessed fully mission capable is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit's deployment is necessary, may waive the limitation prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1328. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be deployed for combat beyond 365 days or that Marine Corps and Marine Corps Reserve units should not be deployed for combat beyond 210 days.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of extending the deployment for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve or Army National Guard beyond 365 days; or

(2) any unit of the Marine Corps or Marine Corps Reserve beyond 210 days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the extension of a unit's deployment in Iraq beyond the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a report in classified and unclassified form detailing the particular reason or reasons why the unit's extended deployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1329. (a) Congress finds that it is Defense Department policy that Army, Army Reserve, and National Guard units should not be redeployed for combat if the unit has been deployed within the previous 365 consecutive days or that Marine Corps and Marine Corps Reserve units should not be redeployed for combat if the unit has been deployed within the previous 210 days.

(b) None of the funds appropriated or otherwise made available in this or any other Act may be obligated or expended to initiate the development of, continue the development of, or execute any order that has the effect of deploying for Operation Iraqi Freedom of—

(1) any unit of the Army, Army Reserve or Army National Guard if such unit has been deployed within the previous 365 consecutive days; or

(2) any unit of the Marine Corps or Marine Corps Reserve if such unit has been deployed within the previous 210 consecutive days.

(c) The limitation prescribed in subsection (b) shall not be construed to require force levels in Iraq to be decreased below the total United States force levels in Iraq prior to January 10, 2007.

(d) The President, by certifying in writing to the Committees on Appropriations and the Committees on Armed Services that the redeployment of a unit to Iraq in advance of the periods specified in subsection (b) is required for reasons of national security and by submitting along with the certification a

report in classified and unclassified form detailing the particular reason or reasons why the unit's redeployment is necessary, may waive the limitations prescribed in subsection (b) on a unit-by-unit basis.

SEC. 1330. The President shall transmit to the Congress a report in classified and unclassified form, on or before July 13, 2007, detailing—

(1) the progress the Government of Iraq has made in—

(A) giving the United States Armed Forces and Iraqi Security Forces the authority to pursue all extremists, including Sunni insurgents and Shiite militias;

(B) delivering necessary Iraqi Security Forces for Baghdad and protecting such Forces from political interference;

(C) intensifying efforts to build balanced security forces throughout Iraq that provide even-handed security for all Iraqis;

(D) ensuring that Iraq's political authorities are not undermining or making false accusations against members of the Iraqi Security Forces;

(E) eliminating militia control of local security;

(F) establishing a strong militia disarmament program;

(G) ensuring fair and just enforcement of laws;

(H) establishing political, media, economic, and service committees in support of the Baghdad Security Plan;

(I) eradicating safe havens;

(J) reducing the level of sectarian violence in Iraq; and

(K) ensuring that the rights of minority political parties in the Iraqi Parliament are protected; and

(2) whether the Government of Iraq has—

(A) enacted a broadly accepted hydro-carbon law that equitably shares oil revenues among all Iraqis;

(B) adopted legislation necessary for the conduct of provincial and local elections, taken steps to implement such legislation, and set a schedule to conduct provincial and local elections;

(C) reformed current laws governing the de-Baathification process to allow for more equitable treatment of individuals affected by such laws;

(D) amended the Constitution of Iraq consistent with the principles contained in article 137 of such Constitution; and

(E) allocated and begun expenditure of \$10 billion in Iraqi revenues for reconstruction projects, including delivery of essential services, on an equitable basis.

SEC. 1331. (a) LIMITATION ON AVAILABILITY OF FUNDS.—None of the funds provided by chapter 2 shall be available for obligation or expenditure unless—

(1) the President submits to the Congress, on or before July 13, 2007, the report required by section 1330; and

(2) a joint resolution of approval is enacted into law.

(b) JOINT RESOLUTION OF APPROVAL.—For purposes of this section, the term “joint resolution of approval” means a joint resolution that is introduced by the chairman of the Committee on Appropriations of the House of Representatives or the Senate on the first legislative day following the date on which the report of the President required by section 1330 is received by the Congress, does not contain a preamble, and the sole matter after the resolving clause of which (other than as a result of the adoption of an amendment permitted under subsection (f)) is as follows: “That the Congress approves the obligation and expenditure of funds provided by chapter 2 of title I of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007.”.

(c) REFERRAL TO COMMITTEES.—A joint resolution of approval introduced in the House of Representatives shall be referred to the Committee on Appropriations of the House, and a joint resolution of approval introduced in the Senate shall be referred to the Committee on Appropriations of the Senate.

(d) CONSIDERATION BY COMMITTEES.—A joint resolution of approval shall not be subject to amendment during consideration by the Committee on Appropriations of the House of Representatives or the Senate.

(e) DISCHARGE OF COMMITTEES.—If the committee of either House to which a joint resolution of approval has been referred has not reported the joint resolution at the end of 4 legislative days after its introduction, the committee shall be discharged from further consideration of the joint resolution, and the joint resolution shall be placed on the appropriate calendar of the House involved.

(f) FLOOR CONSIDERATION IN HOUSE OF REPRESENTATIVES.—For purposes of the House of Representatives:

(1) IN GENERAL.—Not later than the second legislative day following the date on which the Committee on Appropriations has reported (or has been discharged from further consideration of) a joint resolution of approval, the Speaker shall, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the joint resolution. The first reading of the joint resolution shall be dispensed with. All points of order against the joint resolution and against its consideration shall be waived. General debate shall be confined to the joint resolution and shall not exceed 2 hours equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate, the joint resolution shall be considered for amendment under the 5-minute rule. No amendment to the joint resolution shall be in order, except the amendment specified in paragraph (2). Such amendment shall be considered as read, shall be debatable for 2 hours equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against such amendment are waived. At the conclusion of consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendment as may have been adopted.

The previous question shall be considered as ordered on the joint resolution and amendment thereto to final passage without intervening motion.

(2) PERMITTED AMENDMENT.—The amendment specified in paragraph (1) is an amendment the sole matter of which is as follows: providing that defense funding related to Iraq may only be used to plan and execute the redeployment of troops within 180 days of enactment of the joint resolution of approval, with the exception of troops who are protecting American diplomatic facilities and American citizens (including members of the United States Armed Forces) serving in roles consistent with customary diplomatic positions, engaging in targeted special actions limited in duration and scope to killing or capturing members of al-Qaeda and other terrorist organizations with global reach, or training and equipping members of the Iraqi Security Forces.

(3) PERMITTED MOTIONS.—During consideration of a joint resolution of approval—

(A) the Chairman of the Committee of the Whole may entertain a motion that the Committee rise only if offered by the chairman of the Committee on Appropriations or a designee; and

(B) the Chairman of the Committee of the Whole may not entertain any motion to strike out the resolving words of the joint resolution (as described in clause 9 of rule XVIII).

(4) FURTHER CONSIDERATION.—If the Committee of the Whole rises and reports that it has come to no resolution on a joint resolution of approval, then on the next legislative day the House shall, immediately after the third daily order of business under clause 1 of rule XIV, resolve into the Committee on the Whole for further consideration of the joint resolution.

(5) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the House to the procedures relating to a joint resolution of approval shall be decided without debate.

(g) FLOOR CONSIDERATION IN SENATE.—For purposes of the Senate:

(1) IN GENERAL.—When the Committee on Appropriations has reported (or has been discharged from further consideration of) a joint resolution of approval, it shall be in order (even though a previous motion to the same effect has been disagreed to) for any Senator to move to proceed to the consideration of the joint resolution. All points of order against the joint resolution (and against consideration of the joint resolution) shall be waived. The motion shall be privileged and not debatable. The motion shall not be subject to amendment, a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

(2) DEBATE.—Debate on a joint resolution of approval, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. A motion to further limit debate shall be in order and shall not be debatable, but such motion shall not be in order until after 5 hours of debate. An amendment to the joint resolution shall not be in order. A motion to table, postpone, proceed to other business, or recommit the joint resolution shall not be in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to shall not be in order.

(3) FINAL PASSAGE.—Immediately following the conclusion of the debate on a joint resolution of approval, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(4) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate relating to the procedures relating to a joint resolution of approval shall be decided without debate.

(h) CONSIDERATION BY SENATE AFTER PASSAGE BY HOUSE OF REPRESENTATIVES.—

(1) PRIOR TO SENATE PASSAGE.—If, before passage by the Senate of a joint resolution of approval of the Senate, the Senate receives from the House of Representatives a joint resolution of approval, then the following procedures shall apply:

(A) The joint resolution of the House shall not be referred to a committee.

(B) With respect to a joint resolution of approval of the Senate—

(i) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

(ii) the vote on final passage shall be on the joint resolution of the House.

(C) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the joint resolution that originated in the Senate.

(2) FOLLOWING SENATE PASSAGE.—If the Senate receives from the House of Representatives a joint resolution of approval after the Senate has disposed of a Senate originated joint resolution, and the matter after the resolving clauses of the 2 joint resolutions are identical, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution.

(i) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsections (b) through (h) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such is deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

TITLE II—OTHER INTERNATIONAL AND SECURITY-RELATED FUNDING

CHAPTER 1

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For an additional amount for “Salaries and Expenses, General Legal Activities”, \$1,648,000, to remain available until September 30, 2008.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For an additional amount for “Salaries and Expenses, United States Attorneys”, \$5,000,000, to remain available until September 30, 2008.

UNITED STATES MARSHALS SERVICE SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$6,450,000, to remain available until September 30, 2008.

NATIONAL SECURITY DIVISION SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$1,736,000, to remain available until September 30, 2008.

FEDERAL BUREAU OF INVESTIGATION SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$268,000,000, of which \$258,000,000 is to remain available until September 30, 2008 and \$10,000,000 is to remain available until expended to implement corrective actions in response to the findings and recommendations in the Department of Justice Office of Inspector General report entitled, “A Review of the Federal Bureau of Investigation’s Use of National Security Letters”, of which \$500,000 shall be transferred to and merged with “Department of Justice, Office of the Inspector General”.

DRUG ENFORCEMENT ADMINISTRATION SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$12,166,000, to remain available until September 30, 2008.

BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$4,000,000, to remain available until September 30, 2008.

FEDERAL PRISON SYSTEM SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$17,000,000, to remain available until September 30, 2008.

CHAPTER 2

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

NATIONAL NUCLEAR SECURITY ADMINISTRATION

DEFENSE NUCLEAR NONPROLIFERATION

For an additional amount for “Defense Nuclear Nonproliferation”, \$150,000,000, to remain available until expended.

GENERAL PROVISION—THIS CHAPTER (TRANSFER OF FUNDS)

SEC. 2201. The Administrator of the National Nuclear Security Administration is authorized to transfer up to \$1,000,000 from Defense Nuclear Nonproliferation to the Office of the Administrator during fiscal year 2007 supporting nuclear nonproliferation activities.

CHAPTER 3

DEPARTMENT OF HOMELAND SECURITY

ANALYSIS AND OPERATIONS

For an additional amount for “Analysis and Operations”, \$15,000,000, to remain available until September 30, 2008, to be used for support of the State and Local Fusion Center program.

UNITED STATES CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Salaries and Expenses”, \$115,000,000, to remain available until September 30, 2008, to be used to increase the number of officers, intelligence analysts and support staff responsible for container security inspections, and for other efforts to improve supply chain security: *Provided*, That up to \$5,000,000 shall be transferred to Federal Law Enforcement Training Center “Salaries and Expenses”, for basic training costs.

AIR AND MARINE INTERDICTION, OPERATIONS, MAINTENANCE, AND PROCUREMENT

For an additional amount for “Air and Marine Interdiction, Operations, Maintenance, and Procurement”, for air and marine operations on the Northern Border, including the final Northern Border air wing, \$120,000,000, to remain available until September 30, 2008.

UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, \$10,000,000, to remain available until September 30, 2008.

TRANSPORTATION SECURITY ADMINISTRATION AVIATION SECURITY

For an additional amount for “Aviation Security”, \$970,000,000; of which \$815,000,000 shall be for procurement and installation of checked baggage explosives detection systems, to remain available until expended; of which \$45,000,000 shall be for expansion of checkpoint explosives detection pilot systems, to remain available until expended; and of which \$110,000,000 shall be for air cargo security, to remain available until September 30, 2009.

FEDERAL AIR MARSHALS

For an additional amount for “Federal Air Marshals”, \$8,000,000, to remain available until September 30, 2008.

NATIONAL PROTECTION AND PROGRAMS

INFRASTRUCTURE PROTECTION AND INFORMATION SECURITY

For an additional amount for “Infrastructure Protection and Information Security”,

\$37,000,000, to remain available until September 30, 2008.

OFFICE OF HEALTH AFFAIRS

For an additional amount for “Office of Health Affairs” for nuclear event public health assessment and planning and other activities, \$15,000,000, to remain available until September 30, 2008.

FEDERAL EMERGENCY MANAGEMENT AGENCY

MANAGEMENT AND ADMINISTRATION

For expenses for management and administration of the Federal Emergency Management Agency, \$25,000,000, to remain available until September 30, 2008: *Provided*, That none of such funds made available under this heading may be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further*, That unobligated amounts in the “Administrative and Regional Operations” and “Readiness, Mitigation, Response, and Recovery” accounts shall be transferred to “Management and Administration” and may be used for any purpose authorized for such amounts and subject to limitation on the use of such amounts.

STATE AND LOCAL PROGRAMS

For an additional amount for “State and Local Programs”, \$552,500,000; of which \$190,000,000 shall be for port security grants pursuant to section 70107(l) of title 46, United States Code; of which \$325,000,000 shall be for intercity rail passenger transportation, freight rail, and transit security grants; of which \$35,000,000 shall be for regional grants and regional technical assistance to high risk urban areas for catastrophic event planning and preparedness; and of which \$2,500,000 shall be for technical assistance: *Provided*, That none of the funds made available under this heading may be obligated for such regional grants and regional technical assistance until the Committees on Appropriations of the Senate and the House of Representatives receive and approve a plan for expenditure: *Provided further*, That funds for such regional grants and regional technical assistance shall remain available until September 30, 2008.

EMERGENCY MANAGEMENT PERFORMANCE GRANTS

For an additional amount for “Emergency Management Performance Grants”, \$100,000,000.

UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES

For an additional amount for expenses of “United States Citizenship and Immigration Services” to address backlogs of security checks associated with pending applications and petitions, \$10,000,000, to remain available until September 30, 2008: *Provided*, That none of the funds made available under this heading shall be available for obligation until the Secretary of Homeland Security, in consultation with the United States Attorney General, submits to the Committees on Appropriations of the Senate and the House of Representatives a plan to eliminate the backlog of security checks that establishes information sharing protocols to ensure United States Citizenship and Immigration Services has the information it needs to carry out its mission.

SCIENCE AND TECHNOLOGY

RESEARCH, DEVELOPMENT, ACQUISITION, AND OPERATIONS

For an additional amount for “Research, Development, Acquisition, and Operations” for air cargo security research, \$10,000,000, to remain available until expended.

**DOMESTIC NUCLEAR DETECTION OFFICE
RESEARCH, DEVELOPMENT, AND OPERATIONS**

For an additional amount for “Research, Development, and Operations” for non-container, rail, aviation and intermodal radiation detection activities, \$39,000,000, to remain available until expended.

SYSTEMS ACQUISITION

For an additional amount for “Systems Acquisition”, \$223,500,000, to remain available until expended: *Provided*, That none of the funds appropriated under this heading shall be obligated for full scale procurement of Advanced Spectroscopic Portal Monitors until the Secretary of Homeland Security has certified through a report to the Committees on Appropriations of the Senate and the House of Representatives that a significant increase in operational effectiveness will be achieved.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2301. (a) AMENDMENTS.—Section 550 of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note) is amended by—

(1) in subsection (c), by striking “consistent with similar” and inserting “identical to the protections given”;

(2) in subsection (c), by striking “, site security plans, and other information submitted to or obtained by the Secretary under this section, and related vulnerability or security information, shall be treated as if the information were classified material” and inserting “and site security plans shall be treated as sensitive security information (as that term is used in section 1520.5 of title 49, Code of Federal Regulations, or any subsequent regulations relating to the same matter)”;

(3) by adding at the end of the section the following:

“(h) This section shall not preclude or deny any right of any State or political subdivision thereof to adopt or enforce any regulation, requirement, or standard of performance with respect to chemical facility security that is more stringent than a regulation, requirement, or standard of performance issued under this section, or otherwise impair any right or jurisdiction of any State with respect to chemical facilities within that State.”

(b) REGULATORY CLARIFICATION.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security shall update the regulations administered by the Secretary that govern sensitive security information, including 49 CFR 1520, to ensure the protection of all information required to be protected under section 550(c) of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note), as amended by paragraph (a).

SEC. 2302. None of the funds provided in this Act, or Public Law 109-295, shall be available to carry out section 872 of Public Law 107-296.

SEC. 2303. The Secretary of Homeland Security shall require that all contracts of the Department of Homeland Security that provide award fees link such fees to successful acquisition outcomes (which outcomes shall be specified in terms of cost, schedule, and performance).

CHAPTER 4

**LEGISLATIVE BRANCH
HOUSE OF REPRESENTATIVES
SALARIES AND EXPENSES**

For an additional amount for “Salaries and Expenses”, \$6,437,000, as follows:

ALLOWANCES AND EXPENSES

For an additional amount for allowances and expenses as authorized by House resolu-

tion or law, \$6,437,000 for business continuity and disaster recovery, to remain available until expended.

**GOVERNMENT ACCOUNTABILITY OFFICE
SALARIES AND EXPENSES**

For an additional amount for “Salaries and Expenses” of the Government Accountability Office, \$374,000, to remain available until September 30, 2008.

CHAPTER 5

**DEPARTMENT OF DEFENSE
MILITARY CONSTRUCTION, ARMY**

For an additional amount for “Military Construction, Army”, \$1,255,890,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$173,700,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds made available under this heading, \$369,690,000 shall not be obligated or expended until the Secretary of Defense submits a detailed report explaining how military road construction is coordinated with NATO and coalition nations: *Provided further*, That of the funds made available under this heading, \$401,700,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Army end-strength growth to the Committees on Appropriations of the House of Representatives and Senate: *Provided further*, That of the funds provided under this heading, \$274,800,000 shall not be obligated or expended until the Secretary of Defense certifies that none of the funds are to be used for the purpose of providing facilities for the permanent basing of United States military personnel in Iraq.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

For an additional amount for “Military Construction, Navy and Marine Corps”, \$370,990,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$49,600,000 shall be available for study, planning, design, and architect and engineer services: *Provided further*, That of the funds made available under this heading, \$324,270,000 shall not be obligated or expended until the Secretary of Defense submits a detailed stationing plan to support Marine Corps end-strength growth to the Committees on Appropriations of the House of Representatives and Senate.

MILITARY CONSTRUCTION, AIR FORCE

For an additional amount for “Military Construction, Air Force”, \$43,300,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, such funds may be obligated and expended to carry out planning and design and military construction projects not otherwise authorized by law: *Provided further*, That of the funds provided under this heading, not to exceed \$3,000,000 shall be available for study, planning, design, and architect and engineer services.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906A(a)(1) of the Defense Base

Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), \$3,136,802,000, to remain available until expended: *Provided*, That within 30 days of the enactment of this Act, the Secretary of Defense shall submit a detailed spending plan to the Committees on Appropriations of the House of Representatives and Senate.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2501. Notwithstanding any other provision of law, none of the funds in this or any other Act may be used to close Walter Reed Army Medical Center until equivalent medical facilities at the Walter Reed National Military Medical Center at Naval Medical Center, Bethesda, Maryland, and/or the Fort Belvoir, Virginia, Community Hospital have been constructed and equipped: *Provided*, That to ensure that the quality of care provided by the Military Health System is not diminished during this transition, the Walter Reed Army Medical Center shall be adequately funded, to include necessary renovation and maintenance of existing facilities, to maintain the maximum level of inpatient and outpatient services.

SEC. 2502. Notwithstanding any other provision of law, none of the funds in this or any other Act shall be used to reorganize or relocate the functions of the Armed Forces Institute of Pathology (AFIP) until the Secretary of Defense has submitted, not later than December 31, 2007, a detailed plan and timetable for the proposed reorganization and relocation to the Committees on Appropriations and Armed Services of the Senate and House of Representatives. The plan shall take into consideration the recommendations of a study being prepared by the Government Accountability Office (GAO), provided that such study is available not later than 45 days before the date specified in this section, on the impact of dispersing selected functions of AFIP among several locations, and the possibility of consolidating those functions at one location. The plan shall include an analysis of the options for the location and operation of the Program Management Office for second opinion consults that are consistent with the recommendations of the Base Realignment and Closure Commission, together with the rationale for the option selected by the Secretary.

CHAPTER 6

DEPARTMENT OF STATE AND RELATED AGENCY

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Diplomatic and Consular Programs”, \$870,658,000, to remain available until September 30, 2008, of which \$96,500,000 for World Wide Security Upgrades is available until expended: *Provided*, That of the funds appropriated under this heading, not more than \$20,000,000 shall be made available for public diplomacy programs: *Provided further*, That prior to the obligation of funds pursuant to the previous proviso, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive public diplomacy strategy, with goals and expected results, for fiscal years 2007 and 2008: *Provided further*, That of the amount available under this heading, \$258,000 shall be transferred to, and merged with, funds available in fiscal year 2007 for expenses for the United

States Commission on International Religious Freedom: *Provided further*, That 20 percent of the amount available for Iraq operations shall not be obligated until the Committees on Appropriations receive and approve a detailed plan for expenditure, prepared by the Secretary of State, and submitted within 60 days after the date of enactment of this Act: *Provided further*, That within 15 days of enactment of this Act, the Office of Management and Budget shall apportion \$15,000,000 from amounts appropriated or otherwise made available by chapter 8 of title II of division B of Public Law 109-148 under the heading “Emergencies in the Diplomatic and Consular Service” for emergency evacuations: *Provided further*, That of the amount made available under this heading for Iraq, not to exceed \$20,000,000 may be transferred to, and merged with, funds in the “Emergencies in the Diplomatic and Consular Service” appropriations account, to be available only for terrorism rewards.

OFFICE OF THE INSPECTOR GENERAL
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Office of Inspector General”, \$36,500,000, to remain available until December 31, 2008: *Provided*, That \$35,000,000 shall be transferred to the Special Inspector General for Iraq Reconstruction for reconstruction oversight.

EDUCATIONAL AND CULTURAL EXCHANGE
PROGRAMS

For an additional amount for “Educational and Cultural Exchange Programs”, \$20,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS
CONTRIBUTIONS TO INTERNATIONAL
ORGANIZATIONS

For an additional amount for “Contributions to International Organizations”, \$50,000,000, to remain available until September 30, 2008.

CONTRIBUTIONS FOR INTERNATIONAL
PEACEKEEPING ACTIVITIES

For an additional amount for “Contributions for International Peacekeeping Activities”, \$288,000,000, to remain available until September 30, 2008.

RELATED AGENCY

BROADCASTING BOARD OF GOVERNORS
INTERNATIONAL BROADCASTING OPERATIONS

For an additional amount for “International Broadcasting Operations” for activities related to broadcasting to the Middle East, \$10,000,000, to remain available until September 30, 2008.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT
UNITED STATES AGENCY FOR INTERNATIONAL
DEVELOPMENT

CHILD SURVIVAL AND HEALTH PROGRAMS FUND
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Child Survival and Health Programs Fund”, \$161,000,000, to remain available until September 30, 2008: *Provided*, That notwithstanding any other provision of law, if the President determines and reports to the Committees on Appropriations that the human-to-human transmission of the avian influenza virus is efficient and sustained, and is spreading internationally, funds made available under the heading “Millennium Challenge Corporation” and “Global HIV/AIDS Initiative” in prior Acts making appropriations for foreign operations, export financing, and related programs may be transferred to, and merged with, funds made available under this heading to combat avian influenza: *Provided further*, That funds made available pursuant to the authority of the

previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations.

INTERNATIONAL DISASTER AND FAMINE
ASSISTANCE

For an additional amount for “International Disaster and Famine Assistance”, \$165,000,000, to remain available until expended.

OPERATING EXPENSES OF THE UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT

For an additional amount for “Operating Expenses of the United States Agency for International Development”, \$8,700,000, to remain available until September 30, 2008.

OPERATING EXPENSES OF THE UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF INSPECTOR GENERAL

For an additional amount for “Operating Expenses of the United States Agency for International Development Office of Inspector General”, \$3,500,000, to remain available until September 30, 2008.

OTHER BILATERAL ECONOMIC ASSISTANCE
ECONOMIC SUPPORT FUND

For an additional amount for “Economic Support Fund”, \$2,649,300,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, \$57,400,000 shall be made available to nongovernmental organizations in Iraq for economic and social development programs and activities in areas of conflict: *Provided further*, That the responsibility for policy decisions and justifications for the use of funds appropriated by the previous proviso shall be the responsibility of the United States Chief of Mission in Iraq: *Provided further*, That none of the funds appropriated under this heading in this Act or in prior Acts making appropriations for foreign operations, export financing, and related programs may be made available for the Political Participation Fund and the National Institutions Fund: *Provided further*, That of the funds made available under the heading “Economic Support Fund” in Public Law 109-234 for Iraq to promote democracy, rule of law and reconciliation, \$2,000,000 should be made available for the United States Institute of Peace for programs and activities in Afghanistan to remain available until September 30, 2008.

ASSISTANCE FOR EASTERN EUROPE AND THE
BALTIMORE STATES

For an additional amount for “Assistance for Eastern Europe and the Baltic States”, \$229,000,000, to remain available until September 30, 2008, for assistance for Kosovo.

DEPARTMENT OF STATE
DEMOCRACY FUND

For an additional amount for “Democracy Fund”, \$260,000,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, not less than \$190,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, and not less than \$60,000,000 shall be made available for the United States Agency for International Development, for democracy, human rights and rule of law programs in Iraq: *Provided further*, That not later than 60 days after enactment of this Act, the Secretary of State shall submit a report to the Committees on Appropriations describing a comprehensive, long-term strategy, with goals and expected results, for strengthening and advancing democracy in Iraq.

INTERNATIONAL NARCOTICS CONTROL AND LAW
ENFORCEMENT

(INCLUDING RESCISSION OF FUNDS)

For an additional amount for “International Narcotics Control and Law Enforce-

ment”, \$257,000,000, to remain available until September 30, 2008.

Of the amounts made available for procurement of a maritime patrol aircraft for the Colombian Navy under this heading in Public Law 109-234, \$13,000,000 are rescinded.

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for “Migration and Refugee Assistance”, \$130,500,000, to remain available until September 30, 2008, of which not less than \$5,000,000 shall be made available to rescue Iraqi scholars.

UNITED STATES EMERGENCY REFUGEE AND
MIGRATION ASSISTANCE FUND

For an additional amount for “United States Emergency Refugee and Migration Assistance Fund”, \$55,000,000, to remain available until expended.

NONPROLIFERATION, ANTI-TERRORISM,
DEMINING AND RELATED PROGRAMS

For an additional amount for “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, \$57,500,000, to remain available until September 30, 2008.

DEPARTMENT OF THE TREASURY
INTERNATIONAL AFFAIRS TECHNICAL
ASSISTANCE

For an additional amount for “International Affairs Technical Assistance”, \$2,750,000, to remain available until September 30, 2008.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

For an additional amount for “Foreign Military Financing Program”, \$265,000,000, to remain available until September 30, 2008.

PEACEKEEPING OPERATIONS

For an additional amount for “Peacekeeping Operations”, \$230,000,000, to remain available until September 30, 2008: *Provided*, That of the funds appropriated under this heading, not less than \$40,000,000 shall be made available, notwithstanding section 660 of the Foreign Assistance Act of 1961, for assistance for Liberia for security sector reform: *Provided further*, That not later than 30 days after enactment of this Act and every 30 days thereafter until September 30, 2008, the Secretary of State shall submit a report to the Committees on Appropriations detailing the obligation and expenditure of funds made available under this heading in this Act and in prior Acts making appropriations for foreign operations, export financing, and related programs.

GENERAL PROVISIONS—THIS CHAPTER
AUTHORIZATION OF FUNDS

SEC. 2601. Funds appropriated by this title may be obligated and expended notwithstanding section 10 of Public Law 91-672 (22 U.S.C. 2412), section 15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680), section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6212), and section 504(a)(1) of the National Security Act of 1947 (50 U.S.C. 414(a)(1)).

EXTENSION OF OVERSIGHT AUTHORITY

SEC. 2602. Section 3001(o)(1)(B) of the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (Public Law 108-106; 117 Stat. 1238; 5 U.S.C. App., note to section 8G of Public Law 95-452), as amended by section 1054(b) of the John Warner National Defense Authorization Act for Fiscal Year 2007 (Public Law 109-364; 120 Stat. 2397) and section 2 of the Iraq Reconstruction Accountability Act of 2006 (Public Law 109-440), is amended by inserting “or fiscal year 2007” after “fiscal year 2006”.

LEBANON

SEC. 2603. (a) LIMITATION ON ECONOMIC SUPPORT FUND ASSISTANCE FOR LEBANON.—None

of the funds made available in this Act under the heading “Economic Support Fund” for cash transfer assistance for the Government of Lebanon may be made available for obligation until the Secretary of State reports to the Committees on Appropriations on Lebanon’s economic reform plan and on the specific conditions and verifiable benchmarks that have been agreed upon by the United States and the Government of Lebanon pursuant to the Memorandum of Understanding on cash transfer assistance for Lebanon.

(b) LIMITATION ON FOREIGN MILITARY FINANCING PROGRAM AND INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—None of the funds made available in this Act under the heading “Foreign Military Financing Program” or “International Narcotics Control and Law Enforcement” for military or police assistance to Lebanon may be made available for obligation until the Secretary of State submits to the Committees on Appropriations a report on procedures established to determine eligibility of members and units of the armed forces and police forces of Lebanon to participate in United States training and assistance programs and on the end use monitoring of all equipment provided under such programs to the Lebanese armed forces and police forces.

(c) CERTIFICATION REQUIRED.—Prior to the initial obligation of funds made available in this Act for assistance for Lebanon under the headings “Foreign Military Financing Program” and “Nonproliferation, Anti-Terrorism, Demining and Related Programs”, the Secretary of State shall certify to the Committees on Appropriations that all practicable efforts have been made to ensure that such assistance is not provided to or through any individual, or private or government entity, that advocates, plans, sponsors, engages in, or has engaged in, terrorist activity.

(d) REPORT REQUIRED.—Not later than 45 days after the date of the enactment of this Act, the Secretary of State shall submit to the Committees on Appropriations a report on the Government of Lebanon’s actions to implement section 14 of United Nations Security Council Resolution 1701 (August 11, 2006).

(e) SPECIAL AUTHORITY.—This section shall be effective notwithstanding section 534(a) of Public Law 109-102, which is made applicable to funds appropriated for fiscal year 2007 by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5).

DEBT RESTRUCTURING

SEC. 2604. Amounts appropriated for fiscal year 2007 for “Bilateral Economic Assistance—Department of the Treasury—Debt Restructuring” may be used to assist Liberia in retiring its debt arrearages to the International Monetary Fund, the International Bank for Reconstruction and Development, and the African Development Bank.

GOVERNMENT ACCOUNTABILITY OFFICE

SEC. 2605. To facilitate effective oversight of programs and activities in Iraq by the Government Accountability Office (GAO), the Department of State shall provide GAO staff members the country clearances, life support, and logistical and security support necessary for GAO personnel to establish a presence in Iraq for periods of not less than 45 days.

HUMAN RIGHTS AND DEMOCRACY FUND

SEC. 2606. The Assistant Secretary of State for Democracy, Human Rights, and Labor shall be responsible for all policy, funding, and programming decisions regarding funds made available under this Act and prior Acts making appropriations for foreign oper-

ations, export financing and related programs for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor.

INSPECTOR GENERAL OVERSIGHT OF IRAQ AND AFGHANISTAN

SEC. 2607. (a) IN GENERAL.—Subject to paragraph (2), the Inspector General of the Department of State and the Broadcasting Board of Governors (referred to in this section as the “Inspector General”) may use personal services contracts to engage citizens of the United States to facilitate and support the Office of the Inspector General’s oversight of programs and operations related to Iraq and Afghanistan. Individuals engaged by contract to perform such services shall not, by virtue of such contract, be considered to be employees of the United States Government for purposes of any law administered by the Office of Personnel Management. The Secretary of State may determine the applicability to such individuals of any law administered by the Secretary concerning the performance of such services by such individuals.

(b) CONDITIONS.—The authority under paragraph (1) is subject to the following conditions:

(1) The Inspector General determines that existing personnel resources are insufficient.

(2) The contract length for a personal services contractor, including options, may not exceed 1 year, unless the Inspector General makes a finding that exceptional circumstances justify an extension of up to 1 additional year.

(3) Not more than 10 individuals may be employed at any time as personal services contractors under the program.

(c) TERMINATION OF AUTHORITY.—The authority to award personal services contracts under this section shall terminate on December 31, 2007. A contract entered into prior to the termination date under this paragraph may remain in effect until not later than December 31, 2009.

(d) OTHER AUTHORITIES NOT AFFECTED.—The authority under this section is in addition to any other authority of the Inspector General to hire personal services contractors.

FUNDING TABLES

SEC. 2608. (a) Funds provided in this Act for the following accounts shall be made available for programs and countries in the amounts contained in the respective tables included in the joint explanatory statement accompanying the conference report on H.R. 1591 of the 110th Congress (H. Rept. 110-107): “Diplomatic and Consular Programs”, “Economic Support Fund”, “Democracy Fund”, “International Narcotics Control and Law Enforcement”, “Migration and Refugee Assistance”.

(b) Any proposed increases or decreases to the amounts contained in the tables in the accompanying report shall be subject to the regular notification procedures of the Committees on Appropriations and section 634A of the Foreign Assistance Act of 1961.

SPENDING PLAN AND NOTIFICATION PROCEDURES

SEC. 2609. Not later than 45 days after enactment of this Act the Secretary of State shall submit to the Committees on Appropriations a report detailing planned expenditures for funds appropriated under the headings in this chapter, except for funds appropriated under the heading “International Disaster and Famine Assistance”: *Provided*, That funds appropriated under the headings in this chapter, except for funds appropriated under the heading named in this section, shall be subject to the regular notification procedures of the Committees on Appropriations.

CONDITIONS ON ASSISTANCE FOR PAKISTAN

SEC. 2610. None of the funds made available for assistance for the central Government of Pakistan under the heading “Economic Support Fund” in this title may be made available for non-project assistance until the Secretary of State submits to the Committees on Appropriations a report on the oversight mechanisms, performance benchmarks, and implementation processes for such funds: *Provided*, That notwithstanding any other provision of law, funds made available for non-project assistance pursuant to the previous proviso shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That of the funds made available for assistance for Pakistan under the heading “Economic Support Fund” in this title, \$5,000,000 shall be made available for the Human Rights and Democracy Fund of the Bureau of Democracy, Human Rights, and Labor, Department of State, for political party development and election observation programs.

CIVILIAN RESERVE CORPS

SEC. 2611. Of the funds appropriated by this Act under the heading “Diplomatic and Consular Programs”, up to \$50,000,000 may be made available to support and maintain a civilian reserve corps: *Provided*, That none of the funds for a civilian reserve corps may be obligated without specific authorization in a subsequent Act of Congress: *Provided further*, That funds made available under this section shall be subject to the regular notification procedures of the Committees on Appropriations.

COORDINATOR FOR IRAQ ASSISTANCE

SEC. 2612. (a) COORDINATOR FOR IRAQ ASSISTANCE.—Not later than 30 days after the date of the enactment of this Act, the President shall appoint a Coordinator for Iraq Assistance (hereinafter in this section referred to as the “Coordinator”), by and with the advice and consent of the Senate, who shall report directly to the President.

(b) DUTIES.—The Coordinator shall be responsible for—

(1) developing and implementing an overall strategy for political, economic, and military assistance for Iraq;

(2) coordinating and ensuring coherence of Iraq assistance programs and policy among all departments and agencies of the Government of the United States that are implementing assistance programs in Iraq, including the Department of State, the United States Agency for International Development, the Department of Defense, the Department of the Treasury, and the Department of Justice;

(3) working with the Government of Iraq in meeting the benchmarks described in section 1904(a) of this Act in order to ensure Iraq continues to be eligible to receive United States assistance described in such section;

(4) coordinating with other donors and international organizations that are providing assistance for Iraq;

(5) ensuring adequate management and accountability of United States assistance programs for Iraq;

(6) resolving policy and program disputes among departments and agencies of the United States Government that are implementing assistance programs in Iraq; and

(7) coordinating United States assistance programs with the reconstruction programs funded and implemented by the Government of Iraq.

(c) RANK AND STATUS.—The Coordinator shall have the rank and status of ambassador.

CHAPTER 7
DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
PUBLIC LAW 480 TITLE 11 GRANTS

For an additional amount for "Public Law 480 Title II Grants", during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, for commodities supplied in connection with dispositions abroad under title II of said Act, \$460,000,000, to remain available until expended.

GENERAL PROVISION—THIS CHAPTER

SEC. 2701. There is hereby appropriated \$40,000,000 to reimburse the Commodity Credit Corporation for the release of eligible commodities under section 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1): *Provided*, That any such funds made available to reimburse the Commodity Credit Corporation shall only be used to replenish the Bill Emerson Humanitarian Trust.

TITLE III—ADDITIONAL HURRICANE DISASTER RELIEF AND RECOVERY**CHAPTER 1**
DEPARTMENT OF AGRICULTURE
GENERAL PROVISION—THIS CHAPTER

SEC. 3101. Section 1231(k)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(2)) is amended by striking "During calendar year 2006, the" and inserting "The".

CHAPTER 2
DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For an additional amount for "State and Local Law Enforcement Assistance", for discretionary grants authorized by subpart 2 of part E, of title I of the Omnibus Crime Control and Safe Streets Act of 1968 as in effect on September 30, 2006, notwithstanding the provisions of section 511 of said Act, \$50,000,000, to remain available until expended: *Provided*, That the amount made available under this heading shall be for local law enforcement initiatives in the Gulf Coast region related to the aftermath of Hurricanes Katrina and Rita: *Provided further*, That these funds shall be apportioned among the States in quotient to their level of violent crime as estimated by the Federal Bureau of Investigation's Uniform Crime Report for the year 2005.

DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
OPERATIONS, RESEARCH, AND FACILITIES

For an additional amount for "Operations, Research, and Facilities", for necessary expenses related to the consequences of Hurricanes Katrina and Rita on the shrimp and fishing industries, \$110,000,000, to remain available until September 30, 2008.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
EXPLORATION CAPABILITIES

For an additional amount for "Exploration Capabilities" for necessary expenses related to the consequences of Hurricane Katrina, \$35,000,000, to remain available until September 30, 2009.

GENERAL PROVISION—THIS CHAPTER

SEC. 3201. Up to \$48,000,000 of amounts made available to the National Aeronautics and Space Administration in Public Law 109-148 and Public Law 109-234 for emergency hurricane and other natural disaster-related

expenses may be used to reimburse hurricane-related costs incurred by NASA in fiscal year 2005.

CHAPTER 3
DEPARTMENT OF DEFENSE—CIVIL
DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS—CIVIL CONSTRUCTION

For an additional amount for "Construction" for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$25,300,000, to remain available until expended, which may be used to continue construction of projects related to interior drainage for the greater New Orleans metropolitan area.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for "Flood Control and Coastal Emergencies", as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), for necessary expenses relating to the consequences of Hurricanes Katrina and Rita and for other purposes, \$1,407,700,000, to remain available until expended: *Provided*, That \$1,300,000,000 of the amount provided may be used by the Secretary of the Army to carry out projects and measures for the West Bank and Vicinity and Lake Ponchartrain and Vicinity, Louisiana, projects, as described under the heading "Flood Control and Coastal Emergencies", in chapter 3 of Public Law 109-148: *Provided further*, That \$107,700,000 of the amount provided may be used to implement the projects for hurricane storm damage reduction, flood damage reduction, and ecosystem restoration within Hancock, Harrison, and Jackson Counties, Mississippi substantially in accordance with the Report of the Chief of Engineers dated December 31, 2006, and entitled "Mississippi, Coastal Improvements Program Interim Report, Hancock, Harrison, and Jackson Counties, Mississippi": *Provided further*, That projects authorized for implementation under this Chief's report shall be carried out at full Federal expense, except that the non-Federal interests shall be responsible for providing for all costs associated with operation and maintenance of the project: *Provided further*, That any project using funds appropriated under this heading shall be initiated only after non-Federal interests have entered into binding agreements with the Secretary requiring the non-Federal interests to pay 100 percent of the operation, maintenance, repair, replacement, and rehabilitation costs of the project and to hold and save the United States free from damages due to the construction or operation and maintenance of the project, except for damages due to the fault or negligence of the United States or its contractors: *Provided further*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3301. The Secretary is authorized and directed to determine the value of eligible reimbursable expenses incurred by local governments in storm-proofing pumping stations, constructing safe houses for operators, and other interim flood control measures in and around the New Orleans metropolitan area that the Secretary determines to be integral to the overall plan to ensure operability of the stations during hurricanes, storms and high water events and the flood control plan for the area.

SEC. 3302. (a) The Secretary of the Army is authorized and directed to utilize funds re-

maining available for obligation from the amounts appropriated in chapter 3 of Public Law 109-234 under the heading "Flood Control and Coastal Emergencies" for projects in the greater New Orleans metropolitan area to prosecute these projects in a manner which promotes the goal of continuing work at an optimal pace, while maximizing, to the greatest extent practicable, levels of protection to reduce the risk of storm damage to people and property.

(b) The expenditure of funds as provided in subsection (a) may be made without regard to individual amounts or purposes specified in chapter 3 of Public Law 109-234.

(c) Any reallocation of funds that are necessary to accomplish the goal established in subsection (a) are authorized, subject to the approval of the House and Senate Committees on Appropriation.

SEC. 3303. The Chief of Engineers shall investigate the overall technical advantages, disadvantages and operational effectiveness of operating the new pumping stations at the mouths of the 17th Street, Orleans Avenue and London Avenue canals in the New Orleans area directed for construction in Public Law 109-234 concurrently or in series with existing pumping stations serving these canals and the advantages, disadvantages and technical operational effectiveness of removing the existing pumping stations and configuring the new pumping stations and associated canals to handle all needed discharges; and the advantages, disadvantages and technical operational effectiveness of replacing or improving the floodwalls and levees adjacent to the three outfall canals: *Provided*, That the analysis should be conducted at Federal expense: *Provided further*, That the analysis shall be completed and furnished to the Congress not later than three months after enactment of this Act.

SEC. 3304. Using funds made available in Chapter 3 under title II of Public Law 109-234, under the heading "Investigations", the Secretary of the Army, in consultation with other agencies and the State of Louisiana shall accelerate completion as practicable the final report of the Chief of Engineers recommending a comprehensive plan to de-authorize deep draft navigation on the Mississippi River Gulf Outlet: *Provided*, That the plan shall incorporate and build upon the Interim Mississippi River Gulf Outlet Deep-Draft De-Authorization Report submitted to Congress in December 2006 pursuant to Public Law 109-234.

CHAPTER 4
SMALL BUSINESS ADMINISTRATION
DISASTER LOANS PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

Of the unobligated balances under the heading "Small Business Administration, Disaster Loans Program Account", \$25,069,000, to remain available until expended, shall be used for administrative expenses to carry out the disaster loan program, which may be transferred to and merged with "Small Business Administration, Salaries and Expenses".

Of the unobligated balances under the heading "Small Business Administration, Disaster Loans Program Account", \$25,000,000 shall be used for loans under section 7(b)(2) of the Small Business Act for businesses located in an area for which the President declared a major disaster because of the hurricanes in the Gulf of Mexico in calendar year 2005, of which not to exceed \$8,750,000 is for direct administrative expenses and may be transferred to and merged with "Small Business Administration, Salaries and Expenses" to carry out the disaster loan program of the Small Business Administration.

CHAPTER 5

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
DISASTER RELIEF
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Disaster Relief", \$4,610,000,000, to remain available until expended: *Provided*, That \$4,000,000 shall be transferred to "Office of Inspector General".

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3501. (a) IN GENERAL.—Notwithstanding any other provision of law, including any agreement, the Federal share of assistance, including direct Federal assistance, provided for the States of Louisiana, Mississippi, Florida, Alabama, and Texas in connection with Hurricanes Katrina, Wilma, Dennis, and Rita under sections 403, 406, 407, and 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, 5173, and 5174) shall be 100 percent of the eligible costs under such sections.

(b) APPLICABILITY.—The Federal share provided by subsection (a) shall apply to disaster assistance applied for before the date of enactment of this Act.

SEC. 3502. (a) COMMUNITY DISASTER LOAN ACT.—

(1) IN GENERAL.—Section 2(a) of the Community Disaster Loan Act of 2005 (Public Law 109-88) is amended by striking "*Provided further*, That notwithstanding section 417(c)(1) of the Stafford Act, such loans may not be canceled".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of enactment of the Community Disaster Loan Act of 2005 (Public Law 109-88).

(b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT.—

(1) IN GENERAL.—Chapter 4 of title II of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) is amended under Federal Emergency Management Agency, "Disaster Assistance Direct Loan Program Account" by striking "*Provided further*, That notwithstanding section 417(c)(1) of such Act, such loans may not be canceled".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective on the date of enactment of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

SEC. 3503. (a) IN GENERAL.—Section 2401 of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234) is amended by striking "12 months" and inserting "24 months".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective on the date of enactment of the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234).

CHAPTER 6

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
HISTORIC PRESERVATION FUND

For an additional amount for the "Historic Preservation Fund" for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season, \$10,000,000, to remain available until September 30, 2008: *Provided*, That the funds provided under this heading shall be provided to the State Historic Preservation Officer, after consultation with the National Park Service, for grants for disaster relief in areas

of Louisiana impacted by Hurricanes Katrina or Rita: *Provided further*, That grants shall be for the preservation, stabilization, rehabilitation, and repair of historic properties listed in or eligible for the National Register of Historic Places, for planning and technical assistance: *Provided further*, That grants shall only be available for areas that the President determines to be a major disaster under section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122(2)) due to Hurricanes Katrina or Rita: *Provided further*, That individual grants shall not be subject to a non-Federal matching requirement: *Provided further*, That no more than 5 percent of funds provided under this heading for disaster relief grants may be used for administrative expenses.

GENERAL PROVISION—THIS CHAPTER
(INCLUDING TRANSFER OF FUNDS)

SEC. 3601. Of the disaster relief funds from Public Law 109-234, 120 Stat. 418, 461, (June 30, 2006), chapter 5, "National Park Service—Historic Preservation Fund", for necessary expenses related to the consequences of Hurricane Katrina and other hurricanes of the 2005 season that were allocated to the State of Mississippi by the National Park Service, \$500,000 is hereby transferred to the "National Park Service—National Recreation and Preservation" appropriation: *Provided*, That these funds may be used to reconstruct destroyed properties that at the time of destruction were listed in the National Register of Historic Places and are otherwise qualified to receive these funds: *Provided further*, That the State Historic Preservation Officer certifies that, for the community where that destroyed property was located, the property is iconic to or essential to illustrating that community's historic identity, that no other property in that community with the same associative historic value has survived, and that sufficient historical documentation exists to ensure an accurate reproduction.

CHAPTER 7

DEPARTMENT OF EDUCATION
HIGHER EDUCATION

For an additional amount under part B of title VII of the Higher Education Act of 1965 ("HEA") for institutions of higher education (as defined in section 101 or section 102(c) of that Act) that are located in an area in which a major disaster was declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act related to Hurricanes Katrina or Rita, \$30,000,000: *Provided*, That such funds shall be available to the Secretary of Education only for payments to help defray the expenses (which may include lost revenue, reimbursement for expenses already incurred, and construction) incurred by such institutions of higher education that were forced to close, relocate or significantly curtail their activities as a result of damage directly caused by such hurricanes and for payments to enable such institutions to provide grants to students who attend such institutions for academic years beginning on or after July 1, 2006: *Provided further*, That such payments shall be made in accordance with criteria established by the Secretary and made publicly available without regard to section 437 of the General Education Provisions Act, section 553 of title 5, United States Code, or part B of title VII of the HEA.

HURRICANE EDUCATION RECOVERY

For carrying out activities authorized by subpart 1 of part D of title V of the Elementary and Secondary Education Act of 1965, \$30,000,000, to remain available until ex-

pired, for use by the States of Louisiana, Mississippi, and Alabama primarily for recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators, who commit to work for at least three years in school-based positions in public elementary and secondary schools located in an area with respect to which a major disaster was declared under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) by reason of Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness, with priority given to teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators who previously worked or lived in one of the affected areas, are currently employed (or become employed) in such a school in any of the affected areas after those disasters, and commit to continue that employment for at least 3 years, *Provided*, That funds available under this heading to such States may also be used for 1 or more of the following activities: (1) to build the capacity, knowledge, and skill of teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators in such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (2) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and other school-based school principals, assistant principals, principal resident directors, and assistant directors; and (3) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools: *Provided further*, That the Secretary of Education shall allocate amounts available under this heading among such States that submit applications; that such allocation shall be based on the number of public elementary and secondary schools in each State that were closed for 19 days or more during the period beginning on August 29, 2005, and ending on December 31, 2005, due to Hurricane Katrina or Hurricane Rita; and that such States shall in turn allocate funds to local educational agencies, with priority given first to such agencies with the highest percentages of public elementary and secondary schools that are closed as a result of such hurricanes as of the date of enactment of this Act and then to such agencies with the highest percentages of public elementary and secondary schools with a student-teacher ratio of at least 25 to 1, and with any remaining amounts to be distributed to such agencies with demonstrated need, as determined by the State Superintendent of Education: *Provided further*, That, in the case of any State that chooses to use amounts available under this heading for performance bonuses, not later than 60 days after the date of enactment of this Act, and in collaboration with local educational agencies, teachers' unions, local principals' organizations, local parents' organizations, local business organizations, and local charter schools organizations, the State educational agency shall develop a plan for a rating system for performance bonuses, and if no agreement has been reached that is satisfactory to all consulting entities by such deadline, the State educational agency shall immediately send a letter notifying Congress and shall, not later than 30 days after such notification, establish and implement a rating system that

shall be based on classroom observation and feedback more than once annually, conducted by multiple sources (including, but not limited to, principals and master teachers), and evaluated against research-based rubrics that use planning, instructional, and learning environment standards to measure teacher performance, except that the requirements of this proviso shall not apply to a State that has enacted a State law in 2006 authorizing performance pay for teachers.

PROGRAMS TO RESTART SCHOOL OPERATIONS

Funds made available under section 102 of the Hurricane Education Recovery Act (title IV of division B of Public Law 109-148) may be used by the States of Louisiana, Mississippi, Alabama, and Texas, in addition to the uses of funds described in section 102(e), for the following costs: (1) recruiting, retaining, and compensating new and current teachers, school principals, assistant principals, principal resident directors, assistant directors, and other educators for school-based positions in public elementary and secondary schools impacted by Hurricane Katrina or Hurricane Rita, including through such mechanisms as paying salary premiums, performance bonuses, housing subsidies, signing bonuses, and relocation costs and providing loan forgiveness; (2) activities to build the capacity, knowledge, and skills of teachers and school-based school principals, assistant principals, principal resident directors, assistant directors, and other educators in such public elementary and secondary schools to provide an effective education, including the design, adaptation, and implementation of high-quality formative assessments; (3) the establishment of partnerships with nonprofit entities with a demonstrated track record in recruiting and retaining outstanding teachers and school-based school principals, assistant principals, principal resident directors, and assistant directors; and (4) paid release time for teachers and principals to identify and replicate successful practices from the fastest-improving and highest-performing schools.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3701. Section 105(b) of title IV of division B of Public Law 109-148 is amended by adding at the end the following new sentence: “With respect to the program authorized by section 102 of this Act, the waiver authority in subsection (a) of this section shall be available until the end of fiscal year 2008.”.

SEC. 3702. Notwithstanding section 2002(c) of the Social Security Act (42 U.S.C. 1397a(c)), funds made available under the heading “Social Services Block Grant” in division B of Public Law 109-148 shall be available for expenditure by the States through the end of fiscal year 2009.

SEC. 3703. (a) In the event that Louisiana, Mississippi, Alabama, or Texas fails to meet its match requirement with funds appropriated in fiscal years 2006 or 2007, for fiscal years 2008 and 2009, the Secretary of Health and Human Services may waive the application of section 2617(d)(4) of the Public Health Service Act for Louisiana, Mississippi, Alabama, and Texas.

(b) The Secretary may not exercise the waiver authority available under subsection (a) to allow a grantee to provide less than a 25 percent matching grant.

(c) For grant years beginning in 2008, Louisiana, Mississippi, Alabama, and Texas and any eligible metropolitan area in Louisiana, Mississippi, Alabama, and Texas shall comply with each of the applicable requirements under title XXVI of the Public Health Service Act (42 U.S.C. 300ff-11 et seq.).

CHAPTER 8

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS
EMERGENCY RELIEF PROGRAM
(INCLUDING RESCISSION OF FUNDS)

For an additional amount for the Emergency Relief Program as authorized under section 125 of title 23, United States Code, \$682,942,000, to remain available until expended: *Provided*, That section 125(d)(1) of title 23, United States Code, shall not apply to emergency relief projects that respond to damage caused by the 2005-2006 winter storms in the State of California: *Provided further*, That of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, \$682,942,000 are rescinded: *Provided further*, That such rescission shall not apply to the funds distributed in accordance with sections 130(f) and 104(b)(5) of title 23, United States Code; sections 133(d)(1) and 163 of such title, as in effect on the day before the date of enactment of Public Law 109-59; and the first sentence of section 133(d)(3)(A) of such title.

FEDERAL TRANSIT ADMINISTRATION
FORMULA GRANTS

For an additional amount to be allocated by the Secretary to recipients of assistance under chapter 55 of title 49, United States Code, directly affected by Hurricanes Katrina and Rita, \$35,000,000, for the operating and capital costs of transit services, to remain available until expended: *Provided*, That the Federal share for any project funded from this amount shall be 100 percent.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF INSPECTOR GENERAL

For an additional amount for the Office of Inspector General, for the necessary costs related to the consequences of Hurricanes Katrina and Rita, \$7,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 3801. The third proviso under the heading “Department of Housing and Urban Development—Public and Indian Housing—Tenant-Based Rental Assistance” in chapter 9 of title I of division B of Public Law 109-148 (119 Stat. 2779) is amended by striking “for up to 18 months” and inserting “until December 31, 2007”.

SEC. 3802. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by adding after the third proviso: “: *Provided further*, That notwithstanding the previous proviso, except for applying the 2007 Annual Adjustment Factor and making any other specified adjustments, public housing agencies specified in category 1 below shall receive funding for calendar year 2007 based on the higher of the amounts the agencies would receive under the previous proviso or the amounts the agencies received in calendar year 2006, and public housing agencies specified in categories 2 and 3 below shall receive funding for calendar year 2007 equal to the amounts the agencies received in calendar year 2006, except that public housing agencies specified in categories 1 and 2 below shall receive funding under this proviso only if, and to the extent that, any such public housing agency submits a plan, approved by the Secretary, that demonstrates that the agency can effectively use within 12 months the funding that the agency would receive under this proviso that is in addition to the funding that the agency would receive under the previous proviso: (1) public housing agencies that are eligible for assistance under section 901 in Pub-

lic Law 109-148 (119 Stat. 2781) or are located in the same counties as those eligible under section 901 and operate voucher programs under section 8(o) of the United States Housing Act of 1937 but do not operate public housing under section 9 of such Act, and any public housing agency that otherwise qualifies under this category must demonstrate that they have experienced a loss of rental housing stock as a result of the 2005 hurricanes; (2) public housing agencies that would receive less funding under the previous proviso than they would receive under this proviso and that have been placed in receivership or the Secretary has declared to be in breach of an Annual Contributions Contract by June 1, 2007; and (3) public housing agencies that spent more in calendar year 2006 than the total of the amounts of any such public housing agency’s allocation amount for calendar year 2006 and the amount of any such public housing agency’s available housing assistance payments undesignated funds balance from calendar year 2005 and the amount of any such public housing agency’s available administrative fees undesignated funds balance through calendar year 2006”.

SEC. 3803. Section 901 of Public Law 109-148 is amended by deleting “calendar year 2006” and inserting “calendar years 2006 and 2007”.

TITLE IV—OTHER EMERGENCY APPROPRIATIONS

CHAPTER 1

DEPARTMENT OF DEFENSE—CIVIL
DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS—CIVIL
INVESTIGATIONS

For an additional amount for “Investigations” for flood damage reduction studies to address flooding associated with disasters covered by Presidential Disaster Declaration FEMA-1692-DR, \$8,165,000, to remain available until expended.

CONSTRUCTION

For an additional amount for “Construction” for flood damage reduction activities associated with disasters covered by Presidential Disaster Declaration FEMA-1692-DR, \$500,000 to remain available until expended.

OPERATION AND MAINTENANCE

For an additional amount for “Operation and Maintenance” to dredge navigation channels related to the consequences of hurricanes of the 2005 season, \$3,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For an additional amount for “Flood Control and Coastal Emergencies”, as authorized by section 5 of the Act of August 18, 1941 (33 U.S.C. 701n), to support emergency operations, repairs and other activities in response to flood, drought and earthquake emergencies as authorized by law, \$153,300,000, to remain available until expended: *Provided*, That the Chief of Engineers, acting through the Assistant Secretary of the Army for Civil Works, shall provide a monthly report to the House and Senate Committees on Appropriations detailing the allocation and obligation of these funds, beginning not later than 60 days after enactment of this Act.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION
WATER AND RELATED RESOURCES

For an additional amount for “Water and Related Resources”, \$18,000,000, to remain available until expended for drought assistance: *Provided*, That drought assistance may be provided under the Reclamation States Drought Emergency Act or other applicable Reclamation authorities to assist drought plagued areas of the West.

CHAPTER 2

DEPARTMENT OF THE INTERIOR
UNITED STATES FISH AND WILDLIFE SERVICE
RESOURCE MANAGEMENT

For an additional amount for "Resource Management" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, \$7,398,000, to remain available until September 30, 2008.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For an additional amount for "Operation of the National Park System" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, \$525,000, to remain available until September 30, 2008.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, Investigations, and Research" for the detection of highly pathogenic avian influenza in wild birds, including the investigation of morbidity and mortality events, targeted surveillance in live wild birds, and targeted surveillance in hunter-taken birds, \$5,270,000, to remain available until September 30, 2008.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

NATIONAL FOREST SYSTEM

For an additional amount for "National Forest System" for the implementation of a nationwide initiative to increase protection of national forest lands from drug-trafficking organizations, including funding for additional law enforcement personnel, training, equipment and cooperative agreements, \$12,000,000, to remain available until expended.

CHAPTER 3

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH AND TRAINING

For an additional amount for "Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training", to carry out section 501 of the Federal Mine Safety and Health Act of 1977 and section 6 of the Mine Improvement and New Emergency Response Act of 2006, \$13,000,000 for research to develop mine safety technology, including necessary repairs and improvements to leased laboratories: *Provided*, That progress reports on technology development shall be submitted to the House and Senate Committees on Appropriations and the Committee on Health, Education, Labor and Pensions of the Senate and the Committee on Education and Labor of the House of Representatives on a quarterly basis: *Provided further*, That the amount provided under this heading shall remain available until September 30, 2008.

For an additional amount for "Department of Health and Human Services, Centers for Disease Control and Prevention, Disease Control, Research and Training", to carry out activities under section 501(b) of the Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006 (Public Law 109-148), \$50,000,000, to remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES
LOW-INCOME HOME ENERGY ASSISTANCE

For an additional amount for "Low-Income Home Energy Assistance" under section

2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), \$200,000,000.

For an additional amount for "Low-Income Home Energy Assistance" under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)), \$200,000,000.

OFFICE OF THE SECRETARY
PUBLIC HEALTH AND SOCIAL SERVICES
EMERGENCY FUND
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Public Health and Social Services Emergency Fund" to prepare for and respond to an influenza pandemic, \$625,000,000, to remain available until expended: *Provided*, That this amount shall be for activities including the development and purchase of vaccine, antivirals, necessary medical supplies, diagnostics, and other surveillance tools: *Provided further*, That products purchased with these funds may, at the discretion of the Secretary of Health and Human Services, be deposited in the Strategic National Stockpile: *Provided further*, That notwithstanding section 496(b) of the Public Health Service Act, funds may be used for the construction or renovation of privately owned facilities for the production of pandemic vaccine and other biologicals, where the Secretary finds such a contract necessary to secure sufficient supplies of such vaccines or biologicals: *Provided further*, That funds appropriated herein may be transferred to other appropriation accounts of the Department of Health and Human Services, as determined by the Secretary to be appropriate, to be used for the purposes specified in this sentence.

COVERED COUNTERMEASURE PROCESS FUND

For carrying out section 319F-4 of the Public Health Service Act (42 U.S.C. 247d-6e) to compensate individuals for injuries caused by H5N1 vaccine, in accordance with the declaration regarding avian influenza viruses issued by the Secretary of Health and Human Services on January 26, 2007, pursuant to section 319F-3(b) of such Act (42 U.S.C. 247d-6d(b)), \$25,000,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER
(INCLUDING RESCISSIONS)

SEC. 4301. (a) From unexpended balances available for the Training and Employment Services account under the Department of Labor, the following amounts are hereby rescinded—

(1) \$3,589,000 transferred pursuant to the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107-38);

(2) \$834,000 transferred pursuant to the Emergency Supplemental Appropriations Act of 1994 (Public Law 103-211); and

(3) \$71,000 for the Consortium for Worker Education pursuant to the Emergency Supplemental Act, 2002 (Public Law 107-117).

(b) From unexpended balances available for the State Unemployment Insurance and Employment Service Operations account under the Department of Labor pursuant to the Emergency Supplemental Act, 2002 (Public Law 107-117), \$4,100,000 are hereby rescinded.

SEC. 4302. (a) For an additional amount under "Department of Education, Safe Schools and Citizenship Education", \$8,594,000 shall be available for Safe and Drug-Free Schools National Programs for competitive grants to local educational agencies to address youth violence and related issues.

(b) The competition under subsection (a) shall be limited to local educational agencies

that operate schools currently identified as persistently dangerous under section 9532 of the Elementary and Secondary Education Act of 1965.

CHAPTER 4

LEGISLATIVE BRANCH
CAPITOL POLICE
GENERAL EXPENSES

For an additional amount for "Capitol Police, General Expenses", \$15,000,000 for a radio modernization program, to remain available until expended.

ARCHITECT OF THE CAPITOL
CAPITAL POWER PLANT

For an additional amount for "Capitol Power Plant", \$50,000,000, for utility tunnel repairs and asbestos abatement, to remain available until September 30, 2011: *Provided*, That the Architect of the Capitol may not obligate any of the funds appropriated under this heading without approval of an obligation plan by the Committees on Appropriations of the Senate and House of Representatives.

CHAPTER 5

DEPARTMENT OF VETERANS AFFAIRS
VETERANS HEALTH ADMINISTRATION
MEDICAL SERVICES

For an additional amount for "Medical Services", \$466,778,000, to remain available until expended, of which \$30,000,000 shall be for the establishment of at least one new Level I comprehensive polytrauma center; \$9,440,000 shall be for the establishment of polytrauma residential transitional rehabilitation programs; \$10,000,000 shall be for additional transition caseworkers; \$20,000,000 shall be for substance abuse treatment programs; \$20,000,000 shall be for readjustment counseling; \$10,000,000 shall be for blind rehabilitation services; \$100,000,000 shall be for enhancements to mental health services; \$8,000,000 shall be for polytrauma support clinic teams; \$5,356,000 shall be for additional polytrauma points of contact; \$228,982,000 shall be for treatment of Operation Enduring Freedom and Operation Iraqi Freedom veterans; and \$25,000,000 shall be for prosthetics.

MEDICAL ADMINISTRATION

For an additional amount for "Medical Administration", \$250,000,000, to remain available until expended.

MEDICAL FACILITIES

For an additional amount for "Medical Facilities", \$595,000,000, to remain available until expended, of which \$45,000,000 shall be used for facility and equipment upgrades at the Department of Veterans Affairs polytrauma network sites; and \$550,000,000 shall be for non-recurring maintenance as identified in the Department of Veterans Affairs Facility Condition Assessment report: *Provided*, That the amount provided under this heading for non-recurring maintenance shall be allocated in a manner not subject to the Veterans Equitable Resource Allocation: *Provided further*, That within 30 days of enactment of this Act the Secretary shall submit to the Committees on Appropriations of both Houses of Congress an expenditure plan, by project, for non-recurring maintenance prior to obligation: *Provided further*, That semi-annually, on October 1 and April 1, the Secretary shall submit to the Committees on Appropriations of both Houses of Congress a report on the status of funding for non-recurring maintenance, including obligations and unobligated balances for each project identified in the expenditure plan.

MEDICAL AND PROSTHETIC RESEARCH

For an additional amount for "Medical and Prosthetic Research", \$32,500,000, to remain available until expended, which shall be used

for research related to the unique medical needs of returning Operation Enduring Freedom and Operation Iraqi Freedom veterans.

DEPARTMENTAL ADMINISTRATION
GENERAL OPERATING EXPENSES
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "General Operating Expenses", \$83,200,000, to remain available until expended, of which \$1,250,000 shall be for digitization of military records; \$60,750,000 shall be for expenses related to hiring and training new claims processing personnel; up to \$1,200,000 for an independent study of the organizational structure, management and coordination processes, including seamless transition, utilized by the Department of Veterans Affairs to provide health care and benefits to active duty personnel and veterans, including those returning Operation Enduring Freedom and Operation Iraqi Freedom veterans; and \$20,000,000 shall be for disability examinations: *Provided*, That not to exceed \$1,250,000 of the amount appropriated under this heading may be transferred to the Department of Defense for the digitization of military records used to verify stressors for benefits claims.

INFORMATION TECHNOLOGY SYSTEMS

For an additional amount for "Information Technology Systems", \$35,100,000, to remain available until expended, of which \$20,000,000 shall be for information technology support and improvements for processing of Operation Enduring Freedom and Operation Iraqi Freedom veterans benefits claims, including making electronic Department of Defense medical records available for claims processing and enabling electronic benefits applications by veterans; and \$15,100,000 shall be for electronic data breach remediation and prevention.

CONSTRUCTION, MINOR PROJECTS

For an additional amount for "Construction, Minor Projects", \$326,000,000, to remain available until expended, of which up to \$36,000,000 shall be for construction costs associated with the establishment of polytrauma residential transitional rehabilitation programs.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 4501. The Director of the Congressional Budget Office shall, not later than November 15, 2007, submit to the Committees on Appropriations of the House of Representatives and the Senate a report projecting appropriations necessary for the Departments of Defense and Veterans Affairs to continue providing necessary health care to veterans of the conflicts in Iraq and Afghanistan. The projections should span several scenarios for the duration and number of forces deployed in Iraq and Afghanistan, and more generally, for the long-term health care needs of deployed troops engaged in the global war on terrorism over the next ten years.

SEC. 4502. Notwithstanding any other provision of law, appropriations made by Public Law 110-5, which the Secretary of Veterans Affairs contributes to the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund under the authority of section 8111(d) of title 38, United States Code, shall remain available until expended for any purpose authorized by section 8111 of title 38, United States Code.

SEC. 4503. (a)(1) Notwithstanding any other provision of law, the Secretary of Veterans Affairs (referred to in this section as the "Secretary") may convey to the State of Texas, without consideration, all right, title, and interest of the United States in and to the parcel of real property comprising the location of the Marlin, Texas, Department of Veterans Affairs Medical Center.

(2) The property conveyed under paragraph (1) shall be used by the State of Texas for the purposes of a prison.

(b) In carrying out the conveyance under subsection (a), the Secretary—

(1) shall not be required to comply with, and shall not be held liable under, any Federal law (including a regulation) relating to the environment or historic preservation; but

(2) may, at the discretion of the Secretary, conduct environmental cleanup on the parcel to be conveyed, at a cost not to exceed \$500,000, using amounts made available for environmental cleanup of sites under the jurisdiction of the Secretary.

TITLE V—OTHER MATTERS

CHAPTER 1

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses" of the Farm Service Agency, \$37,500,000, to remain available until September 30, 2008: *Provided*, That this amount shall only be available for network and database/application stabilization.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5101. Of the funds made available through appropriations to the Food and Drug Administration for fiscal year 2007, not less than \$4,000,000 shall be for the Office of Women's Health of such Administration.

SEC. 5102. None of the funds made available to the Department of Agriculture for fiscal year 2007 may be used to implement the risk-based inspection program in the 30 prototype locations announced on February 22, 2007, by the Under Secretary for Food Safety, or at any other locations, until the USDA Office of Inspector General has provided its findings to the Food Safety and Inspection Service and the Committees on Appropriations of the House of Representatives and the Senate on the data used in support of the development and design of the risk-based inspection program and FSIS has addressed and resolved issues identified by OIG.

CHAPTER 2

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5201. Hereafter, federal employees at the National Energy Technology Laboratory shall be classified as inherently governmental for the purpose of the Federal Activities Inventory Reform Act of 1998 (31 U.S.C. 501 note).

SEC. 5202. None of the funds made available under this or any other Act shall be used during fiscal year 2007 to make, or plan or prepare to make, any payment on bonds issued by the Administrator of the Bonneville Power Administration (referred in this section as the "Administrator") or for an appropriated Federal Columbia River Power System investment, if the payment is both—

(1) greater, during any fiscal year, than the payments calculated in the rate hearing of the Administrator to be made during that fiscal year using the repayment method used to establish the rates of the Administrator as in effect on October 1, 2006; and

(2) based or conditioned on the actual or expected net secondary power sales receipts of the Administrator.

CHAPTER 3

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5301. (a) Section 102(a)(3)(B) of the Help America Vote Act of 2002 (42 U.S.C. 15302(a)(3)(B)) is amended by striking "January 1, 2006" and inserting "March 1, 2008".

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Help America Vote Act of 2002.

SEC. 5302. The structure of any of the offices or components within the Office of National Drug Control Policy shall remain as they were on October 1, 2006. None of the

funds appropriated or otherwise made available in the Continuing Appropriations Resolution, 2007 (Public Law 110-5) may be used to implement a reorganization of offices within the Office of National Drug Control Policy without the explicit approval of the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 5303. From the amount provided by section 21067 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5), the National Archives and Records Administration may obligate monies necessary to carry out the activities of the Public Interest Declassification Board.

SEC. 5304. Notwithstanding the notice requirement of the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, 119 Stat. 2509 (Public Law 109-115), as continued in section 104 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5), the District of Columbia Courts may reallocate not more than \$1,000,000 of the funds provided for fiscal year 2007 under the Federal Payment to the District of Columbia Courts for facilities among the items and entities funded under that heading for operations.

SEC. 5305. (a) Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury, in coordination with the Securities and Exchange Commission and in consultation with the Departments of State and Energy, shall prepare and submit to the Senate Committee on Appropriations, the House Committee on Appropriations, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on Financial Services, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee a written report, which may include a classified annex, containing the names of companies which either directly or through a parent or subsidiary company, including partly-owned subsidiaries, are known to conduct significant business operations in Sudan relating to natural resource extraction, including oil-related activities and mining of minerals. The reporting provision shall not apply to companies operating under licenses from the Office of Foreign Assets Control or otherwise expressly exempted under United States law from having to obtain such licenses in order to operate in Sudan.

(b) Not later than 45 days following the submission to Congress of the list of companies conducting business operations in Sudan relating to natural resource extraction as required above, the General Services Administration shall determine whether the United States Government has an active contract for the procurement of goods or services with any of the identified companies, and provide notification to the appropriate committees of Congress, which may include a classified annex, regarding the companies, nature of the contract, and dollar amounts involved.

(INCLUDING RESCISSON)

SEC. 5306. (a) Of the funds provided for the General Services Administration, "Office of Inspector General" in section 21061 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), \$4,500,000 are rescinded.

(b) For an additional amount for the General Services Administration, "Office of Inspector General", \$4,500,000, to remain available until September 30, 2008.

SEC. 5307. Section 21073 of the Continuing Appropriations Resolution, 2007 (Public Law 110-5) is amended by adding a new subsection (j) as follows:

"(j) Notwithstanding section 101, any appropriation or funds made available to the

District of Columbia pursuant to this division for ‘Federal Payment for Foster Care Improvement in the District of Columbia’ shall be available in accordance with an expenditure plan submitted by the Mayor of the District of Columbia not later than 60 days after the enactment of this section which details the activities to be carried out with such Federal Payment.”.

CHAPTER 4

DEPARTMENT OF HOMELAND SECURITY GENERAL PROVISIONS—THIS CHAPTER

SEC. 5401. Not to exceed \$30,000,000 from unobligated balances remaining from prior appropriations for United States Coast Guard, ‘Retired Pay’, shall remain available until expended in the account and for the purposes for which the appropriations were provided, including the payment of obligations otherwise chargeable to lapsed or current appropriations for this purpose.

SEC. 5402. (a) IN GENERAL.—Any contract, subcontract, task or delivery order described in subsection (b) shall contain the following:

(1) A requirement for a technical review of all designs, design changes, and engineering change proposals, and a requirement to specifically address all engineering concerns identified in the review before the obligation of further funds may occur.

(2) A requirement that the Coast Guard maintain technical warrant holder authority, or the equivalent, for major assets.

(3) A requirement that no procurement subject to subsection (b) for lead asset production or the implementation of a major design change shall be entered into unless an independent third party with no financial interest in the development, construction, or modification of any component of the asset, selected by the Commandant, determines that such action is advisable.

(4) A requirement for independent life-cycle cost estimates of lead assets and major design and engineering changes.

(5) A requirement for the measurement of contractor and subcontractor performance based on the status of all work performed. For contracts under the Integrated Deepwater Systems program, such requirement shall include a provision that links award fees to successful acquisition outcomes (which shall be defined in terms of cost, schedule, and performance).

(6) A requirement that the Commandant of the Coast Guard assign an appropriate officer or employee of the Coast Guard to act as chair of each integrated product team and higher-level team assigned to the oversight of each integrated product team.

(7) A requirement that the Commandant of the Coast Guard may not award or issue any contract, task or delivery order, letter contract modification thereof, or other similar contract, for the acquisition or modification of an asset under a procurement subject to subsection (b) unless the Coast Guard and the contractor concerned have formally agreed to all terms and conditions or the head of contracting activity for the Coast Guard determines that a compelling need exists for the award or issue of such instrument.

(b) CONTRACTS, SUBCONTRACTS, TASK AND DELIVERY ORDERS COVERED.—Subsection (a) applies to—

(1) any major procurement contract, first-tier subcontract, delivery or task order entered into by the Coast Guard;

(2) any first-tier subcontract entered into under such a contract; and

(3) any task or delivery order issued pursuant to such a contract or subcontract.

(c) EXPENDITURE OF DEEPWATER FUNDS.—Of the funds available for the Integrated Deepwater Systems program, \$650,000,000 may not be obligated until the Committees on Appropriations of the Senate and the House of Representatives receive an expenditure plan directly from the Coast Guard that—

(1) defines activities, milestones, yearly costs, and life-cycle costs for each procurement of a major asset, including an independent cost estimate for each;

(2) identifies life-cycle staffing and training needs of Coast Guard project managers and of procurement and contract staff;

(3) identifies competition to be conducted in each procurement;

(4) describes procurement plans that do not rely on a single industry entity or contract;

(5) contains very limited indefinite delivery/indefinite quantity contracts and explains the need for any indefinite delivery/indefinite quantity contracts;

(6) complies with all applicable acquisition rules, requirements, and guidelines, and incorporates the best systems acquisition management practices of the Federal Government;

(7) complies with the capital planning and investment control requirements established by the Office of Management and Budget, including circular A-11, part 7;

(8) includes a certification by the head of contracting activity for the Coast Guard and the Chief Procurement Officer of the Department of Homeland Security that the Coast Guard has established sufficient controls and procedures and has sufficient staffing to comply with all contracting requirements, and that any conflicts of interest have been sufficiently addressed;

(9) includes a description of the process used to act upon deviations from the contractually specified performance requirements and clearly explains the actions taken on such deviations;

(10) includes a certification that the Assistant Commandant of the Coast Guard for Engineering and Logistics is designated as the technical authority for all engineering, design, and logistics decisions pertaining to the Integrated Deepwater Systems program; and

(11) identifies progress in complying with the requirements of subsection (a).

(d) REPORTS.—(1) Not later than 30 days after the date of enactment of this Act, the Commandant of the Coast Guard shall submit to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science and Transportation of the Senate; and the Committee on Transportation and Infrastructure of the House of Representatives: (i) a report on the resources (including training, staff, and expertise) required by the Coast Guard to provide appropriate management and oversight of the Integrated Deepwater Systems program; and (ii) a report on how the Coast Guard will utilize full and open competition for any contract that provides for the acquisition or modification of assets under, or in support of, the Integrated Deepwater Systems program, entered into after the date of enactment of this Act.

(2) Within 30 days following the submission of the expenditure plan required under subsection (c), the Government Accountability Office shall review the plan and brief the Committees on Appropriations of the Senate and the House of Representatives on its findings.

SEC. 5403. None of the funds provided in this Act or any other Act may be used to alter or reduce operations within the Civil Engineering Program of the Coast Guard nationwide, including the civil engineering units, facilities, design and construction centers, maintenance and logistics command centers, the Coast Guard Academy and the Coast Guard Research and Development Center, except as specifically authorized by a statute enacted after the date of enactment of this Act.

(INCLUDING RESCISSIONS OF FUNDS)

SEC. 5404. (a) RESCISSIONS.—The following unobligated balances made available pursuant to section 505 of Public Law 109-90 are rescinded: \$1,200,962 from the ‘Office of the Secretary and Executive Management’; \$512,855 from the ‘Office of the Under Secretary for Management’; \$461,874 from the ‘Office of the Chief Information Officer’; \$45,080 from the ‘Office of the Chief Financial Officer’; \$968,211 from ‘Preparedness Management and Administration’; \$1,215,486 from ‘Science and Technology Management and Administration’; \$450,000 from United States Secret Service ‘Salaries and Expenses’; \$450,000 from Federal Emergency Management Agency ‘Administrative and Regional Operations’; and \$25,595,532 from United States Coast Guard ‘Operating Expenses’.

(b) ADDITIONAL APPROPRIATIONS.—

(1) For an additional amount for United States Coast Guard ‘Acquisition, Construction, and Improvements’, \$30,000,000, to remain available until September 30, 2009, to mitigate the Service’s patrol boat operational gap; and

(2) For an additional amount for the ‘Office of the Under Secretary for Management’, \$900,000, for an independent study to compare the Department of Homeland Security senior career and political staffing levels and senior career training programs with those of similarly structured cabinet-level agencies.

SEC. 5405. (a) IN GENERAL.—With respect to contracts entered into after June 1, 2007, and except as provided in subsection (b), no entity performing lead system integrator functions in the acquisition of a major system by the Department of Homeland Security may have any direct financial interest in the development or construction of any individual system or element of any system of systems.

(b) EXCEPTION.—An entity described in subsection (a) may have a direct financial interest in the development or construction of an individual system or element of a system of systems if—

(1) the Secretary of Homeland Security certifies to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Homeland Security of the House of Representatives, the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Commerce, Science and Transportation of the Senate that—

(A) the entity was selected by the Department of Homeland Security as a contractor to develop or construct the system or element concerned through the use of competitive procedures; and

(B) the Department took appropriate steps to prevent any organizational conflict of interest in the selection process; or

(2) the entity was selected by a subcontractor to serve as a lower-tier subcontractor, through a process over which the entity exercised no control.

(c) CONSTRUCTION.—Nothing in this section shall be construed to preclude an entity described in subsection (a) from performing work necessary to integrate two or more individual systems or elements of a system of systems with each other.

(d) REGULATIONS UPDATE.—Not later than June 1, 2007, the Secretary of Homeland Security shall update the acquisition regulations of the Department of Homeland Security in order to specify fully in such regulations the matters with respect to lead system integrators set forth in this section. Included in such regulations shall be: (1) a precise and comprehensive definition of the

term "lead system integrator", modeled after that used by the Department of Defense; and (2) a specification of various types of contracts and fee structures that are appropriate for use by lead system integrators in the production, fielding, and sustainment of complex systems.

CHAPTER 5

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5501. Section 20515 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting before the period: " ; and of which, not to exceed \$143,628,000 shall be available for contract support costs under the terms and conditions contained in Public Law 109-54".

SEC. 5502. Section 20512 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting after the first dollar amount: " , of which not to exceed \$7,300,000 shall be transferred to the 'Indian Health Facilities' account; the amount in the second proviso shall be \$18,000,000; the amount in the third proviso shall be \$525,099,000; the amount in the ninth proviso shall be \$269,730,000; and the \$15,000,000 allocation of funding under the eleventh proviso shall not be required".

SEC. 5503. Section 20501 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting after "\$55,663,000" the following: " of which \$13,000,000 shall be for Save America's Treasures".

SEC. 5504. Funds made available to the United States Fish and Wildlife Service for fiscal year 2007 under the heading "Land Acquisition" may be used for land conservation partnerships authorized by the Highlands Conservation Act of 2004.

CHAPTER 6

DEPARTMENT OF HEALTH AND HUMAN SERVICES

NATIONAL INSTITUTES OF HEALTH

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

(TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for "National Institute of Allergy and Infectious Diseases", \$49,500,000 shall be transferred to "Public Health and Social Services Emergency Fund" to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

OFFICE OF THE DIRECTOR

(TRANSFER OF FUNDS)

Of the amount provided by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for "Office of the Director", \$49,500,000 shall be transferred to "Public Health and Social Services Emergency Fund" to carry out activities relating to advanced research and development as provided by section 319L of the Public Health Service Act.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", \$300,000, to remain available until expended, for necessary expenses related to the requirements of the Post-Katrina Emergency Management Reform Act of 2006, as enacted by the Department of Homeland Security Appropriations Act, 2007 (Public Law 109-295).

GENERAL PROVISIONS—THIS CHAPTER (INCLUDING TRANSFERS OF FUNDS AND RESCISSION)

SEC. 5601. Section 20602 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting the following after "\$5,000,000": "(together with an additional \$7,000,000 which shall be transferred by the Pension Benefit Guaranty Corporation as an authorized administrative cost), to remain available through September 30, 2008".

SEC. 5602. Section 20607 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by inserting "of which \$9,666,000 shall be for the Women's Bureau," after "for child labor activities".

SEC. 5603. Of the amount provided for "Department of Health and Human Services, Health Resources and Services Administration, Health Resources and Services" in the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), \$23,000,000 shall be for Poison Control Centers.

SEC. 5604. From the amounts made available by the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) for the Office of the Secretary, General Departmental Management under the Department of Health and Human Services, \$1,000,000 are rescinded.

SEC. 5605. Section 20625(b)(1) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by—

(1) striking "\$7,172,994,000" and inserting "\$7,176,431,000";

(2) amending subparagraph (A) to read as follows: "(A) \$5,454,824,000 shall be for basic grants under section 1124 of the Elementary and Secondary Education Act of 1965 (ESEA), of which up to \$3,437,000 shall be available to the Secretary of Education on October 1, 2006, to obtain annually updated educational-agency-level census poverty data from the Bureau of the Census"; and

(3) amending subparagraph (C) to read as follows: "(C) not to exceed \$2,352,000 may be available for section 1608 of the ESEA and for a clearinghouse on comprehensive school reform under part D of title V of the ESEA".

SEC. 5606. The provision in the first proviso under the heading "Rehabilitation Services and Disability Research" in the Department of Education Appropriations Act, 2006, relating to alternative financing programs under section 4(b)(2)(D) of the Assistive Technology Act of 1998 shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007.

SEC. 5607. Notwithstanding sections 20639 and 20640 of the Continuing Appropriations Resolution, 2007, as amended by section 2 of the Revised Continuing Appropriations Resolution, 2007 (Public Law 110-5), the Chief Executive Officer of the Corporation for National and Community Service may transfer an amount of not more than \$1,360,000 from the account under the heading "National and Community Service Programs, Operating Expenses" under the heading "Corporation for National and Community Service", to the account under the heading "Salaries and Expenses" under the heading "Corporation for National and Community Service".

SEC. 5608. (a) Section 1310.12(a) of title 45, Code of Federal Regulations, shall take effect 30 days after the date of enactment of this Act.

(b)(1) Notwithstanding subsection (a), any vehicle used to transport children for a Head Start program as of January 1, 2007, shall not be subject to a requirement under such sec-

tion (including a requirement based on the definitions set forth or referenced in section 1310.3 or any other provision set forth or referenced in part 1310 of such title, or any corresponding similar regulation or ruling) regarding rear emergency exit doors, for 1 year after that date of enactment.

(2) Not later than 60 days after the National Highway Traffic Safety Administration of the Department of Transportation submits its study on occupant protection on Head Start transit vehicles (related to Government Accountability Office report GAO-06-767R), the Secretary of Health and Human Services shall review and shall revise as necessary the allowable alternate vehicle standards described in that part 1310 (or any corresponding similar regulation or ruling) relating to allowable alternate vehicles used to transport children for a Head Start program. In making any such revision, the Secretary shall revise the standards to be consistent with the findings contained in such study, including making a determination on the exemption of such a vehicle from Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, if such vehicle meets all other applicable Federal motor vehicle safety standards, including standards for seating systems, occupant crash protection, seat belt assemblies, and child restraint anchorage systems consistent with that part 1310 (or any corresponding similar regulation or ruling).

(3) Notwithstanding subsection (a), until such date as the Secretary of Health and Human Services completes the review and any necessary revision specified in paragraph (2), the provisions of section 1310.12(a) relating to Federal seat spacing requirements, and Federal supporting seating requirements related to compartmentalization, for allowable alternate vehicles used to transport children for a Head Start program, shall not apply to such a vehicle if such vehicle meets all other applicable Federal motor vehicle safety standards, as described in paragraph (2).

SEC. 5609. (a)(1) Section 3(37)(G) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(37)(G)) (as amended by section 1106(a) of the Pension Protection Act of 2006) is amended—

(A) in clause (i)(II)(aa), by striking "for each of the 3 plan years immediately before the date of the enactment of the Pension Protection Act of 2006," and inserting "for each of the 3 plan years immediately preceding the first plan year for which the election under this paragraph is effective with respect to the plan";

(B) in clause (ii), by striking "starting with the first plan year ending after the date of the enactment of the Pension Protection Act of 2006" and inserting "starting with any plan year beginning on or after January 1, 1999, and ending before January 1, 2008, as designated by the plan in the election made under clause (i)(II)"; and

(C) by adding at the end the following new clause:

(vii) For purposes of this Act and the Internal Revenue Code of 1986, a plan making an election under this subparagraph shall be treated as maintained pursuant to a collective bargaining agreement if a collective bargaining agreement, expressly or otherwise, provides for or permits employer contributions to the plan by one or more employers that are signatory to such agreement, or participation in the plan by one or more employees of an employer that is signatory to such agreement, regardless of whether the plan was created, established, or maintained for such employees by virtue of another document that is not a collective bargaining agreement.".

(2) Paragraph (6) of section 414(f) of the Internal Revenue Code of 1986 (relating to election with regard to multiemployer status) (as amended by section 1106(b) of the Pension Protection Act of 2006) is amended—

(A) in subparagraph (A)(ii)(I), by striking “for each of the 3 plan years immediately before the date of enactment of the Pension Protection Act of 2006,” and inserting “for each of the 3 plan years immediately preceding the first plan year for which the election under this paragraph is effective with respect to the plan.”;

(B) in subparagraph (B), by striking “starting with the first plan year ending after the date of the enactment of the Pension Protection Act of 2006” and inserting “starting with any plan year beginning on or after January 1, 1999, and ending before January 1, 2008, as designated by the plan in the election made under subparagraph (A)(ii)”;

(C) by adding at the end the following new subparagraph:

“(F) MAINTENANCE UNDER COLLECTIVE BARGAINING AGREEMENT.—For purposes of this title and the Employee Retirement Income Security Act of 1974, a plan making an election under this paragraph shall be treated as maintained pursuant to a collective bargaining agreement if a collective bargaining agreement, expressly or otherwise, provides for or permits employer contributions to the plan by one or more employers that are signatory to such agreement, or participation in the plan by one or more employees of an employer that is signatory to such agreement, regardless of whether the plan was created, established, or maintained for such employees by virtue of another document that is not a collective bargaining agreement.”.

(b)(1) Clause (vi) of section 3(37)(G) of the Employee Retirement Income Security Act of 1974 (as amended by section 1106(a) of the Pension Protection Act of 2006) is amended by striking “if it is a plan—” and all that follows and inserting the following: “if it is a plan sponsored by an organization which is described in section 501(c)(5) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which was established in Chicago, Illinois, on August 12, 1881.”.

(2) Subparagraph (E) of section 414(f)(6) of the Internal Revenue Code of 1986 (as amended by section 1106(b) of the Pension Protection Act of 2006) is amended by striking “if it is a plan—” and all that follows and inserting the following: “if it is a plan sponsored by an organization which is described in section 501(c)(5) and exempt from tax under section 501(a) and which was established in Chicago, Illinois, on August 12, 1881.”.

(c) The amendments made by this section shall take effect as if included in section 1106 of the Pension Protection Act of 2006.

SEC. 5610. (a) Subclause (III) of section 420(f)(2)(E)(i) of the Internal Revenue Code of 1986 is amended by striking “subsection (c)(2)(E)(ii)(II)” and inserting “subsection (c)(3)(E)(ii)(II)”.

(b) Section 420(e)(2)(B) of the Internal Revenue Code of 1986 is amended by striking “funding shortfall” and inserting “funding target”.

(c) The amendments made by this section shall take effect as if included in the provisions of the Pension Protection Act of 2006 to which they relate.

SEC. 5611. (a) Subparagraph (A) of section 420(c)(3) of the Internal Revenue Code of 1986 is amended by striking “transfer.” and inserting “transfer or, in the case of a transfer which involves a plan maintained by an employer described in subsection (f)(2)(E)(i)(III), if the plan meets the requirements of subsection (f)(2)(D)(i)(II).”.

(b) The amendment made by subsection (a) shall apply to transfers after the date of the enactment of this Act.

SEC. 5612. (a) Section 402(i)(1) of the Pension Protection Act of 2006 is amended by striking “December 28, 2007” and inserting “January 1, 2008”.

(b) The amendment made by subsection (a) shall take effect as if included in section 402 of the Pension Protection Act of 2006.

CHAPTER 7

LEGISLATIVE BRANCH HOUSE OF REPRESENTATIVES

PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Gloria W. Norwood, widow of Charles W. Norwood, Jr., late a Representative from the State of Georgia, \$165,200.

For payment to James McDonald, Jr., widower of Juanita Millender-McDonald, late a Representative from the State of California, \$165,200.

CHAPTER 8

GENERAL PROVISIONS—THIS CHAPTER TECHNICAL AMENDMENT

SEC. 5801. (a) Notwithstanding any other provision of law, subsection (e) under the heading “Assistance for the Independent States of the Former Soviet Union” in Public Law 109-102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109-289, division B) as amended by Public Laws 109-369, 109-383, and 110-5.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102) is amended, in the second proviso, by inserting after “subsection (b) of that section” the following: “and the requirement that a majority of the members of the board of directors be United States citizens provided in subsection (d)(3)(B) of that section”.

(c) Subject to section 101(c)(2) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5), the amount of funds appropriated for “Foreign Military Financing Program” pursuant to such Resolution shall be construed to be the total of the amount appropriated for such program by section 20401 of that Resolution and the amount made available for such program by section 591 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102) which is made applicable to the fiscal year 2007 by the provisions of such Resolution.

SEC. 5802. Notwithstanding any provision of title I of division B of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Laws 109-369, 109-383, and 110-5), the dollar amount limitation of the first proviso under the heading, “Administration of Foreign Affairs, Diplomatic and Consular Programs”, in title IV of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006 (Public Law 109-108; 119 Stat. 2319) shall not apply to funds appropriated under such heading for fiscal year 2007.

CHAPTER 9

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For an additional amount to carry out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, \$6,150,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund and to be subject to the

same terms and conditions pertaining to funds provided under this heading in Public Law 109-115: *Provided*, That not to exceed the total amount provided for these activities for fiscal year 2007 shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than \$0.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 5901. Hereafter, funds limited or appropriated for the Department of Transportation may be obligated or expended to grant authority to a Mexican motor carrier to operate beyond United States municipalities and commercial zones on the United States-Mexico border only to the extent that—

(1) granting such authority is first tested as part of a pilot program;

(2) such pilot program complies with the requirements of section 350 of Public Law 107-87 and the requirements of section 31315(c) of title 49, United States Code, related to pilot programs; and

(3) simultaneous and comparable authority to operate within Mexico is made available to motor carriers domiciled in the United States.

SEC. 5902. Funds provided for the “National Transportation Safety Board, Salaries and Expenses” in section 21031 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) include amounts necessary to make lease payments due in fiscal year 2007 only, on an obligation incurred in 2001 under a capital lease.

SEC. 5903. Section 21033 of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109-289, as amended by Public Law 110-5) is amended by adding after the second proviso: “: *Provided further*, That paragraph (2) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$149,300,000, but additional section 8 tenant protection rental assistance costs may be funded in 2007 by using unobligated balances, notwithstanding the purposes for which such amounts were appropriated, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading ‘Annual Contributions for Assisted Housing’, the heading ‘Housing Certificate Fund’, and the heading ‘Project-Based Rental Assistance’ for fiscal year 2006 and prior fiscal years: *Provided further*, That paragraph (3) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$47,500,000: *Provided further*, That paragraph (4) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$5,900,000: *Provided further*, That paragraph (5) under such heading in Public Law 109-115 (119 Stat. 2441) shall be funded at \$1,281,100,000, of which \$1,251,100,000 shall be allocated for the calendar year 2007 funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year 2006, and of which up to \$30,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs, with up to \$20,000,000 to be for fees associated with section 8 tenant protection rental assistance”.

SEC. 5904. Section 232(b) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106-377) is amended to read as follows:

“(b) APPLICABILITY.—In the case of any dwelling unit that, upon the date of the enactment of this Act, is assisted under a housing assistance payment contract under section 8(o)(13) as in effect before such enactment, or under section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)) as in effect before the enactment of the Quality Housing and Work Responsibility Act of 1998 (title V of Public Law 105-276), assistance may be renewed or extended under such section 8(o)(13), as amended by subsection (a), provided that the initial contract term and rent of such renewed or extended assistance shall be determined pursuant to subparagraphs (F) and (H), and subparagraphs (C) and (D) of such section shall not apply to such extensions or renewals.”.

CHAPTER 10

GENERAL PROVISIONS—THIS ACT

AVAILABILITY OF FUNDS

SEC. 5951. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

DESIGNATION FOR TITLES I AND II

SEC. 5952. Amounts in titles I and II are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and as making appropriations for contingency operations directly related to the global war on terrorism and other unanticipated defense-related operations pursuant to section 402 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

EMERGENCY DESIGNATION FOR OTHER TITLES

SEC. 5953. Amounts in titles III, IV, and VI are designated as emergency requirements pursuant to section 402 of H. Con. Res. 95 (109th Congress), and pursuant to section 501 of H. Con. Res. 376 (109th Congress) as made applicable to the House of Representatives by section 511(a)(4) of H. Res. 6 (110th Congress).

TITLE VI—ELIMINATION OF SCHIP SHORTFALL AND OTHER HEALTH MATTERS

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CENTERS FOR MEDICARE AND MEDICAID SERVICES STATE CHILDREN'S HEALTH INSURANCE FUND

For an additional amount to provide additional allotments to remaining shortfall States under section 2104(h)(4) of the Social Security Act, as inserted by section 6001, such sums as may be necessary, but not to exceed \$650,000,000 for fiscal year 2007, to remain available until expended.

GENERAL PROVISIONS—THIS TITLE

SEC. 6001. (a) ELIMINATION OF REMAINDER OF SCHIP FUNDING SHORTFALLS, TIERED MATCH, AND OTHER LIMITATION ON EXPENDITURES.—Section 2104(h) of the Social Security Act (42 U.S.C. 1397d(h)), as added by section 201(a) of the National Institutes of Health Reform Act of 2006 (Public Law 109-482), is amended—

(1) in the heading for paragraph (2), by striking “REMAINDER OF REDUCTION” and inserting “PART”; and

(2) by striking paragraph (4) and inserting the following:

“(4) ADDITIONAL AMOUNTS TO ELIMINATE REMAINDER OF FISCAL YEAR 2007 FUNDING SHORTFALLS.—

“(A) IN GENERAL.—From the amounts provided in advance in appropriations Acts, the Secretary shall allot to each remaining shortfall State described in subparagraph (B) such amount as the Secretary determines will eliminate the estimated shortfall described in such subparagraph for the State for fiscal year 2007.

“(B) REMAINING SHORTFALL STATE DESCRIBED.—For purposes of subparagraph (A), a remaining shortfall State is a State with a State child health plan approved under this title for which the Secretary estimates, on the basis of the most recent data available to the Secretary as of the date of the enactment of this paragraph, that the projected Federal expenditures under such plan for the State for fiscal year 2007 will exceed the sum of—

“(i) the amount of the State's allotments for each of fiscal years 2005 and 2006 that will not be expended by the end of fiscal year 2006;

“(ii) the amount of the State's allotment for fiscal year 2007; and

“(iii) the amounts, if any, that are to be redistributed to the State during fiscal year 2007 in accordance with paragraphs (1) and (2).”.

(b) CONFORMING AMENDMENTS.—Section 2104(h) of such Act (42 U.S.C. 1397d(h)) (as so added), is amended—

(1) in paragraph (1)(B), by striking “subject to paragraph (4)(B) and”; and

(2) in paragraph (2)(B), by striking “subject to paragraph (4)(B) and”; and

(3) in paragraph (5)(A), by striking “and (3)” and inserting “(3), and (4)”; and

(4) in paragraph (6)—

(A) in the first sentence—

(i) by inserting “or allotted” after “redistributed”; and

(ii) by inserting “or allotments” after “redistributions”; and

(B) by striking “and (3)” and inserting “(3), and (4)”. SEC. 6002. (a) PROHIBITION.—

(1) LIMITATION ON SECRETARIAL AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not, prior to the date that is 1 year after the date of enactment of this Act, take any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to—

(A) finalize or otherwise implement provisions contained in the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations);

(B) promulgate or implement any rule or provisions similar to the provisions described in subparagraph (A) pertaining to the Medicaid program established under title XIX of the Social Security Act or the State Children's Health Insurance Program established under title XXI of such Act; or

(C) promulgate or implement any rule or provisions restricting payments for graduate medical education under the Medicaid program.

(2) CONTINUATION OF OTHER SECRETARIAL AUTHORITY.—The Secretary of Health and Human Service shall not be prohibited during the period described in paragraph (1) from taking any action (through promulgation of regulation, issuance of regulatory guidance, or other administrative action) to enforce a provision of law in effect as of the date of enactment of this Act with respect to the Medicaid program or the State Children's Health Insurance Program, or to promulgate or implement a new rule or provision during such period with respect to such programs, other than a rule or provision described in paragraph (1) and subject to the prohibition set forth in that paragraph.

(b) REQUIREMENT FOR USE OF TAMPER-RESISTANT PRESCRIPTION PADS UNDER THE MEDICAID PROGRAM.—

(1) IN GENERAL.—Section 1903(i) of the Social Security Act (42 U.S.C. 1396b(i)) is amended—

(A) by striking “or” at the end of paragraph (21);

(B) by striking the period at the end of paragraph (22) and inserting “; or”; and

(C) by inserting after paragraph (22) the following new paragraph:

“(23) with respect to amounts expended for medical assistance for covered outpatient drugs (as defined in section 1927(k)(2)) for which the prescription was executed in written (and non-electronic) form unless the prescription was executed on a tamper-resistant pad.”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to prescriptions executed after September 30, 2007.

(c) EXTENSION OF CERTAIN PHARMACY PLUS WAIVERS.—

(1) AUTHORITY TO CONTINUE TO OPERATE WAIVERS.—Notwithstanding any other provision of law, any State that is operating a Pharmacy Plus waiver described in paragraph (2) which would otherwise expire on June 30, 2007, may elect to continue to operate the waiver through December 31, 2009.

(2) PHARMACY PLUS WAIVER DESCRIBED.—For purposes of paragraph (1), a Pharmacy Plus waiver described in this paragraph is a waiver approved by the Secretary of Health and Human Services under the authority of section 1115 of the Social Security Act (42 U.S.C. 1315) that provides coverage for prescription drugs for individuals who have attained age 65 and whose family income does not exceed 200 percent of the poverty line (as defined in section 2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5))).

TITLE VII—FAIR MINIMUM WAGE AND TAX RELIEF

Subtitle A—Fair Minimum Wage

SEC. 7101. SHORT TITLE.

This subtitle may be cited as the “Fair Minimum Wage Act of 2007”.

SEC. 7102. MINIMUM WAGE.

(a) IN GENERAL.—Section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

“(1) except as otherwise provided in this section, not less than—

“(A) \$5.85 an hour, beginning on the 60th day after the date of enactment of the Fair Minimum Wage Act of 2007;

“(B) \$6.55 an hour, beginning 12 months after the 60th day; and

“(C) \$7.25 an hour, beginning 24 months after the 60th day.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 60 days after the date of enactment of this Act.

SEC. 7103. APPLICABILITY OF MINIMUM WAGE TO AMERICAN SAMOA AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) IN GENERAL.—Section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to American Samoa and the Commonwealth of the Northern Mariana Islands.

(b) TRANSITION.—Notwithstanding subsection (a)—

(1) the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) \$3.55 an hour, beginning on the 60th day after the date of enactment of this Act; and

(B) increased by \$0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to the Commonwealth of the Northern Mariana Islands under this paragraph is equal to the minimum wage set forth in such section; and

(2) the minimum wage applicable to American Samoa under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall be—

(A) the applicable wage rate in effect for each industry and classification under section 697 of title 29, Code of Federal Regulations, on the date of enactment of this Act;

(B) increased by \$0.50 an hour, beginning on the 60th day after the date of enactment of this Act; and

(C) increased by \$0.50 an hour (or such lesser amount as may be necessary to equal the minimum wage under section 6(a)(1) of such Act), beginning 1 year after the date of enactment of this Act and each year thereafter until the minimum wage applicable to American Samoa under this paragraph is equal to the minimum wage set forth in such section.

(c) CONFORMING AMENDMENTS.—

(1) **IN GENERAL.**—The Fair Labor Standards Act of 1938 is amended—

(A) by striking sections 5 and 8; and

(B) in section 6(a), by striking paragraph (3) and redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(2) **EFFECTIVE DATE.**—The amendments made by this subsection shall take effect 60 days after the date of enactment of this Act.

SEC. 7104. STUDY ON PROJECTED IMPACT.

(a) **STUDY.**—Beginning on the date that is 26 months after the date of enactment of this Act, the Secretary of Labor shall, through the Bureau of Labor Statistics, conduct a study to—

(1) assess the impact of the wage increases required by this Act through such date; and

(2) to project the impact of any further wage increase,

on living standards and rates of employment in American Samoa and the Commonwealth of the Northern Mariana Islands.

(b) **REPORT.**—Not later than the date that is 32 months after the date of enactment of this Act, the Secretary of Labor shall transmit to Congress a report on the findings of the study required by subsection (a).

Subtitle B—Small Business Tax Incentives

SEC. 7201. SHORT TITLE; AMENDMENT OF CODE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This subtitle may be cited as the “Small Business and Work Opportunity Tax Act of 2007”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 7201. Short title; amendment of Code; table of contents.

PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS

SUBPART A—GENERAL PROVISIONS

Sec. 7211. Extension and modification of work opportunity tax credit.

Sec. 7212. Extension and increase of expensing for small business.

Sec. 7213. Determination of credit for certain taxes paid with respect to employee cash tips.

Sec. 7214. Waiver of individual and corporate alternative minimum tax limits on work opportunity credit and credit for taxes paid with respect to employee cash tips.

Sec. 7215. Family business tax simplification.

SUBPART B—GULF OPPORTUNITY ZONE TAX INCENTIVES

Sec. 7221. Extension of increased expensing for qualified section 179 Gulf Opportunity Zone property.

Sec. 7222. Extension and expansion of low-income housing credit rules for buildings in the GO Zones.

Sec. 7223. Special tax-exempt bond financing rule for repairs and reconstructions of residences in the GO Zones.

Sec. 7224. GAO study of practices employed by State and local governments in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005.

SUBPART C—SUBCHAPTER S PROVISIONS

Sec. 7231. Capital gain of S corporation not treated as passive investment income.

Sec. 7232. Treatment of bank director shares.

Sec. 7233. Special rule for bank required to change from the reserve method of accounting on becoming S corporation.

Sec. 7234. Treatment of the sale of interest in a qualified subchapter S subsidiary.

Sec. 7235. Elimination of all earnings and profits attributable to pre-1983 years for certain corporations.

Sec. 7236. Deductibility of interest expense on indebtedness incurred by an electing small business trust to acquire S corporation stock.

PART 2—REVENUE PROVISIONS

Sec. 7241. Increase in age of children whose unearned income is taxed as if parent's income.

Sec. 7242. Suspension of certain penalties and interest.

Sec. 7243. Modification of collection due process procedures for employment tax liabilities.

Sec. 7244. Permanent extension of IRS user fees.

Sec. 7245. Increase in penalty for bad checks and money orders.

Sec. 7246. Understatement of taxpayer liability by return preparers.

Sec. 7247. Penalty for filing erroneous refund claims.

Sec. 7248. Time for payment of corporate estimated taxes.

PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS

Subpart A—General Provisions

SEC. 7211. EXTENSION AND MODIFICATION OF WORK OPPORTUNITY TAX CREDIT.

(a) **EXTENSION.**—Section 51(c)(4)(B) (relating to termination) is amended by striking “December 31, 2007” and inserting “August 31, 2011”.

(b) **INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.**—

(1) **IN GENERAL.**—Paragraph (5) of section 51(d) is amended to read as follows:

“(5) DESIGNATED COMMUNITY RESIDENTS.—

“(A) **IN GENERAL.**—The term ‘designated community resident’ means any individual who is certified by the designated local agency—

“(i) as having attained age 18 but not age 40 on the hiring date, and

“(ii) as having his principal place of abode within an empowerment zone, enterprise community, renewal community, or rural renewal county.

“(B) **INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE, COMMUNITY, OR COUNTY.**—In the case of a designated community resident, the term ‘qualified wages’ shall not include wages paid or incurred for services performed while the individual’s principal place of abode is outside an empowerment zone, enterprise community, renewal community, or rural renewal county.

“(C) **RURAL RENEWAL COUNTY.**—For purposes of this paragraph, the term ‘rural renewal county’ means any county which—

“(i) is outside a metropolitan statistical area (defined as such by the Office of Management and Budget), and

“(ii) during the 5-year periods 1990 through 1994 and 1995 through 1999 had a net population loss.”.

(2) **CONFORMING AMENDMENT.**—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

“(D) a designated community resident.”.

(c) **CLARIFICATION OF TREATMENT OF INDIVIDUALS UNDER INDIVIDUAL WORK PLANS.**—Subparagraph (B) of section 51(d)(6) (relating to vocational rehabilitation referral) is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “, or”, and by adding at the end the following new clause: “(iii) an individual work plan developed and implemented by an employment network pursuant to subsection (g) of section 1148 of the Social Security Act with respect to which the requirements of such subsection are met.”.

(d) **TREATMENT OF DISABLED VETERANS UNDER THE WORK OPPORTUNITY TAX CREDIT.**—

(1) **DISABLED VETERANS TREATED AS MEMBERS OF TARGETED GROUP.**—

(A) **IN GENERAL.**—Subparagraph (A) of section 51(d)(3) (relating to qualified veteran) is amended by striking “agency as being a member of a family” and all that follows and inserting “agency as—

“(i) being a member of a family receiving assistance under a food stamp program under the Food Stamp Act of 1977 for at least a 3-month period ending during the 12-month period ending on the hiring date, or

“(ii) entitled to compensation for a service-connected disability, and—

“(I) having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States, or

“(II) having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.”.

(B) **DEFINITIONS.**—Paragraph (3) of section 51(d) is amended by adding at the end the following new subparagraph:

“(C) **OTHER DEFINITIONS.**—For purposes of subparagraph (A), the terms ‘compensation’ and ‘service-connected’ have the meanings given such terms under section 101 of title 38, United States Code.”.

(2) **INCREASE IN AMOUNT OF WAGES TAKEN INTO ACCOUNT FOR DISABLED VETERANS.**—Paragraph (3) of section 51(b) is amended—

(A) by inserting “(\$12,000 per year in the case of any individual who is a qualified veteran by reason of subsection (d)(3)(A)(ii))” before the period at the end, and

(B) by striking “ONLY FIRST \$6,000 OF” in the heading and inserting “LIMITATION ON”.

(e) **EFFECTIVE DATE.**—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act.

SEC. 7212. EXTENSION AND INCREASE OF EXPENSING FOR SMALL BUSINESS.

(a) **EXTENSION.**—Subsections (b)(1), (b)(2), (b)(5), (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election to expense certain depreciable business assets) are each amended by striking “2010” and inserting “2011”.

(b) **INCREASE IN LIMITATIONS.**—Subsection (b) of section 179 is amended—

(1) by striking “\$100,000 in the case of taxable years beginning after 2002” in paragraph (1) and inserting “\$125,000 in the case of taxable years beginning after 2006”, and

(2) by striking “\$400,000 in the case of taxable years beginning after 2002” in paragraph (2) and inserting “\$500,000 in the case of taxable years beginning after 2006”.

(c) **INFLATION ADJUSTMENT.**—Subparagraph (A) of section 179(b)(5) is amended—

(1) by striking “2003” and inserting “2007”,

(2) by striking “\$100,000 and \$400,000” and inserting “\$125,000 and \$500,000”, and

(3) by striking ‘‘2002’’ in clause (ii) and inserting ‘‘2006’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7213. DETERMINATION OF CREDIT FOR CERTAIN TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) IN GENERAL.—Subparagraph (B) of section 45B(b)(1) is amended by inserting ‘‘as in effect on January 1, 2007, and’’ before ‘‘determined without regard to’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to tips received for services performed after December 31, 2006.

SEC. 7214. WAIVER OF INDIVIDUAL AND CORPORATE ALTERNATIVE MINIMUM TAX LIMITS ON WORK OPPORTUNITY CREDIT AND CREDIT FOR TAXES PAID WITH RESPECT TO EMPLOYEE CASH TIPS.

(a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) is amended by striking ‘‘and’’ at the end of clause (i), by inserting a comma at the end of clause (ii), and by adding at the end the following new clauses:

“(iii) the credit determined under section 45B, and

“(iv) the credit determined under section 51.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to credits determined under sections 45B and 51 of the Internal Revenue Code of 1986 in taxable years beginning after December 31, 2006, and to carrybacks of such credits.

SEC. 7215. FAMILY BUSINESS TAX SIMPLIFICATION.

(a) IN GENERAL.—Section 761 (defining terms for purposes of partnerships) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) QUALIFIED JOINT VENTURE.—

“(1) IN GENERAL.—In the case of a qualified joint venture conducted by a husband and wife who file a joint return for the taxable year, for purposes of this title—

“(A) such joint venture shall not be treated as a partnership,

“(B) all items of income, gain, loss, deduction, and credit shall be divided between the spouses in accordance with their respective interests in the venture, and

“(C) each spouse shall take into account such spouse’s respective share of such items as if they were attributable to a trade or business conducted by such spouse as a sole proprietor.

“(2) QUALIFIED JOINT VENTURE.—For purposes of paragraph (1), the term ‘qualified joint venture’ means any joint venture involving the conduct of a trade or business if—

“(A) the only members of such joint venture are a husband and wife,

“(B) both spouses materially participate (within the meaning of section 469(h) without regard to paragraph (5) thereof) in such trade or business, and

“(C) both spouses elect the application of this subsection.”.

(b) NET EARNINGS FROM SELF-EMPLOYMENT.—

(1) Subsection (a) of section 1402 (defining net earnings from self-employment) is amended by striking ‘‘, and’’ at the end of paragraph (15) and inserting a semicolon, by striking the period at the end of paragraph (16) and inserting ‘‘; and’’, and by inserting after paragraph (16) the following new paragraph:

“(17) notwithstanding the preceding provisions of this subsection, each spouse’s share of income or loss from a qualified joint venture shall be taken into account as provided

in section 761(f) in determining net earnings from self-employment of such spouse.”.

(2) Subsection (a) of section 211 of the Social Security Act (defining net earnings from self-employment) is amended by striking ‘‘and’’ at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting ‘‘; and’’, and by inserting after paragraph (15) the following new paragraph:

“(16) Notwithstanding the preceding provisions of this subsection, each spouse’s share of income or loss from a qualified joint venture shall be taken into account as provided in section 761(f) of the Internal Revenue Code of 1986 in determining net earnings from self-employment of such spouse.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

Subpart B—Gulf Opportunity Zone Tax Incentives

SEC. 7221. EXTENSION OF INCREASED EXPENSING FOR QUALIFIED SECTION 179 GULF OPPORTUNITY ZONE PROPERTY.

Paragraph (2) of section 1400N(e) (relating to qualified section 179 Gulf Opportunity Zone property) is amended—

(1) by striking ‘‘this subsection, the term’’ and inserting

“this subsection—

“(A) IN GENERAL.—The term”, and

(2) by adding at the end the following new subparagraph:

“(B) EXTENSION FOR CERTAIN PROPERTY.—In the case of property substantially all of the use of which is in one or more specified portions of the GO Zone (as defined by subsection (d)(6)), such term shall include section 179 property (as so defined) which is described in subsection (d)(2), determined—

“(i) without regard to subsection (d)(6), and

“(ii) by substituting ‘‘2008’’ for ‘‘2007’’ in subparagraph (A)(v) thereof.”.

SEC. 7222. EXTENSION AND EXPANSION OF LOW-INCOME HOUSING CREDIT RULES FOR BUILDINGS IN THE GO ZONES.

(a) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Subsection (c) of section 1400N (relating to low-income housing credit) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

“(5) TIME FOR MAKING LOW-INCOME HOUSING CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall not apply to an allocation of housing credit dollar amount to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone, if such allocation is made in 2006, 2007, or 2008, and such building is placed in service before January 1, 2011.”.

(b) EXTENSION OF PERIOD FOR TREATING GO ZONES AS DIFFICULT DEVELOPMENT AREAS.—

(1) IN GENERAL.—Subparagraph (A) of section 1400N(c)(3) is amended by striking ‘‘2006, 2007, or 2008’’ and inserting ‘‘the period beginning on January 1, 2006, and ending on December 31, 2010’’.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 1400N(c)(3)(B) is amended by striking ‘‘such period’’ and inserting ‘‘the period described in subparagraph (A)’’.

(c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section 1400N (relating to low-income housing credit), as amended by this Act, is amended by redesignating paragraph (6) as paragraph (7) and by inserting after paragraph (5) the following new paragraph:

“(6) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS ARE FEDERALLY SUB-

SIDIZED.—For purpose of applying section 42(i)(2)(D) to any building which is placed in service in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone during the period beginning on January 1, 2006, and ending on December 31, 2010, a loan shall not be treated as a below market Federal loan solely by reason of any assistance provided under section 106, 107, or 108 of the Housing and Community Development Act of 1974 by reason of section 122 of such Act or any provision of the Department of Defense Appropriations Act, 2006, or the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006.”.

SEC. 7223. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR REPAIRS AND RECONSTRUCTIONS OF RESIDENCES IN THE GO ZONES.

Subsection (a) of section 1400N (relating to tax-exempt bond financing) is amended by adding at the end the following new paragraph:

“(7) SPECIAL RULE FOR REPAIRS AND RECONSTRUCTIONS.—

“(A) IN GENERAL.—For purposes of section 143 and this subsection, any qualified GO Zone repair or reconstruction shall be treated as a qualified rehabilitation.

“(B) QUALIFIED GO ZONE REPAIR OR RECONSTRUCTION.—For purposes of subparagraph (A), the term ‘qualified GO Zone repair or reconstruction’ means any repair or reconstruction caused by Hurricane Katrina, Hurricane Rita, or Hurricane Wilma to a building located in the Gulf Opportunity Zone, the Rita GO Zone, or the Wilma GO Zone (or reconstruction of such building in the case of damage constituting destruction) if the expenditures for such repair or reconstruction are 25 percent or more of the mortgagor’s adjusted basis in the residence. For purposes of the preceding sentence, the mortgagor’s adjusted basis shall be determined as of the completion of the repair or reconstruction or, if later, the date on which the mortgagor acquires the residence.

“(C) TERMINATION.—This paragraph shall apply only to owner-financing provided after the date of the enactment of this paragraph and before January 1, 2011.”.

SEC. 7224. GAO STUDY OF PRACTICES EMPLOYED BY STATE AND LOCAL GOVERNMENTS IN ALLOCATING AND UTILIZING TAX INCENTIVES PROVIDED PURSUANT TO THE GULF OPPORTUNITY ZONE ACT OF 2005.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the practices employed by State and local governments, and subdivisions thereof, in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005 and this Act.

(b) SUBMISSION OF REPORT.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit a report on the findings of the study conducted under subsection (a) and shall include therein recommendations (if any) relating to such findings. The report shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(c) CONGRESSIONAL HEARINGS.—In the case that the report submitted under this section includes findings of significant fraud, waste or abuse, each Committee specified in subsection (b) shall, within 60 days after the date the report is submitted under subsection (b), hold a public hearing to review such findings.

Subpart C—Subchapter S Provisions

SEC. 7231. CAPITAL GAIN OF S CORPORATION NOT TREATED AS PASSIVE INVESTMENT INCOME.

(a) IN GENERAL.—Section 1362(d)(3) is amended by striking subparagraphs (B), (C),

(D), (E), and (F) and inserting the following new subparagraphs:

“(B) GROSS RECEIPTS FROM THE SALES OF CERTAIN ASSETS.—For purposes of this paragraph—

“(i) in the case of dispositions of capital assets (other than stock and securities), gross receipts from such dispositions shall be taken into account only to the extent of the capital gain net income therefrom, and

“(ii) in the case of sales or exchanges of stock or securities, gross receipts shall be taken into account only to the extent of the gains therefrom.

“(C) PASSIVE INVESTMENT INCOME DEFINED.—

“(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term ‘passive investment income’ means gross receipts derived from royalties, rents, dividends, interest, and annuities.

“(ii) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term ‘passive investment income’ shall not include interest on any obligation acquired in the ordinary course of the corporation’s trade or business from its sale of property described in section 1221(a)(1).

“(iii) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term ‘passive investment income’ shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

“(iv) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term ‘passive investment income’ shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

“(v) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1))), the term ‘passive investment income’ shall not include—

“(I) interest income earned by such bank or company, or

“(II) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.”.

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

SEC. 7232. TREATMENT OF BANK DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 (defining S corporation) is amended by adding at the end the following new subsection:

“(f) RESTRICTED BANK DIRECTOR STOCK.—

“(1) IN GENERAL.—Restricted bank director stock shall not be taken into account as outstanding stock of the S corporation in applying this subchapter (other than section 1368(f)).

“(2) RESTRICTED BANK DIRECTOR STOCK.—For purposes of this subsection, the term ‘restricted bank director stock’ means stock in a bank (as defined in section 581) or a depository institution holding company (as defined in section 3(w)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(1)), if such stock—

“(A) is required to be held by an individual under applicable Federal or State law in

order to permit such individual to serve as a director, and

“(B) is subject to an agreement with such bank or company (or a corporation which controls (within the meaning of section 368(c)) such bank or company) pursuant to which the holder is required to sell back such stock (at the same price as the individual acquired such stock) upon ceasing to hold the office of director.

“(3) CROSS REFERENCE.—

“For treatment of certain distributions with respect to restricted bank director stock, see section 1368(f)...”.

(b) DISTRIBUTIONS.—Section 1368 (relating to distributions) is amended by adding at the end the following new subsection:

“(f) RESTRICTED BANK DIRECTOR STOCK.—If a director receives a distribution (not in part or full payment in exchange for stock) from an S corporation with respect to any restricted bank director stock (as defined in section 1361(f)), the amount of such distribution—

“(1) shall be includable in gross income of the director, and

“(2) shall be deductible by the corporation for the taxable year of such corporation in which or with which ends the taxable year in which such amount is included in the gross income of the director.”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) SPECIAL RULE FOR TREATMENT AS SECOND CLASS OF STOCK.—In the case of any taxable year beginning after December 31, 1996, restricted bank director stock (as defined in section 1361(f) of the Internal Revenue Code of 1986, as added by this section) shall not be taken into account in determining whether an S corporation has more than 1 class of stock.

SEC. 7233. SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.

(a) IN GENERAL.—Section 1361, as amended by this Act, is amended by adding at the end the following new subsection:

“(g) SPECIAL RULE FOR BANK REQUIRED TO CHANGE FROM THE RESERVE METHOD OF ACCOUNTING ON BECOMING S CORPORATION.—In the case of a bank which changes from the reserve method of accounting for bad debts described in section 585 or 593 for its first taxable year for which an election under section 1362(a) is in effect, the bank may elect to take into account any adjustments under section 481 by reason of such change for the taxable year immediately preceding such first taxable year.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7234. TREATMENT OF THE SALE OF INTEREST IN A QUALIFIED SUBCHAPTER S SUBSIDIARY.

(a) IN GENERAL.—Subparagraph (C) of section 1361(b)(3) (relating to treatment of terminations of qualified subchapter S subsidiary status) is amended—

(1) by striking “For purposes of this title,” and inserting the following:

“(i) IN GENERAL.—For purposes of this title,”, and

(2) by inserting at the end the following new clause:

“(ii) TERMINATION BY REASON OF SALE OF STOCK.—If the failure to meet the requirements of subparagraph (B) is by reason of the sale of stock of a corporation which is a qualified subchapter S subsidiary, the sale of such stock shall be treated as if—

“(I) the sale were a sale of an undivided interest in the assets of such corporation

(based on the percentage of the corporation’s stock sold), and

“(II) the sale were followed by an acquisition by such corporation of all of its assets (and the assumption by such corporation of all of its liabilities) in a transaction to which section 351 applies.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 7235. ELIMINATION OF ALL EARNINGS AND PROFITS ATTRIBUTABLE TO PRE-1983 YEARS FOR CERTAIN CORPORATIONS.

In the case of a corporation which is—

(1) described in section 1311(a)(1) of the Small Business Job Protection Act of 1996, and

(2) not described in section 1311(a)(2) of such Act, the amount of such corporation’s accumulated earnings and profits (for the first taxable year beginning after the date of the enactment of this Act) shall be reduced by an amount equal to the portion (if any) of such accumulated earnings and profits which were accumulated in any taxable year beginning before January 1, 1983, for which such corporation was an electing small business corporation under subchapter S of the Internal Revenue Code of 1986.

SEC. 7236. DEDUCTIBILITY OF INTEREST EXPENSE ON INDEBTEDNESS INCURRED BY AN ELECTING SMALL BUSINESS TRUST TO ACQUIRE S CORPORATION STOCK.

(a) IN GENERAL.—Subparagraph (C) of section 641(c)(2) (relating to modifications) is amended by inserting after clause (iii) the following new clause:

“(iv) Any interest expense paid or accrued on indebtedness incurred to acquire stock in an S corporation.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2006.

PART 2—REVENUE PROVISIONS

SEC. 7241. INCREASE IN AGE OF CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT’S INCOME.

(a) IN GENERAL.—Subparagraph (A) of section 1(g)(2) (relating to child to whom subsection applies) is amended to read as follows:

“(A) such child—

“(i) has not attained age 18 before the close of the taxable year, or

“(ii)(I) has attained age 18 before the close of the taxable year and meets the age requirements of section 152(c)(3) (determined without regard to subparagraph (B) thereof), and

“(II) whose earned income (as defined in section 911(d)(2)) for such taxable year does not exceed one-half of the amount of the individual’s support (within the meaning of section 152(c)(1)(D) after the application of section 152(f)(5) (without regard to subparagraph (A) thereof) for such taxable year.”.

(b) CONFORMING AMENDMENT.—Subsection (g) of section 1 is amended by striking “MINOR” in the heading thereof.

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

SEC. 7242. SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of section 6404(g) are each amended by striking “18-month period” and inserting “36-month period”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of this Act.

SEC. 7243. MODIFICATION OF COLLECTION DUE PROCESS PROCEDURES FOR EMPLOYMENT TAX LIABILITIES.

(a) IN GENERAL.—Section 6330(f) (relating to jeopardy and State refund collection) is amended—

(1) by striking “; or” at the end of paragraph (1) and inserting a comma,

(2) by adding “or” at the end of paragraph (2), and

(3) by inserting after paragraph (2) the following new paragraph:

“(3) the Secretary has served a disqualified employment tax levy.”.

(b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Section 6330 of such Code (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

“(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For purposes of subsection (f), a disqualified employment tax levy is any levy in connection with the collection of employment taxes for any taxable period if the person subject to the levy (or any predecessor thereof) requested a hearing under this section with respect to unpaid employment taxes arising in the most recent 2-year period before the beginning of the taxable period with respect to which the levy is served. For purposes of the preceding sentence, the term ‘employment taxes’ means any taxes under chapter 21, 22, 23, or 24.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to levies served on or after the date that is 120 days after the date of the enactment of this Act.

SEC. 7244. PERMANENT EXTENSION OF IRS USER FEES.

Section 7528 (relating to Internal Revenue Service user fees) is amended by striking subsection (c).

SEC. 7245. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking “\$750” and inserting “\$1,250”, and

(2) by striking “\$15” and inserting “\$25”.

(b) EFFECTIVE DATE.—The amendments made by this section apply to checks or money orders received after the date of the enactment of this Act.

SEC. 7246. UNDERSTATEMENT OF TAXPAYER LIABILITY BY RETURN PREPARERS.

(a) APPLICATION OF RETURN PREPARER PENALTIES TO ALL TAX RETURNS.—

(1) DEFINITION OF TAX RETURN PREPARER.—Paragraph (36) of section 7701(a) (relating to income tax preparer) is amended—

(A) by striking “income” each place it appears in the heading and the text, and

(B) in subparagraph (A), by striking “subtitle A” each place it appears and inserting “this title”.

(2) CONFORMING AMENDMENTS.—

(A)(i) Section 6060 is amended by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”.

(ii) Section 6060(a) is amended—

(I) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”,

(II) by striking “each income tax return preparer” and inserting “each tax return preparer”, and

(III) by striking “another income tax return preparer” and inserting “another tax return preparer”.

(iii) The item relating to section 6060 in the table of sections for subpart F of part III of subchapter A of chapter 61 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(iv) Subpart F of part III of subchapter A of chapter 61 is amended by striking “INCOME TAX RETURN PREPARERS” in the

heading and inserting “TAX RETURN PREPARERS”.

(v) The item relating to subpart F in the table of subparts for part III of subchapter A of chapter 61 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(B) Section 6103(k)(5) is amended—

(i) by striking “income tax return preparer” each place it appears and inserting “tax return preparer”, and

(ii) by striking “income tax return preparers” each place it appears and inserting “tax return preparers”.

(C)(i) Section 6107 is amended—

(I) by striking “INCOME TAX RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”,

(II) by striking “an income tax return preparer” each place it appears in subsections (a) and (b) and inserting “a tax return preparer”,

(III) by striking “INCOME TAX RETURN PREPARER” in the heading for subsection (b) and inserting “TAX RETURN PREPARER”, and

(IV) in subsection (c), by striking “income tax return preparers” and inserting “tax return preparers”.

(ii) The item relating to section 6107 in the table of sections for subchapter B of chapter 61 is amended by striking “Income tax return preparer” and inserting “Tax return preparer”.

(D) Section 6109(a)(4) is amended—

(i) by striking “an income tax return preparer” and inserting “a tax return preparer”, and

(ii) by striking “INCOME RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”.

(E) Section 6503(k)(4) is amended by striking “Income tax return preparers” and inserting “Tax return preparers”.

(F)(i) Section 6694 is amended—

(I) by striking “INCOME TAX RETURN PREPARER” in the heading and inserting “TAX RETURN PREPARER”,

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”,

(III) in subsection (c)(2), by striking “the income tax return preparer” and inserting “the tax return preparer”,

(IV) in subsection (e), by striking “subtitle A” and inserting “this title”, and

(V) in subsection (f), by striking “income tax return preparer” and inserting “tax return preparer”.

(ii) The item relating to section 6694 in the table of sections for part I of subchapter B of chapter 68 is amended by striking “income tax return preparer” and inserting “tax return preparer”.

(G)(i) Section 6695 is amended—

(I) by striking “INCOME” in the heading, and

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”.

(ii) Section 6695(f) is amended—

(I) by striking “subtitle A” and inserting “this title”, and

(II) by striking “the income tax return preparer” and inserting “the tax return preparer”.

(iii) The item relating to section 6695 in the table of sections for part I of subchapter B of chapter 68 is amended by striking “income”.

(H) Section 6696(e) is amended by striking “subtitle A” each place it appears and inserting “this title”.

(I)(i) Section 7407 is amended—

(I) by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”,

(II) by striking “an income tax return preparer” each place it appears and inserting “a tax return preparer”,

(III) by striking “income tax preparer” both places it appears in subsection (a) and inserting “tax return preparer”, and

(IV) by striking “income tax return” in subsection (a) and inserting “tax return”.

(ii) The item relating to section 7407 in the table of sections for subchapter A of chapter 76 is amended by striking “income tax return preparers” and inserting “tax return preparers”.

(J)(i) Section 7427 is amended—

(I) by striking “INCOME TAX RETURN PREPARERS” in the heading and inserting “TAX RETURN PREPARERS”, and

(II) by striking “an income tax return preparer” and inserting “a tax return preparer”.

(ii) The item relating to section 7427 in the table of sections for subchapter B of chapter 76 is amended to read as follows:

“Sec. 7427. Tax return preparers.”.

(b) MODIFICATION OF PENALTY FOR UNDERSTATEMENT OF TAXPAYER’S LIABILITY BY TAX RETURN PREPARER.—Subsections (a) and (b) of section 6694 are amended to read as follows:

“(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

“(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

“(A) \$1,000, or

“(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) UNREASONABLE POSITION.—A position is described in this paragraph if—

“(A) the tax return preparer knew (or reasonably should have known) of the position,

“(B) there was not a reasonable belief that the position would more likely than not be sustained on its merits, and

“(C)(i) the position was not disclosed as provided in section 6662(d)(2)(B)(ii), or

“(ii) there was no reasonable basis for the position.

“(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.

“(b) UNDERSTATEMENT DUE TO WILLFUL OR RECKLESS CONDUCT.—

“(1) IN GENERAL.—Any tax return preparer who prepares any return or claim for refund with respect to which any part of an understatement of liability is due to a conduct described in paragraph (2) shall pay a penalty with respect to each such return or claim in an amount equal to the greater of—

“(A) \$5,000, or

“(B) 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) WILLFUL OR RECKLESS CONDUCT.—Conduct described in this paragraph is conduct by the tax return preparer which is—

“(A) a willful attempt in any manner to understate the liability for tax on the return or claim, or

“(B) a reckless or intentional disregard of rules or regulations.

“(3) REDUCTION IN PENALTY.—The amount of any penalty payable by any person by reason of this subsection for any return or claim for refund shall be reduced by the amount of the penalty paid by such person by reason of subsection (a).”.

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

SEC. 7247. PENALTY FOR FILING ERRONEOUS REFUND CLAIMS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by inserting after section 6675 the following new section:

"SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.

"(a) CIVIL PENALTY.—If a claim for refund or credit with respect to income tax (other than a claim for a refund or credit relating to the earned income credit under section 32) is made for an excessive amount, unless it is shown that the claim for such excessive amount has a reasonable basis, the person making such claim shall be liable for a penalty in an amount equal to 20 percent of the excessive amount.

"(b) EXCESSIVE AMOUNT.—For purposes of this section, the term 'excessive amount' means in the case of any person the amount by which the amount of the claim for refund or credit for any taxable year exceeds the amount of such claim allowable under this title for such taxable year.

"(c) COORDINATION WITH OTHER PENALTIES.—This section shall not apply to any portion of the excessive amount of a claim for refund or credit which is subject to a penalty imposed under part II of subchapter A of chapter 68.."

(b) CONFORMING AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by inserting after the item relating to section 6675 the following new item:

"Sec. 6676. Erroneous claim for refund or credit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any claim filed or submitted after the date of the enactment of this Act.

SEC. 7248. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking "106.25 percent" and inserting "114.25 percent".

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. OBEY) and the gentleman from California (Mr. LEWIS) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. OBEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include tabular and extraneous material on H.R. 2206.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. OBEY. Mr. Speaker, I yield myself 6 minutes. Let me start by saying what is not in this bill. There is no money in this bill for agriculture, there is no money for western wildfires, there is no money for western schools. All of that will be in the next bill, which will be considered separately.

Mr. Speaker, this bill is our response to the President's request for \$100 billion in additional funding for the civil war in Iraq, after he vetoed the Congress's first attempt to deal with that problem.

□ 1800

What the bill does is to provide roughly \$40 billion in funds that are

needed for the troops. We provide \$30.5 billion for operations in Iraq and Afghanistan. We provide additional funding for training of Afghan and Iraqi soldiers.

We provide \$3.5 billion for defense health, a number of these items we are providing the President has not asked for. We are providing, for instance, for the full \$3.1 billion for base realignment. That is money which he asked for last year, but not in this bill.

We are also asking for \$1.8 billion for veterans health care, which he did not ask for. We are asking for \$2.2 billion for homeland security to strengthen our ports, our border and our cargo security.

We are providing \$660 million to defend this country against the flu pandemic, which could kill many more Americans than have died in Iraq if we get hit with that flu. This is money the administration itself asked for 2 years ago.

We are also, in addition to that, asking to finish a number of jobs left over from the last Congress. We are asking to finish the construction, the job of cleaning up the mess after Hurricane Katrina.

We are also trying to restore 40 percent of the cut that the previous Congress, last year, made in the Low-Income Heating Assistance Program in light of the higher energy prices that are rising every day. And we are providing, roughly \$400 million in order to keep some of America's poorest kids from losing their access to health care.

In addition to that, we are fencing the remaining funds that the President has asked for, for Iraq, and we are fencing that money, just as we did in 1984 when the MX missile issue was in dispute. And that money is being held until the President issues three reports.

By July 13, he needs to issue a report defining the progress Iraq is making in meeting the benchmarks which the President himself laid out several months ago.

And we also ask him to submit a second report outlining whether or not any of those benchmarks have actually been achieved.

And then, in addition to that, we are requiring a monthly report on the combat-ready status of Iraqi military units.

When the Congress receives those reports, it will then have about a week and a half before it has to consider, under expedited procedures provided in this bill, it would have to consider, essentially, two questions.

The pending question before the House would be whether or not the remaining funds should be released so that the President, essentially, gets all of his money with no strings.

The second proposition to be voted on is whether or not that money should instead be used to simply reposition our troops out of a combat role in Iraq.

We make certain exceptions, the same exceptions that we had in the bill

the last time it was before the House. And I would simply say, Mr. Speaker, that I think we guarantee that the administration has a fair, clean shot at getting the result it wants; and I think those in this Chamber who want a different result and want to see a new policy in Iraq, will get a clean shot at their preference.

What we are, in essence, doing is giving the President about 60 more days to make his case before those votes occur. I think that is eminently fair to him, and I think it is eminently fair to those of us in the Congress who disagree with his position.

We are trying to find a way to reach a final decision on these matters, even though many of us in this body very strongly disagree with the President's package. With this package, we will have compromised, now, on three very major items. We will have compromised on the initial Murtha principles with respect to military unit readiness by providing a waiver for the President.

We have also compromised with respect to the time line, because we have kept in our national bill that he vetoed, we retained the initial date by which troop repositioning was supposed to begin. But the final close-out date was left very much an open-ended affair. That was a huge concession to the White House.

And now, in a third concession, we are offering a way for the President to get the rest of his money. All he has to do is issue these three reports and then go to the Congress and try to persuade the Congress that his case is better than those who have a different view. That is a straight, fair way to deal with the problem.

And I would urge a "yes" vote.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Speaker, Will Rogers once said, "If you find yourself in a hole, the first thing to do is to stop digging."

My colleagues, the majority now finds itself in a hole, and contrary to Will Rogers' advice, it continues to dig. Indeed, this ill conceived emergency supplemental is evidence of a majority party in complete disarray, unable to develop consensus on supporting American troops, and unwilling to work in a bipartisan manner with the minority and the President to develop a way forward.

This legislation rations funding to our troops over a 60-day period and dishonors the long-term sacrifice and service of our men and women in uniform. It is legislation that says to the troops, we support you conditionally today, but don't expect Congress to support you 2 months from now.

I ask my colleagues, is this the message Congress wants to send to our troops?

Is this the message we want to send to al Qaeda?

Is this the best a divided majority can do?

This legislation has caused me and others to question the majority's commitment to our troops. No political party has a corner on virtue, but the majority's reluctance to fully fund our troops clearly calls into question its commitment to our men and women in uniform.

It is no secret that Chairman OBEY is a strong supporter of the Corporation for Public Broadcasting, a program that receives broad bipartisan support. In recent years, Mr. OBEY has supported advanced appropriations for the Corporation for Public Broadcasting.

Is it an accident that Chairman OBEY, who advocates funding Kermit the Frog and Clifford the Big Red Dog 2 years at a time, now wants to fund our troops in Iraq and Afghanistan 2 months at a time?

What does that say about the majority's commitment to our troops during a time of war?

Why is the majority setting our troops up for failure?

Mr. Speaker, it is time that we take funding our troops seriously and move beyond the gamesmanship and the partisanship on display today. Supporting our men and women in uniform is not a joke or a game. It is among the most important responsibilities each of us has as elected officials.

I was hopeful when the Speaker emerged from the White House last week signaling her willingness to work with Republicans and the President to craft a troop funding bill worthy of bipartisan support. Instead, Speaker PELOSI has chosen confrontation over cooperation and has demonstrated unwillingness to compromise.

Chairman OBEY and his leadership have dramatically rewritten the Iraqi supplemental bill without any input from the minority, and unfortunately, the result will be the same as the last supplemental.

One more time it appears that the majority is more interested in appeasing the left than supporting our troops. One more time the House is being asked to consider a bill that is going nowhere fast. Even the Senate is opposed to this piecemeal approach to funding our troops. One more time, the House is preparing to approve a supplemental that the President will veto.

Today I am left scratching my head trying to determine which bill is worse, the one before us now or the one vetoed by the President last week.

Frankly, I believe the bill before us today is considerably worse than the measure vetoed last week. I will take a moment or two to explain why I think that. Under this proposal, the President is required to report by July 13 on the specific progress the Iraqi government has made in meeting 16 specific goals.

Once this report is received, only the chairman, only the chairman of the Appropriations Committee can introduce a joint resolution to release the funds. He is not required to introduce the joint resolution, and no other Member can do it.

Secondly, in an almost unprecedented move, this supplemental includes the rule under which the joint resolution will be brought to the floor. And under this rule, the only amendment made in order is the one that mandates the withdrawal of troops from Iraq within 6 months.

Further, this legislation includes a new reporting requirement that the President provide a detailed monthly accounting of the combat readiness status of Iraqi forces. The supplemental dictates that this report be made publicly available at the Department of Defense's Web site with a link to the detailed data. As a result, we will provide, not only to the public but also our enemies, the detailed readiness report and potential vulnerability of Iraqi security forces. We do not release this kind of information to our own troops. In fact, we keep it classified. Why would we ever mandate that the United States provide al Qaeda a blueprint for targeting Iraqi vulnerabilities?

Lastly, this supplemental includes a number of questionable legislative provisions otherwise known as earmarks, including a land transfer in Pennsylvania and a flood control earmark in New York.

Before closing, I want to express my profound disappointment over these emergency supplemental appropriations bills coming to the floor again under a closed rule. This is yet another violation of the longstanding tradition of the committee and the House.

Mr. OBEY's first two bills as chairman, the fiscal year 2007 continuing resolution and the first Iraqi supplemental, were both considered under a closed rule. These will be the third and fourth appropriations bills under Mr. OBEY's chairmanship brought to the floor with a closed rule. It is pretty obvious we do not have very much input from the general membership regarding these bills when they are on the floor.

I have spoken with Chairman OBEY about this concern, and expressed my belief that these bills, and all other committee bills, should be considered in regular order under an open rule. I say these supplemental bills, because my friend, Chairman OBEY, and his leadership have decided to split the ag, disaster, wild fire, rural schools and salmon relief funding into another bill that will be considered either later this evening or maybe even tomorrow.

Following consideration of both bills, the majority is apparently planning to wave a magic wand in a feat that would make even Houdini proud to merge them into one single package as it heads over to the other body.

Albert Einstein was correct when he said, and I quote, "You cannot simultaneously prevent and prepare for war."

The bottom line is this, the majority cannot have it both ways. The majority cannot say it supports the troops as it pulls the plug on funding. You either support the troops or you do not.

My colleagues, let us not signal that America is preparing to walk away. Let us not send the wrong message to America, to our troops, let alone to al Qaeda.

We must provide our full and unconditional support to our troops during this time of war. We must support our commanders in the field. We must support the President, our commander in chief.

I strongly urge my colleagues to vote "no" on this piecemeal, ill-conceived approach to funding our troops.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, it is not the majority party that is in a hole. It is the U.S. policy toward Iraq that is in a hole. It is not the majority party that is in disarray. Last time I looked, the headlines said that there was a bunch of Republicans going down to the White House yesterday to tell the President that the jig is almost up on his Iraqi policy.

□ 1815

The gentleman says we should fully fund the troops. We have provided \$4 billion more for the troops than the President asked for. We are fully funding the troops. What we are not fully funding is a bankrupt policy in Iraq.

Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from New York (Mr. ISRAEL).

Mr. ISRAEL. Mr. Speaker, I thank the gentleman for yielding.

And, Mr. Speaker, I want to say that I fully respect the views of the gentleman from California, but I do get troubled when I hear anybody on this floor questioning the commitment of any other Member of this floor to our troops.

I did not suggest for a moment that the other side was not supportive of our troops when they underfunded our troops, when they didn't provide enough up-armor for their Humvees, when they didn't provide enough armor for their vests, when they allowed Walter Reed Hospital to deteriorate.

When these things happened, I never questioned the commitment of the other side to our troops. And I think we would all appreciate it if we confine our differences to honest policy debate and not suggest that any Member of this body does not support the brave men and women who are fighting for our country.

I support this resolution because it is another attempt at good-faith, honest compromise with the President of the United States. Two weeks ago we offered a compromise to the President. We said we will give you everything that you have asked for, for operations in Iraq, and we will give you more for operations in Afghanistan, where the war on terror began. We will give you more money for Walter Reed, for post-traumatic stress disorder, for traumatic brain injuries. And the President

said, no thanks. I want a blank check and I want to be able to spend a blank check eternally.

And now we are back offering a new compromise which says we will fund operations in Iraq. We will strengthen our capabilities in Afghanistan. But we want accountability for the first time, Mr. President. And all we are saying is this: report to the United States Congress, certify our progress, and in 2 months we will have a choice. Some people can say the status quo is working fine, progress has been made, the management of the administration is going well, and vote to continue operations in Iraq. And others will have the opportunity to draw a different conclusion and suggest a strategic redeployment. That is a commonsense compromise. And, frankly, if the President of the United States vetoes this compromise, he is saying to the American people I don't want accountability. I don't want oversight. I want it my way. I want it myself.

I just want to thank the gentleman for including language that was originated by the gentleman from Missouri (Mr. SKELTON) that codified the President's own language that for every Iraqi soldier that reaches combat proficiency, an American is redeployed. The President has been saying that for 4 years.

If 378,000 Iraqis have reached combat proficiency, why did we need a surge of 20,000? Why do we need another 13,000 that the President called for? All we are doing is codifying the President's own language: for every Iraqi soldier that is trained, an American is redeployed.

I thank the chairman for including that language. I thank the gentleman from Missouri for originating it.

Mr. LEWIS of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Ms. ROS-LEHTINEN).

Ms. ROS-LEHTINEN. Mr. Speaker, I thank the gentleman for yielding.

President Ronald Reagan said, "We must realize that no arsenal or no weapon in the arsenals of the world is so formidable as the will and moral courage of free men and women. It is a weapon our adversaries in today's world do not have."

This courage and this commitment are most clearly evident with our men and women serving our Nation in Iraq. I see it in my stepson Doug and my daughter-in-law Lindsay, who were Marine officers flying missions in Iraq. Lindsay is now serving in Afghanistan. I see it in a valued member of my committee staff, Matt Zweig, who just returned from a 1-year tour of duty in Iraq. They believe in, and have fought for, our mission. And their courage is palpable.

And I think of the Parsons brothers in my congressional district. You have heard me speak about them before. All three of them were my West Point nominees. I have known them since they were just young boys. Bill Parsons

is serving his second tour in Iraq. The youngest boy, Charlie, is on his first deployment in Iraq. Huber Parsons is on his third deployment to Iraq.

But today Huber, and his Stryker Brigade, was hit by a deeply buried IED. The Stryker caught on fire, and Huber thought that he was going to burn to death as the Stryker fully caught on fire. They were battling small arms fire as they pulled him away. Their driver was killed. Huber suffered a broken leg and a broken ankle, but his spirits are high. He will soon be in a military hospital in Germany. But his commitment to the mission, unwavering.

The father, in deep pain, wrote to me in an e-mail just a few hours ago, and he said, "We are but man and only know in part. But we know that we have a great God, and we give Him praise in all things." He said, "Yes, even in this."

He adds, "Please pray for the families of those who have paid the greatest price, for Huber's complete and speedy recovery . . . and for the men whom they command and lead and for all the men and women who serve our Nation." And he says, "And pray for the wisdom of our President, all policymakers, and all commanders."

Yet we stand here today, Mr. Speaker, faced with a supplemental that seeks to put these valiant efforts on an installment plan as they face a brutal, ruthless enemy that seeks to kill Americans wherever they are, as this supplemental ties the hands of our military commanders, as it doles out funds in pieces, and yet it provides millions to the United Nations and other international organizations through next September. This cannot, this must not, stand.

For the Parsons brothers and for all who serve our Nation and risk their lives every day, let's succeed and let's vote against this supplemental.

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Armed Services Committee, the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank the distinguished chairman of the Appropriations Committee and compliment him on his efforts in this very, very difficult situation.

What is wrong with doing what we are doing? Yesterday in the Armed Services Committee, or I should say early this morning in the Armed Services Committee, we passed a bill out that had as its pole star the readiness of our military. That is what this effort is about. The readiness, the funding, more than the White House has requested of us, and that is what this is all about. The young men and young women are entitled to have the funding come to them, and that is what this does.

I find no fault with having our looking at it as a benchmark for us, as a benchmark for those of us who fund the troops. We are not rubber stamps; we

are a co-equal branch of the government. And as such, our voices should be heard and there should be an agreement with what we are trying to do: readiness and benchmarks. And that is just what we are asking this body to vote upon.

In addition thereto, there is a proposal in this measure I suggested some time ago, actually in late 2005, to the President that there be a measurement of redeployment for the American troops. I suggested to him that for every three brigades of the Iraqi Army brought to level one that one American brigade be redeployed. I got an answer back from the President, and when I brought it to his attention, he said it was too rigid. When truth, in fact, it ought to be, and as it is in this legislation, this bill, for every one soldier or battalion or brigade that is brought to level one in the Iraqi Army, there would be a redeployment of the American soldier, platoon, battalion, brigade at any level. It should be soldier for soldier. It is their country. We have been there over 4 years, and I think it is time to pass that baton on for the security of that country to be taken over by the Iraqis themselves. That is what the formula does, one on one. And I strongly endorse it.

I urge the passage of this bill.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the ranking member of the Budget Committee, Mr. RYAN.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the distinguished ranking member for yielding.

Mr. Speaker, typically I would talk about all the spending problems in this bill. I want to talk about that for a moment.

This bill includes \$16 billion in non-war, non-emergency spending. It blows through the \$6.45 billion reserve fund that the incumbent budget resolution has for emergencies. It completely puts aside the rules that govern whether or not and how we fund emergency spending.

We put in these rules last year, which to the majority's credit continued this year, that said you can't just tuck anything in an emergency spending bill. It actually has to really be an emergency. Well, they have put those rules aside. We have got \$16 billion of this stuff in here.

But the real problem I have with this bill, Mr. Speaker, the real concern I have is the signals it sends. We are telling our troops, we are telling our men and women in uniform in harm's way in Iraq, you have got 2 months, 2 months of funding, but we are letting any Member of Congress open up the bidding war and put \$16 billion of stuff in here to fund them for a lot longer than 2 months. We are giving NASA more money than they need. We are putting LIHEAP money in here even after the winter has passed. We are putting money for the Architect of the Capitol for tunnel maintenance. We are putting the minimum wage in here. We

are saying yes to every other constituency, yes to every other spending request, whether it has anything to do with Iraq or not, whether it is a true emergency or not.

Some of these things may have merit, but why are they in this bill? And, more importantly, why are we telling our troops 2 months and you're up?

Mr. Speaker, our troops need better than that. They need to know we are going to be there for them. The Iraqi people need to know we are going to be there for them.

I was there just a couple months ago. Millions of Iraqis are sitting on the fence, trying to determine whether they join us or join the insurgency. If we tell them we are leaving in 2 months, we are cutting off the funding in 2 months, guess what. Those millions of Iraqis aren't going to join us. They aren't going to democracy. They are going to be pressured for fear to join the insurgency.

This sends the wrong message to the Iraqis. It sends the wrong message to our enemies. And it sure sends the wrong message to our troops.

I urge defeat of this bill.

Mr. OBEY. Mr. Speaker, I yield myself 1 minute.

What the gentleman is telling the House is that he thinks his accounting principles are more important than providing additional veterans medical care. He is saying his accounting principles are more important than providing the funding for base closure. He is saying his accounting principles are more important than port security, cargo security, and border security. He is saying his accounting principles are more important than defending this country from a pandemic flu epidemic. He is saying his accounting principles are more important than providing a bunch of kids in this country with the health care they need.

And then he squawks about the tunnel in the Capitol. The fact is what we are doing is protecting workers who were exposed to life-threatening asbestos. That is what we are doing.

So the gentleman may like the ad that we hear for the accounting company. He may have a passion for accounting. I would much prefer if he had a passion for people.

□ 1830

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. KING).

Mr. KING of New York. I thank the gentleman for yielding.

Mr. Speaker, I strongly urge the defeat of this supplemental appropriation. It is wrong in so many ways. And I say that as someone who strongly believes that the war in Iraq is the central front in the war against terrorism. I say that, and I see my colleague here, Mr. FOSSELLA, someone who lost hundreds of friends and neighbors and constituents on September 11. And I also say that as someone who says this sup-

plemental is sending all the wrong possible signals. It is sending the wrong signal to General Petraeus. It is sending the wrong signal to our troops. And probably most importantly of all, it is sending the wrong signal to the enemy. It is telling them that we in the Congress think there should be 535 commanders in chief, 535 commanders in the field; telling the enemy that they have 60 days to create whatever chaos and carnage and confusion they can to influence the media, to influence those here in the House who are looking for an excuse to cut off funding for the troops.

If we have a Commander in Chief, a commander in the field, they should be given the ultimate power and authority to prosecute the war. If the Democrats want to make this their war, that is one thing, but this should be above politics. It is not a political issue. It is not something that should be gauged on public opinion polls. It should be based on what is right for America. And whether it is a Democrat President or a Republican President, the President is the Commander in Chief.

The United States Senate approved General Petraeus by a unanimous vote. To send him over there and then to undercut him, to cut off his legs when he is trying to carry out a policy which is showing signs of work. I am not a general. I am not the commander, but if you look at what is happening in Anbar province, what is happening in Ramadi, what is happening in parts of Baghdad, give General Petraeus the opportunity. Give our troops the opportunity. Don't be grandstanding. Don't be playing to the crowd. Don't be caving into your left wing base which is right now driving you. You have gotten yourselves into a hole, and you cannot get out of it. Our troops should be above that.

Have concerns for our troops, but most importantly, respect the Constitution. Allow the President and his commanders to prosecute the war. He was elected; General Petraeus was confirmed by the Senate. Everyone knew that he had to plan for a surge. To undercut him now is wrong. It is morally wrong. It is politically wrong, and it is going to bring shame on the House of Representatives.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Pennsylvania (Mr. SESTAK).

Mr. SESTAK. Mr. Speaker, having worn the cloth of this Nation for 31 years, I am at the point where I just needed to say that no one can call this war in Iraq Bush's war, for it is ours, America's war. We are in this together. We Democrats need the Republicans if we are to end it without a failed Iraqi state, and they us. It is not just about getting out of Iraq; it should be about redeploying out of Iraq so that we can better ensure U.S. security elsewhere as we leave Iraq with relative stability.

This resolution has merit, but with less of a strategic plan for a successful end than the last Iraqi resolution, despite times that are now more dire in

Iraq and, therefore, for us. But it is hopefully a step towards one, and therefore, it pushes us to know that we do need the Republicans and a new strategy so that together we can successfully end this conflict for our betterment.

I see the key as President Bush's statement that our commitment is not open-ended. We therefore now need to define how to end it together.

I will vote for this resolution, but express my reservation that it does lack defining how to achieve the end of an open-ended commitment by a winning strategy. That is why we ultimately need the Republicans and they, us, to resolve the war successfully by a strategy to bring us to the end of an open-ended commitment.

Mr. LEWIS of California. Mr. Speaker, I am proud to yield 1 minute to the Republican leader, Mr. BOEHNER.

Mr. BOEHNER. Mr. Speaker, 94 days ago, the President of the United States sent to the Congress an emergency supplemental spending request to fund our activities in Afghanistan and Iraq. He asked for, in round numbers, \$100 billion, which has now turned into some \$20 to \$23 billion more than that. But we have been through that fight. The President vetoed the bill, made it clear what he would sign and what he would not sign.

I was at the White House last week after the bill had been vetoed by the President, and there was an agreement in the room, bipartisan, bicameral agreement in the room that we would sit down together and try to resolve the differences that we have over funding our effort to take on al Qaeda and other terrorists in Iraq and in Afghanistan.

What we have seen over the last 10 days or so have been token meetings. There has been no honest attempt to work together, as we all committed to. There have been no meetings where we can actually sit down and discuss our differences and try to bring some resolution to those differences.

So when I heard earlier this week about this plan that was going to be brought to the floor today, I thought to myself, why? Why do we have to play more political games? The President of the United States has made it clear that he will veto this bill. The Senate leaders, Democrat and Republican, have made it clear that this plan has no chance in the other Chamber, but yet here we are playing political games while our troops are fighting for our freedom and our safety in Iraq.

Now, I am not going to go through all the reasons why Iraq is important; I have been through them before. I think every Member of this Chamber understands that Iraq is important to the safety and security of the United States. But I want to remind all of my colleagues that all of our Members in this Chamber, except one, all of our Members in this Chamber, Democrat and Republican, except one, voted to send our troops to Iraq. There they

have been locked in a battle for the safety and security of Americans, helping to try to build democracy to bring more stability to the Middle East. And here we are tonight divided, once again, about whether we should support our troops that are out there fighting for our safety.

Mr. Speaker and my colleagues, our soldiers are doing their duty in Iraq and Afghanistan and around the world, a duty that we have sent them on. And yet we sit here playing political games. That is not what the American people sent us here to do. Now they asked us to come here, Democrats and Republicans, to work through our differences and to make sure that we are helping our troops. And I think every Member here understands that we have to support our troops. And I think every Member here knows that, at the end of the day, we are going to pass a clean supplemental that doesn't have all this excess spending riding on the backs of our soldiers, that will in fact fund the activities in Iraq. The question I ask tonight is, how long are the games going to go on?

Ninety-four days we have been at this; 94 days since the President asked for this money and we are still playing games. That is not what the American people expect of us. They understand that Iraq is important. They understand that their safety and security is dependent upon what happens there because the consequences of failure in Iraq, which this bill will bring about, are too ominous to think about.

This bill is designed to bring failure to Iraq. Failure in Iraq means chaos in Iraq. It means genocide in Iraq, and it means we are jeopardizing the safety and security of the American people. It is not what the American people want. We should reject this bill.

Mr. OBEY. Mr. Speaker, I yield myself 1 minute.

Let me simply point out to the gentleman that in the last session of Congress, it took the Congress almost 110 days to respond to the President's request. Let me also point out that the first 30 days of this session were occupied because, while he was majority leader, we never managed to pass a single domestic appropriation bill, and we had to finish his unfinished business, which took the first 30 days of this session.

Let me also point out that we have had two meetings with the administration. We have laid out a number of compromises. I have laid out, frankly, to the administration that we are pursuing a two-track strategy. We asked them what concessions they would put on the table. They still have not put a single concession on the table in their conversations with us on this side of the Capitol. So absent that, we have no choice to proceed except sit here like a bunch of potted palms waiting for a miracle. Not many miracles on this House floor.

Mr. Speaker, I now yield 1 minute to the gentleman from New Jersey (Mr. HOLT).

Mr. HOLT. I thank my friend from Wisconsin.

Mr. Speaker, 4 years ago, President Bush used soldiers and sailors as stage props to declare that major combat operations in Iraq have ended. Well, indeed those combat operations should have ended, in fact, they never should have begun. This combat is constitutionally and strategically unjustifiable, operationally poorly executed with regard to armoring and deploying the troops, and politically and diplomatically disastrous.

This war is not making anyone more safer or more free, and it cannot be won militarily. As retired General Odom said, the challenge we face today is not how to win in Iraq but how to recover from a strategic mistake, invading Iraq in the first place.

The President continues to squander American influence, blood and treasure. It is the President's intransigence that forces us to pass this bill to force a change in the course in Iraq. The President needs to know that the days of congressional blank checks in support of a failed policy are over. We cannot continue to buy time with American lives.

Mr. Speaker, I rise today in support of our troops and for ending President Bush's war in Iraq.

This bill gives the President all the money he needs to ensure our troops have the equipment, ammunition, fuel, food, spare parts, and anything else they need to ensure their safety and security. What this bill does not give the President is the blank check with no questions and no accountability that he's come to expect over the last 4 years. Those days are over.

Yesterday's Washington Post front page story on the President's "surge" strategy was entitled "Commanders in Iraq See 'Surge' Into '08." While General Petraeus told the Congress earlier this year that we could determine the effectiveness of the troop increase within several months, General Odierno is trying to "get until April (2008, that is) so we can decide whether to keep it going or not."

If the Post's report is accurate—that the surge that was supposed to last several months will now last for well over a year—then it is more imperative than ever that we place clear limits on our future involvement in Iraq. We cannot continue to buy time with American lives and taxpayer dollars to support a fundamentally flawed policy.

Nor should we continue down this road when the Iraqis themselves fail to take the steps necessary to heal the divisions in their own country. Americans deserve to know that Iraq's government is about to take a 2-month vacation—while Baghdad burns and American troops continue to die daily amid the crossfire of Iraq's civil war. As the current U.S. troop "surge" reaches completion around mid-June, Iraq's parliament will adjourn for 2 months.

If Iraq's government is prepared to go AWOL in the middle of their civil war, why should we stay? Why should more of our troops die to help protect a government that leaves town with the battle raging on the streets of Baghdad?

I want to thank my friend, the gentleman from Massachusetts, Mr. McGOVERN, for offering his own blueprint for redeploying our

forces from Iraq. I'm pleased to be able to support this measure, and I commend Mr. McGOVERN for his relentless commitment to help this House get it right on Iraq—to demand accountability for those responsible for the situation in Iraq.

That's what this debate is really about: getting Iraq's leaders to take responsibility for their country's security and its future. We can't end their civil war—only they can, but only if their political leaders cancel their 2-month vacation and get down to the hard work of building a new Iraq.

If enacted, this bill would incentivize them to do exactly that—it would force them to focus their full energies on reaching a political solution to Iraq's civil war, or face the prospect of a cut off in U.S. aid.

Mr. Speaker, President Bush announced his intention to veto this bill before it ever came to the House floor. His veto threat proves that he's more interested in continuing his war with Congress than he is in finding a bipartisan solution to the war in Iraq. That threat is all the more reason why we need to pass this bill so we can do what the American people have asked us to do: to end America's tragic misadventure in Iraq.

Mr. LEWIS of California. Mr. Speaker, I will yield 2 minutes to my colleague from the committee, Mr. TIAHRT.

Mr. TIAHRT. I thank the gentleman from California.

Mr. Speaker, on February 5, the President sent a request to fund our troops in Afghanistan and Iraq to the House. This week, Majority Leader HOYER said to a C-SPAN audience, the Speaker's plan was to get this supplemental funding to the President by Memorial Day. That means it will take 120 days to fund the President's request. In the meantime, not one penny is going to make its way to the troops. Why? Well, the President has said, in its current form, this bill is going to be vetoed. He will veto this bill because it funds the troops on a contingency basis for only 60 days; 120 days to get the request funded, and then it only funds it for 60 days. It will be vetoed also because Secretary Gates says the Pentagon cannot manage a 60-day appropriations bill. The bureaucracy simply will not move that fast.

This bill will also be vetoed because it has too many strings attached. They are attached in the form of benchmarks. And there are more than a dozen of them, 17 to be exact. It will take more than 60 days just to see if the benchmarks have been accomplished.

In the 120 days we have spent haggling over this bill that funds the troops for only 60 days, we know it is going to be vetoed. In the meantime, the troops are waiting for the mine-resistant equipment that is funded in this bill to be manufactured and to be sent to Iraq. They are waiting on the equipment that they need. They are waiting on the equipment they need. The majority should withdraw this bill and send back a clean appropriations supplemental bill that funds the troops without the 60-day contingency, without the strings attached so we can

meet the needs of our troops. This bill does not do it.

I urge my colleagues to vote “no.”

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished majority leader, Mr. HOYER.

Mr. HOYER. Mr. Speaker, the President of the United States had a chance to fully fund the troops just a few weeks ago, he chose not to take it, I tell my friend, Mr. TIAHRT, from Kansas. We fully funded the troops. In fact, we gave more money for the fight against terrorism. We want to see success.

Mr. Speaker, let every Member here and all those watching this debate at home be perfectly clear, this legislation fully funds our troops in harm’s way in Iraq and Afghanistan, ensuring that they have the resources they need to conduct their missions. Not only that, this bill includes additional funding, as the last bill did, not requested by the President, to fight the war on terror, to improve America’s military readiness and to meet our veterans unmet health needs.

However, while this legislation funds our troops, it insists, as we tried to last time, for the first time in more than 4 years that the Bush Administration and the Iraqi government be accountable. The American public expects accountability.

Plain and simple, this legislation responds to the will of the people, who are dismayed by the failed implementation of American foreign policy, perhaps more failed than in any in the generation.

On Tuesday, a CNN poll found that two-thirds of Americans oppose the war, and 61 percent support benchmarks like the ones in this bill that would measure Iraqi progress.

□ 1845

Let me say to my friends on the other side of the aisle, Vice President CHENEY was deployed by this administration. What for? To tell the Iraqis they had to perform, that they had to meet benchmarks; that the American public was running thin on its support, and in fact is not supporting this war.

But, frankly, the Congress has taken the position that we won’t say that, and the President vetoes a bill that said that, a bill that required performance so that the millions that the American public, the billions that the American public, the \$500 billion-plus that the American public has dug from their pockets, will be responsibly met by the Iraqi Government.

Thus, Mr. Speaker, this legislation holds the President and the Iraqi Government accountable by fencing off 52-plus of the \$95.5 billion provided to the Defense Department until released by subsequent legislation.

What is there to fear from this Congress as we oversee whether or not there is a turn from an unsuccessful implementation of a policy to a successful policy? Perhaps that fear is that that corner will not be turned, and therefore this vote may be at risk.

Before this additional funding is released, however, the President must report to Congress by July 13 regarding the success of the Iraqi Government in meeting security and political benchmarks. General Petraeus has said there is no solution but a political solution, and the only people who can accomplish a political solution are the Iraqis themselves.

What do we ask for? Disarming militias who are killing our men and women, enacting legislation to equitably share oil revenues. There will be no resolution without that. Reforming the debaathification process, which says to literally tens of thousands of people, we know you were Baath members, but you really weren’t in politics, so you can come back and do the work to build this society. Without that, we will not succeed and our men and women will pay the price, as they are paying the price every day.

Lastly, providing for provisional elections. We are fighting for democracy. We are investing in democracy. That is what we are told. But we haven’t amended the constitution and we are not providing for the provincial elections that were promised. If that is the case, the Iraqi people are not going to think democracy is on its way.

Mr. Speaker, the President of the United States himself has stated that our commitment in Iraq is not open-ended. That is what this legislation says. If you think it is open-ended, if you think there should be no benchmarks, if you think the American taxpayers’ money ought to be spent without seeing results and without the carnage to our troops decreasing, then vote against this.

To this we say, no more. No more blank checks. Not after more than 3,370 Americans have lost their lives in Iraq and more than 25,000 have been injured. Ten percent of those lives have been lost in the last 4 months. Not after the American taxpayer spent nearly half a trillion dollars. And not after 4 years of egregious misjudgments by this administration, from “mission accomplished,” to “the insurgency is in its last throes,” to “Iraq will fund its own reconstruction.”

Every Member in this body, every Member, hopes and prays that the current troop escalation succeeds, that the Iraqis stabilize and secure their country and that our troops can return home safely. Why should you fear waiting 60 days and making another judgment as to whether that is occurring? That is our responsibility.

We swore an oath to defend the Constitution of the United States which says that we are the policymakers. But there is little reason for optimism when the violence in Iraq continues unabated and progress on the ground is somewhere between illusive and nonexistent.

The two-step funding approach in this legislation effected by Mr. OBEY and Mr. MURTHA is not only appropriate, it is imperative. Even the Sen-

ate minority leader, MITCH MCCONNELL, has stated, “I think the time to look at where we are is late summer.” This is a few days before that, and we will continue consideration into that late summer that Senator MCCONNELL talks about.

We cannot want to succeed more than the Iraqis. They must take the lead in restoring stability and securing their nation. And the Iraqi Parliament must not go on vacation while American men and women are fighting and dying for them.

I urge my colleagues on both sides of the aisle, support this bill. Let us forge a new direction in Iraq and implement a policy and design to succeed.

Mr. LEWIS of California. Mr. Speaker, I am pleased to yield 2 minutes to my colleague, the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. I thank the gentleman for yielding.

Mr. Speaker, I always find the majority leader’s comments compelling and moving. He is among the best communicators I think in this generation of leaders in this House. And let me say as a conservative Member of this House who was in Baghdad one month ago, I believe that it is imperative that we express to the Iraqi Government an urgency about performing on all the issues that the majority leader just addressed.

But the reason why I rise in opposition to this bill is because under the Constitution of the United States, Congress can declare war, Congress can choose to fund or not to fund war, but Congress cannot conduct war. And the latest Democratic plan to micro-manage our war in Iraq is “war on the installment plan,” and it should be rejected on the basis of proof on the ground and common sense and history.

The proof on the ground is this: Baghdad is not safe, but it is safer as I saw a month ago. Due to more than two dozen U.S. and Iraqi installations set up throughout the city, insurgent violence is down. Thanks to the fact that 20 of 22 tribal leaders have stepped forward to support U.S. and Iraqi governmental forces, violence in the al-Anbar province is coming down.

Now is not the time for us to say we will do war on the installment plan and come back in 60 days and evaluate.

My Democrat colleagues heard General Petraeus on the Hill 10 days ago. He said by late summer we will have a better idea whether the surge is taking hold. He pledged to report to this Congress in September. So why this? Why do we come here tonight with a 60-day timetable for another vote?

As our troops do their duty on the ground in Iraq, our duty is clear. Let’s set aside the politics of the moment. Let’s find a common ground and build legislation that is constitutionally sound and fiscally responsible. Let’s give our soldiers the resources they need to get the job done and then come home safe.

Mr. OBEY. Mr. Speaker, I yield 3 minutes to the distinguished Democratic Caucus chairman, the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, first of all I would like to thank my colleague from Indiana who takes seriously his public service and his time and his trips to Iraq.

As you comment on the installment plan we have, I don't mean to do this, but we've tried the "blank check approach." You may not like this installment plan, but we have tried for 4 years an approach of being a blank check. No oversight, no accountability, no questions asked. And that has resulted here.

Our men and women, and I know this is true for everybody here, we have great respect for what they have done. We asked our Armed Forces to seize a country. We asked our Armed Forces to take down an enemy's army. We asked our Armed Forces to seize the capital. We asked our Armed Forces to capture a dictator. They've done all of that. They have been unbelievably successful.

So tell me why we've got the problems we have in Iraq. It is because there has never been a political strategy associated with the success of the Armed Forces' military effort. And General Petraeus is right: you can't solve this militarily. You can only solve this with a political solution.

So here we are, our Armed Forces are up to 160,000 troops. We have over \$600 billion that has been appropriated for this. We have lost 3,300 lives and 25,000 wounded fellow citizens. So the need for a political solution, and the Iraqi answer? We're taking the summer off. Going fishing.

This bill says, no way. You have got to be accountable for your country and get off the sidelines and get onto the playing field and taking ownership of your country's future. If the men and women in our Armed Forces are supposed to give the Iraqis the political space to come together, we do not do that by taking the summer off and not finding common ground.

We have plenty of differences here, but we have common ground here. It is the Iraqis that need to find the common ground, not us. We have the right approach. We have asked our folks to do everything.

Just a month ago we celebrated the 4-year anniversary of "mission accomplished." We know there is a lot to be done in Iraq, and what we are trying to do is provide our troops the resources they need, the equipment they need, the training they need, and when they come home, the veterans, the health care they need, and, most importantly, the policy that has been absent. The reason we never lost a single soldier in our efforts in Bosnia and in the Balkans is because the policy that a President implements is as important to the protection of those soldiers as the Kevlar vests they wear.

What has been missing from this policy and what has been missing from

this endeavor is a policy that is equal to the endeavor of our Armed Forces. We have a policy that has been reduced to one simple thing, more troops, more money, more time, more of the same, and you cannot continue a status quo-plus policy.

It is time for a new direction, and I am proud that we have offered a new direction to our Iraqi policy.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. KINGSTON), a member of the committee.

Mr. KINGSTON. I thank the chairman.

We just heard from the majority leader that this bill fully funds the troops. He is correct, it fully funds the troops; but it doesn't freely fund the troops. It is like giving a soldier a brand-new uniform and then shackling his foot to an anvil. And that anvil, Mr. Speaker, is politics. Our soldiers fight wars. They cannot take care of Iraqi politics. And yet this bill puts 17 different stipulations on that funding for our soldiers, to say that if these aren't taken care of, then you lose your funding. So it is not fully funding them, because it doesn't freely fund them.

We went to Iraq. We made some mistakes. We all on a bipartisan basis, from JOHN KERRY to HILLARY CLINTON to George Bush, thought there were WMDs over there. There were not. We also thought that once they were liberated, that because of American presence and ingenuity and Saddam Hussein being deposed, that democracy would rise from the ashes. It obviously did not, much to the disappointment of everybody in the world community.

And I can say this as a member of the Defense Committee, we have had 4 years of almost "happy talk" from representatives of the Pentagon. It has been very disappointing. Representatives not of defense as much as from the political side of things.

But I know one thing that is true: since the surge, there has been a glimmer of hope that we have rounded a corner. But I want to say this: it is very important that Members understand that failure in Iraq means that it devolves into a civil war. It means that perhaps it emerges as an anti-Western nation state of terrorists with their hands on the second largest oil reserve in the world, and surely those revenues will not be spent promoting democracy around the globe.

It would also mean a decline in U.S. credibility, because if we lose, as the Senate Democrat majority leader HARRY REID has said, who wins? Well, al Qaeda wins. The nation isn't going to just quietly go on about their business.

It is imperative for us to support the Petraeus plan and vote this bill down.

Mr. OBEY. Mr. Speaker, I yield 1 minute to the distinguished Speaker of the House, the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding. Once again,

as I have done over and over again, I thank him for yielding, for bringing this important legislation to the floor, and for his extraordinary leadership.

I also want to commend Mr. MURTHA for his leadership as well in shaping this path to stability in the Middle East and bringing an end to the war and bringing our troops home safely and soon.

I also want to acknowledge Mr. SKELTON, the Chair of the Armed Services Committee. He has been busy at work on his authorization bill, but he very much helped shape this proposal. I commend him and many other Members here who have made this path to stability in the Middle East possible.

□ 1900

Since January, a majority of the Members of this House have been working to change course and change the mission in Iraq. Our goals are clear: Strengthen our military; bring stability to the region; and make the American people safer by ending the war, allowing our attention to be refocused on defeating international terrorism, and at the same time, honoring our commitment to our veterans which, as we have seen unfold in recent months, has been sadly neglected.

Today, we will take the next step in that effort in this legislation by: Providing for our troops fighting a war in Iraq that the President initiated, but for which he has refused to pay in his annual budget requests; honoring our commitment to our wounded veterans of Iraq, Afghanistan and other wars who struggle to get the medical care and benefits they deserve from a system overwhelmed, underfunded and unable to respond effectively; demanding accountability from the Iraqi government on whose efforts a national reconciliation depends, but whose accomplishments in this area have been negligible, disappointing and unworthy of the sacrifice of our troops on the ground in Iraq.

And this legislation ends the blank check for the President's war without end. It does provide a path to stability in the Middle East by changing our mission in Iraq and enables us to focus on the threat of terrorism.

Chairman OBEY's bill satisfies each of these requirements and meets the immediate needs of our troops, but allows Congress to decide in a few months whether the situation on the ground in Iraq justifies using the remaining money to redeploy our forces or continue the war.

The President's own benchmarks, these are the President's own benchmarks for measuring progress in Iraq, will be the centerpiece of that evaluation. You would think that the President would embrace this legislation. It has his benchmarks. It asks for a progress report. Perhaps he thinks there will be no progress so he is afraid of that report. And then a vote in the House as to whether to continue the war. The President's own benchmarks

for measuring progress in Iraq again will be the centerpiece. His benchmark. This is the kind of regular and responsible review of the war Congress should have been conducting since the mission began more than 4 years ago.

Regrettably, but not surprisingly, the President has threatened to veto the Obey bill. Unfortunately, the President has taken us down this road before. The President has brought us to this point by vetoing the first Iraq Accountability Act and refusing to pay for this war responsibly. He has grown accustomed to the free hand on Iraq that he had before January 4. Those days are over.

The American people have made it clear that they want a new direction in Iraq, one that is going to bring this war to an end. They have lost confidence that the President can or will produce a plan to do that. Even some members of the President's own party have finally realized he has lost credibility with the American people.

The President said today that he would accept benchmarks. But what he fails to accept is accountability for failing to meet those benchmarks. Benchmarks without consequences are meaningless.

It is interesting to me that in the President's No Child Left Behind legislation, he establishes standards for America's school children. If those children do not meet those standards, there are serious consequences for them, for their families, for their schools and for their school districts. And yet, while holding America's school children accountable with consequences, the President refuses to hold the Iraqi government responsible with consequences while our young people in Iraq are dying.

The President said again today he would accept these benchmarks, we hope that he will and reconsider the thought of veto. This is a bill he should like. It has his benchmarks. It asks for a progress report. He must have some confidence in what he is doing and then leave it up to the Congress to make a judgment in July. What could be fairer than that.

Congress has offered the President recommendations for change in Iraq. In rejecting them, he has offered nothing in return except a demand for more of the same, a blank check for a war without end.

The American people expect more and deserve better. A war which has ended so many lives, weakened our military at a great risk to our security and costs so much money, costs so much in reputation for America throughout the world, cannot continue indefinitely. I don't know why the President doesn't understand. This war cannot proceed indefinitely, and that is the course he has us on.

Any engagement that we have militarily should meet the test of: Does it make our country safer? Does it strengthen our military? And does it bring stability to the region that we

are engaged in? The President's policy fails on all three scores.

This bill offers more ideas for winding down this war. I urge the President to consider these ideas and those which may be proposed by the Senate and work with us in conference to produce a bill that meets the needs of our troops and the expectation of our country. We owe it to the American people to try to find our common ground so we can end this war, and we will do that. But we will stand our ground if it is a blank check for a war without end.

We look forward to continuing our conversations with the White House, with the Senate, to again draw down this war and bring home our troops safely and soon.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. KLINE).

Mr. KLINE of Minnesota. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as has been said many times this evening and for the last days and weeks and months, indeed for years, we have Americans in harm's way in Iraq, in Afghanistan, in the Horn of Africa. Around the world, these Americans need our help, and they deserve our help.

It has been over 3 months since the President sent to us his request for emergency supplemental funding for our troops. It is time for us to stop playing politics and step up and do our part. We need to appropriate all of the funds our troops need, and we need to do it now.

The distinguished chairman of the Armed Services Committee said this afternoon that our young men and women are entitled to have the funding that they need. Unfortunately, Mr. Speaker, this bill does not give them the funding that they need. It has been made very clear that the President will veto this legislation, and I believe that he should. He showed us that he would veto legislation that shackled our generals and made it impossible for our troops to do the job. This piecemeal approach, the 60-day funding, is unacceptable.

We have men and women not only in harm's way, but men and women here who are already starting to feel the pain of the restriction in funds. Secretary Gates said they are shifting funds now. It is not fair for our young men and women to serve overseas and come back here and not have what they need even here in the States. We need to move forward on legislation that genuinely funds the troops and allows us a chance for success.

I would like to close with just a couple of comments. General Petraeus said to his troops when he took over that the way there was going to be hard, but hard was not hopeless. As I said on this floor weeks ago, this legislation makes hard hopeless. In fact, this legislation is hopeless because it will not become law. We need to step up and take care of these troops.

Mr. OBEY. Could I inquire of the gentleman from California how many speakers he has remaining?

Mr. LEWIS of California. We have two speakers remaining.

Mr. OBEY. We have only one remaining speaker, so why don't you proceed?

PARLIAMENTARY INQUIRY

Mr. FLAKE. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Arizona is recognized for a parliamentary inquiry.

Mr. FLAKE. Mr. Speaker, is it true that, on page H4754, there is a statement that this bill contains no congressional earmarks, tariff benefits or tax benefits?

The SPEAKER pro tempore. Members may examine the RECORD and make that determination for themselves.

Mr. FLAKE. I thank the Chair, and I will examine the RECORD.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. The CONGRESSIONAL RECORD today makes a statement, "H.R. 2206, making emergency supplemental appropriations for the fiscal year ending September 30, 2007, and for other purposes, does not contain any congressional earmarks, limited tax benefits or limited tariff benefits as defined in clause 9(d), 9(e) or 9(f) of rule XXI."

I am just trying to reconcile. I am a bit confused because there is a press release today, and I would ask and would gladly yield time to the chairman if he can explain, there was a press release from a Democrat office today saying so-and-so inserts funds in emergency supplemental appropriations bill for critical flood mitigation projects. It goes on to say so-and-so today announced that \$8,665,000 is included in the House emergency supplemental appropriation bill to fund flood mitigation projects in New York necessitated by the recent nor'easter.

That seems an awful lot like an earmark to me, if a Member actually does a victory lap afterwards and says that Member actually inserted in the bill.

I yield to the chairman to respond or explain.

Mr. OBEY. I have no idea what any Member put out by way of press release, and I claim no responsibility for any statement made by any Member.

Mr. FLAKE. I thank you.

The problem that we have pointed out over and over is that the earmark rules that have been adopted allow the majority simply to state in the RECORD that there are no earmarks, regardless of whether that is true or not. In this case, clearly it is not.

Yet when the time is right to challenge, when a point of order can be lodged against consideration of the bill, the minority or anybody who wants to challenge in the majority or minority is without recourse. So clearly this needs to be addressed. Clearly this bill does have earmarks.

I would appeal to the majority to please tighten up the rules so we can actually have an honest debate.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Thank you for the time, Jerry, I really appreciate it.

I have talked about this before with my colleagues over there. Al Qaeda is the enemy. They are the ones that attacked us on 9/11, attacked the USS Cole, our embassies in Africa, and they have said they want to destroy us.

The military leader of the terrorist group in Iraq today is the al Qaeda leader. They want to drive us out of Iraq and defeat us. They want us to turn tail and run so they can continue their attacks on the free world, especially the United States of America.

I just don't understand this. You say you want to redeploy. That means withdraw. You say that you want a fair end to this war. You say that you want a timetable for withdraw.

We didn't do that in World War II. It was a world war against terrorism. Adolf Hitler killed 6 million Jews in the ovens. This is a world war. They have told us in no uncertain terms what they want to do. They are the enemy, and we are going to withdraw.

I just don't understand it. I don't understand my colleagues. We cannot do that. They aren't going to go away. They will blow themselves up holding a baby in their arms. They will do anything to defeat us.

Al Qaeda, remember? This President said this war may go on for a long time because they want to destroy us. He didn't put a timetable on it; nor should we.

Al Qaeda, they blew up the World Trade Center; remember? They killed over 3,000 people and flew into the Pentagon; remember? They want to destroy us; remember? They are in charge of the military operation over in Iraq now; remember?

And you want to withdraw? If you don't fight them there, where are you going to fight them? Are you going to fight them in New York? Are you going to fight them in L.A.? Are you going to wait until they blow up Indianapolis? Where? If not now, when?

Mr. LEWIS of California. Mr. Speaker, in closing, let me repeat that one more time it appears that the majority is more interested in appeasing their left, that is the left in their caucus, than in supporting the troops.

One more time, the House is preparing to approve a supplemental that the President will veto in no small part because it tells our enemy we are ready to wave the white flag.

I strongly urge my colleagues to vote "no" on this piecemeal, ill-conceived approach to funding our troops.

□ 1915

Mr. Speaker, I yield back the balance of my time.

Mr. OBEY. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore. Nine minutes.

Mr. OBEY. Mr. Speaker, I yield the remaining time to the gentleman from Pennsylvania (Mr. MURTHA), the distinguished chairman of the Defense Appropriations Subcommittee.

Mr. MURTHA. Mr. Speaker, it's not working. This policy is not working. That's why we want to change direction. I mean, it is one thing to stand here and rhetorically say it's working, say there's progress to make statements. Because the White House says it? Because the Pentagon says it?

Let me tell you, the Pentagon wrote and said, "Further, the lack of timely supplemental funds has limited the Department's ability to properly contract for the reconstitution of equipment for both the active and reserve forces."

We put extra money in the budget, \$17 billion last year. There wouldn't have been any money in the budget to reset. We have no strategic reserve. Our National Guard has only 40 percent of the equipment they need. They can't respond to a national disaster. As a matter of fact, the National Guard in this country couldn't be deployed overseas. The active duty American Armed Forces could not be deployed overseas because we have no strategic reserve.

This war has been mishandled. We need accountability. We had a hearing on contracting today, and I have been studying this contracting. Some of the accusations are that the contractors, there's 126,000 contractors in Iraq. We have approximately 140,000 troops there and 126,000 contractors. Now, imagine this. Some of them are making or being paid \$600 a day, the contractors, and no accountability. It took us 2 weeks to find out who those contractors were, what they were doing. We still haven't gotten the details of what they're doing or who they are. This is unacceptable.

I saw in the book about Blackwater. It said in this book that Ambassador Bremer had 26 Praetorian Guards and those Praetorian Guards made \$600 a day. Now, you can imagine them pushing through an area where the Iraqis lived, with their sunglasses on, you know, those little sunglasses that wrap around your eyes, with their khaki uniforms with their AK-47s or whatever weapons they carry. That does not make friends.

When I went to Iraq the first time, you could drive around anywhere in the city. Today, you can't drive anywhere. Matter of fact, they fly you from the airport to the Green Zone.

We are occupying Saddam Hussein's palaces. We are in the very area where Saddam Hussein occupied and there's no accountability.

We need to redeploy to stabilize this situation. We need to get our troops out of the killing zone. We have lost more people in the last 4 months than we lost any other 4 months in the entire war.

Now, let me tell you what you're voting against if you vote against this bill.

Well, first of all, let me tell you why I say it's not working. Oil production, below pre-war level; oil exports, below pre-war level; electricity production, below pre-war level. Hours of electricity in Baghdad, they had to shut down the Parliament the other day because they didn't have enough electricity. The microphones wouldn't work, and they had no air conditioning inside; and, of course, they have air conditioning in the Green Zone. Potable water, people with potable water, below pre-war level; unemployment rate between 25 and 40 percent; inflation rate in Iraq, 50 percent.

Now, here's what you're voting if you vote against this bill. There's \$95.5 billion for the troops. There's \$12.3 billion for military personnel pay and benefits program. \$1.15 billion to cover the full cost of housing allowances, something that was left out last year.

We are adding \$2 billion to address the training and equipping shortfalls in the forces not deployed. We actually have \$4 billion more in this bill than was asked for.

We have \$2 billion dedicated to the strategic reserve readiness fund. We recommend adding \$1 billion for Afghanistan, where the real war should be fought.

We have \$25.6 billion in this bill, and if you vote against it, you're voting against \$25.6 billion purchases to increase the President's request by \$800 million. That's the acquisition. The proposal allocates \$3 billion. Let me tell you, the Pentagon asked for \$1.3 billion. We added \$1.2 billion for MRAPs. What are MRAPs? MRAPs are the V-shaped vehicles that resist IEDs.

Now, some of your children have been there. Some of your sons and daughters have been there. This the Pentagon says is their most important equipment, and we added twice as much money as they asked for in the budget, and if you vote against this, you are voting against that very equipment.

We passed legislation that fully funded everything at \$4 billion more and the President vetoed it. He should have signed that bill.

For the Army procurement accounts, we approved a total of \$15.8 billion, more for Humvees, more for Strykers. Somebody mentioned Strykers. Let me tell you something, if it hadn't been for the Subcommittee on Defense, there wouldn't have been any Strykers for the Army because they wanted them, but they weren't willing to ask for the money.

The defense health programs, somebody mentioned Walter Reed. All of us have been to Walter Reed. All of us have seen the young people who have been shattered by this war. All of us have seen the people who go to Walter Reed and are taken care of so well. None of us knew about Building 18, but we put money in the budget for three or four years in a row, and it was mishandled. It didn't go to fixing up the places that should have been fixed up.

I just went out there a week ago, and I met with the doctors. The doctors

said we don't have enough doctors. They said we don't have enough nurses, we don't have enough administrative people, at Walter Reed today. Why? Because they can't afford to pay them as much as they would on the outside. We put \$2.1 billion above the budget request for Walter Reed.

\$450 million for post-traumatic stress. Of all the other injuries that are suffered in Iraq, this is going to be the most damaging, the things that people will have to live with the most. I have seen young people that came back from Iraq that are having a hard time adjusting, and they were not in the heaviest contact. The psychologists that appeared before the committee said to me, 3 months in this situation is a long time, 3 months they start getting post-traumatic stress. Predictions are we will have 65,000 Americans, not Iraqis, Americans that are going to have post-traumatic stress.

You wonder why we want to bring this to an end? We want to change the direction? You wonder why we want to convince the President that it's not working? Why we have to have a diplomatic surge instead of a military surge?

We put \$450 million in for brain damage to see if we can't find ways to help the people with brains that have been damaged. If you vote against this, you're voting against that.

Amputee care, \$62 million for amputee care; \$12 million for care givers. The care givers at Walter Reed, at Landstuhl are suffering because they see this all the time. They see these young people coming in, and they are shattered.

Let me tell you this, finally. I went down to Fort Hood, Fort Bragg, Fort Stewart; and I saw at those bases these families who inspire me, these families who I can't say enough about them. And they gathered around me and we talked about their problems. It had just been announced they are going to extend the troops for 15 months. Now, Secretary Gates made the right decision because he wasn't going to leave them at home. Because of what we have done here in the Congress, he is now leaving people at home for at least a year, and let me tell you that's essential for these people who have to go back.

Some of these troops in the 82nd Airborne will be deployed for the fourth and the fifth time. They're individuals. They're people. They're people suffering from the horrendous impact of this war, and I ask you to vote for this because we want to hold this President accountable for this war, hold him accountable and convince him we need compromises.

Ms. JACKSON-LEE of Texas. Mr. Speaker, as a proud member of the Progressive and the Out of Iraq Caucuses, I rise to announce that I will proudly cast my vote in favor of H.R. 2206, the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Act." By vetoing the bipartisan Iraq Accountability Act last week, the President ve-

toed the will of the American people. The President vetoed a responsible funding bill for the troops that would have provided more funding for our troops and military readiness than even the President requested.

By vetoing the Iraq Accountability Act, the President rejected a bill that reflects the will of the American people to wind down this war. By vetoing the Iraq Accountability Act, the President turned a deaf ear to the loud message sent by the American people last November.

The President demands a blank check to escalate the war in Iraq against the will of the Congress and the American people. The Constitution does not require it, he certainly has not earned it, and I am not prepared to give it to him. That is why I will proudly vote for H.R. 2206.

The legislation crafted by the chairman of the Appropriations Committee in consultation with the leadership and the members of the Democratic Caucus offers us a real chance to end the misguided invasion, war, and occupation of Iraq. It puts us on the glide path to the day when our troops come home in honor and triumph and where we can "care for him who has borne the battle, and for his widow and orphan." This legislation helps to repair the damage to America's international reputation and prestige. It brings long overdue oversight, accountability, and transparency to defense and reconstruction contracting and procurement. Finally, it places the responsibility for bringing peace and security where it clearly belongs and that is squarely on the shoulders of the Iraqi government.

Mr. Speaker, in threatening to veto this legislation, the President claims it will "undermine our troops and threaten the safety of the American people here at home." Coming from an administration that has been wrong on every important question relating to the decision to launch the Iraq war as well the conduct of it, this claim is laughable. It is nearly as ridiculous as the President's often stated claim of "progress" in Iraq. The facts, of course, are otherwise. The U.S. death toll in Iraq reached 104 for April—making it the deadliest month of the year and one of the deadliest of the entire war. It is therefore little wonder that nearly 70 percent of Americans disapprove of the way the President is handling the war. But more important, the President's claim that the Iraq Accountability Act undermines our troops and threatens the safety of the American people here at home is simply not true.

Republican Senator CHUCK HAGEL recently returned from Iraq and paints a bleak picture: "This thing is coming undone quickly, and [Prime Minister] Maliki's government is weaker by the day. The police are corrupt top to bottom. The oil problem is a huge problem. They still can't get anything through the parliament—no hydrocarbon law, no de-Baathification law, no provincial elections."

Mr. Speaker, many of the Nation's most highly respected generals and several leading Republicans have endorsed the House Democratic majority's approach; all of them oppose the President's plan to escalate the war in Iraq. Take, for example, MG John Batiste, U.S. Army, (Ret.):

This important legislation sets a new direction for Iraq. It acknowledges that America went to war without mobilizing the nation, that our strategy in Iraq has been tragically flawed since the invasion in March

2003, that our Army and Marine Corps are at the breaking point with little to show for it, and that our military alone will never establish representative government in Iraq. The administration got it terribly wrong and I applaud our Congress for stepping up to their constitutional responsibilities.

MG Paul Eaton, USA, Ret. supports this legislation because it "gives General Petraeus great leverage for moving the Iraqi government down the more disciplined path laid out by the Iraq Study Group." According to General Eaton, the real audience for the timeline language is Prime Minister al-Maliki and the elected government of Iraq:

The argument that this bill aides the enemy is simply not mature—nobody on the earth underestimates the United States' capacity for unpredictability. It may further create some sense of urgency in the rest of our government, beginning with the State Department.

LTG William E. Odom, U.S. Army (Ret.), President Reagan's Director of the National Security Agency, supports the bill because it "gives the president a chance to pull back from a disastrous course, re-orient U.S. strategy to achieve regional stability, and win help from many other countries—the only way peace will eventually be achieved."

Mr. Speaker, to date, the war in Iraq has lasted longer than America's involvement in World War II, the greatest conflict in all of human history. But there is a difference. The Second World War ended in complete and total victory for the United States and its allies. But then again, in that conflict America was led by FDR, a great Commander-in-Chief, who had a plan to win the war and secure the peace, listened to his generals, and sent troops in sufficient numbers and sufficiently trained and equipped to do the job.

As a result of the colossal miscalculation in deciding to invade Iraq, the loss of public trust resulting from the misrepresentation of the reasons for launching that invasion, and the breathtaking incompetence in mismanaging the occupation of Iraq, the Armed Forces and the people of the United States have suffered incalculable damage.

The war in Iraq has claimed the lives of 3,381 brave service men and women, 64 in the first 30 days of this month. More than 24,912 Americans have been wounded, many suffering the most horrific injuries. American taxpayers have paid nearly \$400 billion to sustain this misadventure.

Mr. Speaker, I support H.R. 2206 because it holds President Bush and the Iraqi government accountable—by fencing \$52.8 billion of the \$95.5 billion provided to the Defense Department until released by subsequent legislation. This bill requires the President to confront the realities of the Iraq war and take account of the facts on the ground.

First, the bill requires the President to submit a report to Congress by July 13 regarding the success of the Iraqi Government in meeting security and political benchmarks. The President must report progress by the Iraqi Government in meeting key security benchmarks, articulated by Iraqi Prime Minister Maliki himself in January, including eliminating militia control of local security, I disarming the militias, and giving Iraqi Security Forces the authority to pursue all extremists, including Shiite militias.

The legislation also requires the President to report on whether key political benchmarks,

announced by President Bush himself in January have actually been accomplished by the Iraqi Government, relating to such issues as enacting a bill to equitably share oil revenue among all Iraqis, reforming current laws governing the de-Baathification process, providing for provincial elections, and amending the constitution.

Second, within 7 legislative days after receiving the report in July, both the House and Senate would vote on whether to release the remaining defense funds. Thus, the bill guarantees two votes by Congress in July.

The first guaranteed vote is a vote on an amendment to the measure releasing the remaining defense funding, which would provide that this funding could only be used for planning and executing the redeployment of U.S. troops from Iraq within 180 days of the bill's enactment, with only limited exceptions to this redeployment for troops for training and equipping Iraqi troops, targeted counterterrorism operations, and force protection.

The second guaranteed vote is a vote on the underlying measure releasing the remaining defense funds. The bill contains expedited procedures to guarantee that the votes take place in both the House and Senate by the end of July.

Mr. Speaker, it is time to hold the Bush administration and the Iraqi Government accountable. This bill's timetable and benchmarks finally hold the Iraqis accountable. As retired MG Paul Eaton has stated, "This bill gives General Petraeus great leverage for moving the Iraqi government down the more disciplined path laid out by the Iraq Study Group. The real audience for the timeline language is Prime Minister al-Maliki and the elected government of Iraq.

Even Defense Secretary Robert Gates has noted that the timetable is helpful—and sends the message that "the clock is ticking." Gates said "The strong feelings expressed in the Congress about the timetable probably have had a positive impact . . . in terms of communicating to the Iraqis that this is not an open-ended commitment."

Mr. Speaker, in passing H.R. 2206, this House will be doing the business and expressing the will of the American people. In the latest CBS News/New York Times poll, 64 percent of Americans favor a timetable that provides for the withdrawal of U.S. troops from Iraq in 2008. In the same poll, 57 percent of Americans believe that Congress, not the President, should have the last say when it comes to setting troop levels in Iraq.

Mr. Speaker, in passing H.R. 2206, Congress is fulfilling its constitutional responsibilities and exercising the first check on the President's power in 6 years. As Iraq Study Group Co-Chairman Lee Hamilton has pointed out, "The founders of our nation never envisioned an unfettered president making unilateral decisions about American lives and military power. They did indeed make the president the commander in chief, but they gave to Congress the responsibility for declaring war, for making rules governing our land and naval forces, for overseeing policy, and of course the ability to fund war or to cease funding it."

Mr. Speaker, I urge all Members to join me in voting for H.R. 2206. This is the best way to ensure accountability to our soldiers who have been sent into battle without proper training or equipment or a clear mission. It is the best way to keep faith with our veterans who

are not getting the best medical care when they come home. Passing this legislation is essential to restoring our military that is being stretched to the limits by the Bush policy. Last, it is absolutely necessary to regain the confidence of the American people who demand a new direction in Iraq.

Mr. BECERRA. Mr. Speaker, I rise in support of H.R. 2206, the revised Iraq Accountability Act.

This legislation fully funds the troops in Iraq and Afghanistan, provides health care to our active duty soldiers and veterans, holds the Iraqi Government accountable, and continues to pressure President George W. Bush to change the course and responsibly end our military involvement in Iraq.

The American people have spoken clearly time and again that the United States must find an end to its commitment in Iraq. Last month, Congress responded to the American people by sending President Bush a bill that required him to be accountable in his execution of the Iraq war. He responded to that legislation by vetoing it and asking for a blank check for his Iraqi misadventure. How symbolic that the President vetoes the Iraq Accountability Act on May 1, 2007, the 4-year anniversary of his "Mission Accomplished" speech.

In an attempt to compromise with President Bush, the House of Representatives has revised its legislation. H.R. 2206 provides over \$42 billion immediately to fund the operations and equipment needs of our troops in Iraq and Afghanistan.

To ensure real accountability over execution of the war, the bill requires the President to submit a report to Congress by July 13 regarding the success of the Iraqi Government in meeting security and political benchmarks. Iraqi Prime Minister Nouri al-Maliki and President Bush proposed these very benchmarks in January 2007. These benchmarks include provisions such as eliminating militia control of local security, disarming the militias, and enacting a bill to equitably share oil revenue among all Iraqis.

After the submission of this report, both houses of Congress would vote on whether to release an additional \$52.8 billion for military operations and equipment in Iraq. Before such a vote, H.R. 2206 would require an important vote on an amendment to use these funds only to plan and execute a redeployment of troops from Iraq in 180 days. This is the crucial vote: will we finally change course in Iraq and represent the aspirations and the best interests of the American people?

This legislation requires the President to confront the realities of the Iraq War and take account of the facts on the ground. Since President Bush has shown a tin ear by failing to listen to the American public's discontent concerning the Iraq War, it is the responsibility of Congress to lead America out of this war. By sending this strong piece of legislation to the president, we are one step closer to reaching that goal.

I urge my colleagues to support this legislation to bring accountability in Iraq and provide the necessary help to our troops and veterans at home.

Ms. VELÁZQUEZ. Mr. Speaker, today is a landmark day in our efforts to end the war in Iraq. There is nothing more offensive to a democracy than a war being waged against the people's will. Yet that is the situation our soldiers face every day.

Tonight, the House has a chance to reflect the will of the people on the most important issue of our time. We have the opportunity to vote to reunite our soldiers with their families. Let this body speak with one booming voice that cannot be denied. Mr. President—no more surges. Bring them home.

I have opposed this war from day one. But now is not the time to talk about the past. It's time to talk about the future of this country. Under the legislation proposed by my friend from Massachusetts, Mr. McGOVERN, most of our soldiers and contractors in Iraq will be back with us in 9 months.

The Iraq war has ended the lives of nearly 150 New Yorkers, and nearly 3,400 Americans. The young people we have lost in Iraq are as diverse as America itself—they are people of color, teenagers, women, immigrants of many faiths, and many are from my own home in Brooklyn. Tens of thousands more are severely injured and will need our care for the rest of their lives.

We do not serve Iraq by staying there. While our military can help the Iraqi Government with security, no surge can resolve Iraq's bitter political differences. Our diplomatic efforts will carry more weight after we leave. We can better ask Iraq's neighbors to help when we are Iraq's partner, not its occupier.

It's time to bring our troops home to their families. By supporting Speaker PELOSI's package of H.R. 2237, H.R. 2206, and H.R. 2207, we can achieve critical domestic priorities, fund our soldiers and veterans, and begin a swift withdrawal from Iraq. I urge the support of my colleagues.

Mr. CONYERS. Mr. Speaker, I rise today in support of H.R. 2206, the U.S. Troops Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007. The revised Iraq Accountability Act supports our troops while holding President Bush and the Iraqi Government accountable.

After vetoing the April supplemental bill that was supported by a majority of the American people, President Bush is once more asking for a blank check to continue his escalation of our military involvement in Iraq. Once again, the President has chosen confrontation over cooperation by threatening to veto the bill we are considering today. After a meeting during which lawmakers from his own party told him he had lost the confidence of the American people, the President issued a statement claiming to support "benchmarks" for progress in Iraq. But, unlike congressional Republicans, the President will not support consequences for failure to meet those benchmarks. It should be obvious to all that benchmarks without consequences are nothing but meaningless window dressing.

This Congress will not provide the President the blank check that he has requested. In last November's election, the American people demanded a new direction in Iraq, and we will continue to fight to responsibly wind down this war. Our revised bill will fully fund the troops, honor our commitment to veterans, hold the Iraqi Government accountable, and continue to press the President to change course and stop the bloodshed in Iraq. It also provides funding for urgent domestic needs that are emergencies in their own right and appropriate to include in this emergency supplemental legislation. These include a minimum wage/small business tax relief package, \$6.8 billion for Hurricane Katrina recovery, \$3.5 billion more

than the President's request, \$400 million for the Low Income Heating Assistance Program, LIHEAP, and \$396 million for the State Children's Health Insurance Program, S-CHIP.

I voted earlier today in favor of Congressman McGOVERN's bill providing for the redeployment of United States Armed Forces and American defense contractors from Iraq. That measure was defeated, but attracted far more support than many observers had predicted, indicating a growing momentum inside Congress for redeployment. I remain confident that as the tragedy in Iraq wears on, even more Members of Congress will join in demanding withdrawal of our troops from Iraq and prohibiting the further use of funds to continue President Bush's war. In the meantime, however, I will join with my colleagues in the Democratic Caucus to send the President a supplemental funding bill that demands accountability and guarantees further congressional consideration of war funding in just a few short months.

H.R. 2206 fully funds the troops over the next 2 to 3 months, ensuring that they have everything they need to conduct their mission. The bill also includes additional funding for the troops not requested by the President, including increased funding for military health care and Mine Resistant Ambush Protected, MRAP, vehicles in Iraq. It includes funds to improve military readiness as well as \$1.8 billion to meet our veterans' health care needs.

The bill would fence off \$52.8 billion of the \$95.5 billion provided to the Defense Department until it is released by subsequent legislation. It requires the President to submit a report to Congress by July 13 of this year regarding the success of the Iraqi Government in meeting key security and political benchmarks. Within 7 legislative days of receipt of the report, Congress would have the opportunity to evaluate the situation in Iraq and vote on whether or not to continue to fund the war. Expedited procedures are included in the bill to guarantee that this vote will take place in both the House and Senate by the end of July.

I would have preferred not to be taking this vote today, but the President has brought us to this point with his stubborn refusal to accept the will of the American people. I will continue to support any Iraq-related legislation that holds the President's feet to the fire. The inferno raging in Iraq is one of his own making, and he should be forced to feel the heat.

Mr. CARNAHAN. Mr. Speaker, I rise today to express my support for H.R. 2206, the U.S. Troops Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability appropriations Act. This legislation will fund our troops, protect our veterans, and give the much needed relief to the Gulf region while sending a clear message to the Iraqi government that they will not receive a blank check.

However, I would like to express my displeasure that the bill includes a rescission of nearly \$683 million in unobligated highway funds. The cost of the Iraq war has already taken too many lives and costs way too much money. Our nation's infrastructure is at a breaking point, and cannot afford to be subjected to further cuts. At a time when increased investment in our roadways is critical, this rescission hurts our Federal-aid highway program. Some roads in my District have been rated among the most dangerous in the country and it is critical that we fully fund highway improvements to ensure the safety of our con-

stituents. I look forward to soon having the opportunity to vote to restore these funds.

Mr. LARSON of Connecticut. Mr. Speaker, last week President Bush marked the fourth anniversary his proclaimed "Mission Accomplished" in Iraq with a veto. He refused to heed the will of the American people and disregarded the work of this Congress by vetoing the Iraq Accountability Act that called for a new direction in Iraq.

Earlier tonight, I supported a bill offered by the gentleman from Massachusetts, Mr. McGOVERN that would have provided for the redeployment of U.S. Armed Forces and defense contractors from Iraq. I have believed for some time now that we must begin the safe and strategic withdrawal of our troops. While this measure was defeated, I remain resolved we must change the current course in Iraq.

Before the House is a revised Iraq Accountability bill. This bill continues to keep our commitment to our servicemen and women and to the American people. It fully funds our troops, improves military readiness and holds the Bush Administration and the Iraqi government accountable. The bill would provide \$95.5 billion to the Department of Defense, but would fence off \$52.8 billion, more than half of the funds. This funding would be held by Congress until the Bush Administration accounts for progress on the ground. President Bush would have to report to Congress the progress of the Iraqi Government in meeting key security benchmarks by July 13, 2007. Only with this accountability and another vote by Congress would the remaining funds be appropriated.

The era of "stay the course" and blank checks without accountability is over. I call upon my colleagues and the President to search their conscience and join me in supporting the underlying bill—a balanced and reasonable approach to Iraq.

The SPEAKER pro tempore. The gentleman's time has expired.

All time for debate has expired.

Pursuant to House Resolution 387, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LEWIS OF CALIFORNIA

Mr. LEWIS of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. LEWIS of California. I am in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Lewis of California moves to recommit the bill, H.R. 2206, to the Committee on Appropriations to report the same back to the House forthwith with the following amendment:

In chapter 3 of title I, strike section 1331.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California is recognized for 5 minutes on his motion.

Mr. LEWIS of California. Mr. Speaker, I rise to offer this very simple and straightforward motion to recommit.

Included within Mr. OBEY's emergency supplemental proposal is legislative language that requires the President to report by July 13 on the specific progress the Iraqi Government has made in meeting 16 specific goals. Once this report is received, only the chairman of the Appropriations Committee can introduce a joint resolution of approval to release any additional funds to our troops in Iraq.

The chairman of the House Appropriations Committee is not required to introduce the joint resolution of approval, and no other Member can do it. The authority that this gives the chairman of the committee to introduce or not introduce legislation is unprecedented.

Further, in an almost unprecedented move, this supplemental includes the rule under which the joint resolution will be brought to the floor. And under this rule, the only amendment made in order is one that mandates the withdrawal of troops from Iraq within 6 months.

Mr. Speaker, this legislative language sets dangerous precedents that should be of great concern to Members on both sides of the aisle.

My motion to recommit strikes this legislative language in section 1331, the so-called fence language, limiting the availability of funds for our troops. This ill-conceived language not only grants the chairman of the House Appropriations Committee extraordinary authority, but also preordains the rule by which the joint resolution will be brought to the floor.

I strongly urge a "yes" vote on this motion to recommit.

Mr. OBEY. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, let me simply say that this motion is very simple.

It simply removes the provision in this bill which fences almost \$50 billion pending the three reports from the President that we have talked about for the last hour. The effect of it is to give the President every dollar he wants, no questions asked, no oversight, no review, no nothing. It is a blank check, and it guts the bill, and I would urge a "no" vote.

Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, let me say, I see the Vice President has gone to Iraq to urge the Iraqis not to take a 2-month vacation. I mean, we have got to put some pressure on them. It hasn't been working. I mean, I see the Vice President also said, he said they seem to be more enthused than they used to be. Let me tell you something, we have got to do something more than be enthused when the Americans are in the killing zone. That's the problem.

If this amendment were adopted, we would lose all our leverage on the Iraqis. The Iraqis could go on as they have, and one of the biggest problems

