

should launch negotiations for a free trade agreement with Taiwan.

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**SENATE CONCURRENT RESOLUTION 61—PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE SENATE, AND A CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES**

Mr. REID (for himself and Mr. MCCONNELL) submitted the following concurrent resolution; which was:

S. CON. RES. 61

*Resolved by the Senate (the House of Representatives concurring),* That when the Senate adjourns on any day from Tuesday, December 18, 2007, through Monday, December 31, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned sine die, or until the time of any reassembly pursuant to section 3 of this concurrent resolution; and that when the House adjourns on any legislative day from Tuesday, December 18, 2007, through Saturday, December 22, 2007, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned sine die, or until the time of any reassembly pursuant to section 3 of this concurrent resolution.

SEC. 2. When the Senate recesses or adjourns on Thursday, January 3, 2008, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it shall stand recessed or adjourned until noon on Tuesday, January 22, 2008, or such other time on that day as may be specified in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 3 of this concurrent resolution, whichever occurs first; and when the House adjourns on the legislative day of Thursday, January 3, 2008, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it shall stand recessed or adjourned until noon on Tuesday, January 15, 2008, or until the time of any reassembly pursuant to section 3 of this concurrent resolution; whichever occurs first.

SEC. 3. The Majority Leader of the Senate and the Speaker of the House, or their respective designees, acting jointly after consultation with the Minority Leader of the Senate and the Minority Leader of the House, shall notify Members of the Senate and the House, respectively, to reassemble at such a place and time as they may designate if, in their opinion, the public interest shall warrant it.

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**SENATE CONCURRENT RESOLUTION 62—TO CORRECT THE ENROLLMENT OF H.R. 660**

Mr. LEAHY (for himself, Mr. SPECTER, and Mr. KYL) submitted the following concurrent resolution; which was:

S. CON. RES. 62

*Resolved by the Senate (the House of Representatives concurring),* That in the enrollment of H.R. 660, an Act to amend title 18, United States Code, to protect judges, prosecutors, witnesses, victims, and their family members, and for other purposes, the Clerk of the House of Representatives shall strike section 502 of the Act and insert the following:

**“SEC. 502. MAGISTRATE JUDGES LIFE INSURANCE.**

“(a) IN GENERAL.—Section 604(a)(5) of title 28, United States Code, is amended by inserting

after ‘hold office during good behavior’, the following: ‘magistrate judges appointed under section 631 of this title’.

“(b) CONSTRUCTION.—For purposes of construing and applying chapter 87 of title 5, United States Code, including any adjustment of insurance rates by regulation or otherwise, the following categories of judicial officers shall be deemed to be judges of the United States as described under section 8701 of title 5, United States Code:

“(1) Magistrate judges appointed under section 631 of title 28, United States Code.

“(2) Magistrate judges retired under section 377 of title 28, United States Code.

“(c) EFFECTIVE DATE.—Subsection (b) and the amendment made by subsection (a) shall apply with respect to any payment made on or after the first day of the first applicable pay period beginning on or after the date of enactment of this Act.”.

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**AMENDMENTS SUBMITTED AND PROPOSED**

SA 3870. Mr. ISAKSON (for himself and Mr. CHAMBLISS) submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table.

SA 3871. Mr. BURR (for himself and Mr. GREGG) submitted an amendment intended to be proposed by him to the bill H.R. 2764, supra; which was ordered to lie on the table.

SA 3872. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 2764, supra; which was ordered to lie on the table.

SA 3873. Mr. WARNER (for himself, Ms. MIKULSKI, Mr. GRAHAM, Mr. GREGG, Mr. LEAHY, Mr. SUNUNU, Mr. BARRASSO, and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 2764, supra; which was ordered to lie on the table.

SA 3874. Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) proposed an amendment to the bill H.R. 2764, supra.

SA 3875. Mr. FEINGOLD (for himself, Mr. REID, Mr. LEAHY, Mr. DODD, Mrs. BOXER, Mr. KENNEDY, Mr. KERRY, Mr. HARKIN, Mr. WHITEHOUSE, Mr. WYDEN, Mr. DURBIN, Mr. SCHUMER, Mr. OBAMA, Mr. SANDERS, Mr. MENENDEZ, Mr. LAUTENBERG, Mr. BROWN, and Mrs. CLINTON) proposed an amendment to amendment SA 3874 proposed by Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) to the bill H.R. 2764, supra.

SA 3876. Mr. LEVIN (for himself, Mr. REED, Mr. VOINOVICH, Mr. HAGEL, Ms. SNOWE, Mr. REID, and Mr. SALAZAR) proposed an amendment to amendment SA 3874 proposed by Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) to the bill H.R. 2764, supra.

SA 3877. Mr. REID proposed an amendment to the bill H.R. 2764, supra.

SA 3878. Ms. SNOWE (for herself, Mr. SUNUNU, Mr. DODD, Mr. GREGG, Ms. COLLINS, Mr. LIEBERMAN, Mr. REED, and Mr. WHITEHOUSE) submitted an amendment intended to be proposed by her to the bill H.R. 2764, supra; which was ordered to lie on the table.

SA 3879. Mr. CARDIN (for himself, Mr. WARNER, Ms. MIKULSKI, and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill H.R. 2764, supra; which was ordered to lie on the table.

SA 3880. Mr. PRYOR (for Mr. BIDEN) proposed an amendment to the resolution S. Res. 279, expressing the sense of the Senate

regarding the 125th anniversary of the 1882 Treaty of Peace, Amity, Commerce and Navigation between the Kingdom of Chosun (Korea) and the United States.

SA 3881. Mr. PRYOR (for Mr. NELSON of Florida) proposed an amendment to the concurrent resolution S. Con. Res. 53, condemning the kidnapping and hostage-taking of 3 United States citizens for over 4 years by the Revolutionary Armed Forces of Colombia (FARC), and demanding their immediate and unconditional release.

SA 3882. Mr. PRYOR (for Mr. FEINGOLD) proposed an amendment to the bill S. 2135, to prohibit the recruitment or use of child soldiers, to designate persons who recruit or use child soldiers as inadmissible aliens, to allow the deportation of persons who recruit or use child soldiers, and for other purposes.

SA 3883. Mr. PRYOR (for Mr. BIDEN) proposed an amendment to the resolution S. Res. 279, expressing the sense of the Senate regarding the 125th anniversary of the 1882 Treaty of Peace, Amity, Commerce and Navigation between the Kingdom of Chosun (Korea) and the United States.

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**TEXT OF AMENDMENTS**

**SA 3870.** Mr. ISAKSON (for himself and Mr. CHAMBLISS) submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table; as follows:

In division C, strike section 134.

**SA 3871.** Mr. BURR (for himself and Mr. GREGG) submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table; as follows:

On page 806, line 16, strike “\$666,087,000” and insert “\$751,087,000”.

On page 806, line 20, strike “\$103,921,000” and insert “\$188,921,000”.

On page 822, between lines 18 and 19, insert the following:

SEC. . Notwithstanding any other provision of this Act, amounts appropriated in this Act for the administration and related expenses for the departmental management of the Department of Labor, the Department of Health and Human Services, and the Department of Education shall be reduced by a pro rata percentage required to reduce the total amount appropriated in this Act by \$85,000,000.

**SA 3872.** Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table; as follows:

In the matter under the heading “NUCLEAR ENERGY” of title III of division C, strike “: Provided, That \$233,849,000 is authorized to be appropriated for Project 99-D-143 Mixed Oxide (MOX) Fuel Fabrication Facility, Savannah River Site, South Carolina: Provided further, That the Department of Energy adhere strictly to Department of Energy Order 413.3A for Project 99-D-143”.

In the matter under the heading “NATIONAL NUCLEAR SECURITY ADMINISTRATION” of title III of division C, before the period at the end, insert the following: “: *Provided further*, That \$233,849,000 is authorized to be appropriated for Project 99-D-143 Mixed Oxide (MOX) Fuel Fabrication Facility, Savannah River Site, South Carolina: *Provided further*, That the Department of Energy adhere strictly to Department of Energy Order 413.3A for Project 99-D-143”.

**SA 3873.** Mr. WARNER (for himself and Ms. MIKULSKI, Mr. GRAHAM, Mr. GREGG, Mr. LEAHY, Mr. SUNUNU, Mr. BARRASSO, and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. 1. SMALL AND SEASONAL BUSINESSES.**

(a) **SHORT TITLE.**—This section may be cited as the “Save our Small and Seasonal Businesses Act of 2007”.

(b) **IN GENERAL.**—Section 214(g)(9)(A) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(9)(A)) is amended, by striking “an alien who has already been counted toward the numerical limitation of paragraph (1)(B) during fiscal year 2004, 2005, or 2006 shall not again be counted toward such limitation during fiscal year 2007.” and inserting “an alien who has been present in the United States as an H-2B nonimmigrant during any 1 of the 3 fiscal years immediately preceding the fiscal year of the approved start date of a petition for a nonimmigrant worker described in section 101(a)(15)(H)(ii)(B) shall not be counted toward such limitation for the fiscal year in which the petition is approved.”.

(c) **EFFECTIVE DATE.**—The amendment made by subsection (b) shall be effective during the 1-year period beginning on October 1, 2007.

**SA 3874.** Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUYE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) proposed an amendment to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; as follows:

Strike Division L and insert the following:

**DIVISION L—SUPPLEMENTAL APPROPRIATIONS, DEFENSE**

**TITLE I—MILITARY PERSONNEL**

**MILITARY PERSONNEL**

**MILITARY PERSONNEL, ARMY**

For an additional amount for “Military Personnel, Army”, \$782,500,000.

**MILITARY PERSONNEL, NAVY**

For an additional amount for “Military Personnel, Navy”, \$95,624,000.

**MILITARY PERSONNEL, MARINE CORPS**

For an additional amount for “Military Personnel, Marine Corps”, \$56,050,000.

**MILITARY PERSONNEL, AIR FORCE**

For an additional amount for “Military Personnel, Air Force”, \$138,037,000.

**TITLE II—OPERATION AND MAINTENANCE**

**OPERATION AND MAINTENANCE**

**OPERATION AND MAINTENANCE, ARMY**

For an additional amount for “Operation and Maintenance, Army”, \$35,152,370,000.

**OPERATION AND MAINTENANCE, NAVY**  
(INCLUDING TRANSFERS OF FUNDS)

For an additional amount for “Operation and Maintenance, Navy”, \$3,664,000,000: *Provided*, That up to \$110,000,000 shall be transferred to the Coast Guard “Operating Expenses” account.

**OPERATION AND MAINTENANCE, MARINE CORPS**

For an additional amount for “Operation and Maintenance, Marine Corps”, \$3,965,638,000.

**OPERATION AND MAINTENANCE, AIR FORCE**

For an additional amount for “Operation and Maintenance, Air Force”, \$4,778,000,000.

**OPERATION AND MAINTENANCE, DEFENSE-WIDE**

For an additional amount for “Operation and Maintenance, Defense-Wide”, \$2,116,950,000, of which up to \$300,000,000, 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, or to be 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”, \$77,736,000.

**OPERATION AND MAINTENANCE, NAVY RESERVE**

For an additional amount for “Operation and Maintenance, Navy Reserve”, \$41,657,000.

**OPERATION AND MAINTENANCE, MARINE CORPS RESERVE**

For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, \$46,153,000.

**OPERATIONS AND MAINTENANCE, AIR FORCE RESERVE**

For an additional amount for “Operation and Maintenance, Air Force Reserve”, \$12,133,000.

**OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD**

For an additional amount for “Operation and Maintenance, Army National Guard”, \$327,000,000.

**OPERATION AND MAINTENANCE, AIR NATIONAL GUARD**

For an additional amount for “Operation and Maintenance, Air National Guard”, \$51,634,000.

**IRAQ FREEDOM FUND**  
(INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Iraq Freedom Fund”, \$3,747,327,000, to remain available for transfer until September 30, 2009, only to support operations in Iraq or Afghanistan: *Provided*, That the Secretary of Defense may transfer the funds provided herein to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and working capital funds: *Provided further*,

That funds transferred shall be merged with and be available for the same purposes and for the same time period as the appropriation or fund to which transferred: *Provided further*, That this transfer authority 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: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

**AFGHANISTAN SECURITY FORCES FUND**  
(INCLUDING TRANSFER OF FUNDS)

For the “Afghanistan Security Forces Fund”, \$1,350,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Office of Security Cooperation-Afghanistan, or the Secretary’s designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Afghanistan, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority 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 so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than five days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

**IRAQ SECURITY FORCES FUND**  
(INCLUDING TRANSFER OF FUNDS)

For the “Iraq Security Forces Fund”, \$1,500,000,000, to remain available until September 30, 2009: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Commander, Multi-National Security Transition

Command-Iraq, or the Secretary's designee, to provide assistance, with the concurrence of the Secretary of State, to the security forces of Iraq, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, and construction, and funding: *Provided further*, That the authority to provide assistance under this heading is in addition to any other authority to provide assistance to foreign nations: *Provided further*, That the Secretary of Defense may transfer such funds to appropriations for military personnel; operation and maintenance; Overseas Humanitarian, Disaster, and Civic Aid; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purposes provided herein: *Provided further*, That this transfer authority 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 so transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That contributions of funds for the purposes provided herein from any person, foreign government, or international organization may be credited to this Fund, and used for such purposes: *Provided further*, That the Secretary shall notify the congressional defense committees in writing upon the receipt and upon the transfer of any contribution delineating the sources and amounts of the funds received and the specific use of such contributions: *Provided further*, That the Secretary of Defense shall, not fewer than five days prior to making transfers from this appropriation account, notify the congressional defense committees in writing of the details of any such transfer: *Provided further*, That the Secretary shall submit a report no later than 30 days after the end of each fiscal quarter to the congressional defense committees summarizing the details of the transfer of funds from this appropriation.

**JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND**

**(INCLUDING TRANSFER OF FUNDS)**

For the "Joint Improvised Explosive Device Defeat Fund", \$4,269,000,000, to remain available until September 30, 2010: *Provided*, That such funds shall be available to the Secretary of Defense, notwithstanding any other provision of law, for the purpose of allowing the Director of the Joint Improvised Explosive Device Defeat Organization to investigate, develop and provide equipment, supplies, services, training, facilities, personnel and funds to assist United States forces in the defeat of improvised explosive devices: *Provided further*, That within 60 days of the enactment of this Act, a plan for the intended management and use of the Fund is provided to the congressional defense committees: *Provided further*, That the Secretary of Defense shall submit a report not later than 30 days after the end of each fiscal quarter to the congressional defense committees providing assessments of the evolving threats, individual service requirements to counter the threats, the current strategy for predeployment training of members of the Armed Forces on improvised explosive devices, and details on the execution of this Fund: *Provided further*, That the Secretary of Defense may transfer funds provided herein to appropriations for military personnel; operation and maintenance; procurement; research, development, test and evaluation; and defense working capital funds to accomplish the purpose provided herein: *Provided further*, That this transfer authority is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That upon determination that all or

part of the funds so transferred from this appropriation are not necessary for the purpose provided herein, such amounts may be transferred back to this appropriation: *Provided further*, That the Secretary of Defense shall, not fewer than 5 days prior to making transfers from this appropriation, notify the congressional defense committees in writing of the details of any such transfer.

**TITLE III—PROCUREMENT**

**PROCUREMENT**

**AIRCRAFT PROCUREMENT, ARMY**

For an additional amount for "Aircraft Procurement, Army", \$943,600,000, to remain available for obligation until September 30, 2010.

**PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY**

For an additional amount for "Procurement of Weapons and Tracked Combat Vehicles, Army", \$1,429,445,000, to remain available for obligation until September 30, 2010.

**PROCUREMENT OF AMMUNITION, ARMY**

For an additional amount for "Procurement of Ammunition, Army", \$154,000,000, to remain available for obligation until September 30, 2010.

**OTHER PROCUREMENT, ARMY**

For an additional amount for "Other Procurement, Army", \$2,027,800,000, to remain available for obligation until September 30, 2010.

**AIRCRAFT PROCUREMENT, NAVY**

For an additional amount for "Aircraft Procurement, Navy", \$48,500,000, to remain available for obligation until September 30, 2010.

**PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS**

For an additional amount for "Procurement of Ammunition, Navy and Marine Corps", \$304,945,000, to remain available for obligation until September 30, 2010.

**OTHER PROCUREMENT, NAVY**

For an additional amount for "Other Procurement, Navy", \$91,481,000, to remain available for obligation until September 30, 2010.

**PROCUREMENT, MARINE CORPS**

For an additional amount for "Procurement, Marine Corps", \$703,250,000, to remain available for obligation until September 30, 2010.

**AIRCRAFT PROCUREMENT, AIR FORCE**

For an additional amount for "Aircraft Procurement, Air Force", \$51,400,000, to remain available for obligation until September 30, 2010.

**OTHER PROCUREMENT, AIR FORCE**

For an additional amount for "Other Procurement, Air Force", \$30,725,000, to remain available for obligation until September 30, 2010.

**PROCUREMENT, DEFENSE-WIDE**

For an additional amount for "Procurement, Defense-Wide", \$274,743,000, to remain available for obligation until September 30, 2010.

**TITLE IV—REVOLVING AND MANAGEMENT FUNDS**

**REVOLVING AND MANAGEMENT FUNDS**

**DEFENSE WORKING CAPITAL FUNDS**

For an additional amount of "Defense Working Capital Funds", \$1,000,000,000, to remain available for obligation until September 30, 2010.

**TITLE V—OTHER DEPARTMENT OF DEFENSE PROGRAMS**

**OTHER DEPARTMENT OF DEFENSE PROGRAMS**

**DEFENSE HEALTH PROGRAM**

For an additional amount for "Defense Health Program", \$575,701,000 for Operation and maintenance.

**DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE**

For an additional amount for "Drug Interdiction and Counter-Drug Activities, Defense", \$192,601,000.

**TITLE VI—GENERAL PROVISIONS**

**GENERAL PROVISIONS**

**SEC. 601.** Appropriations provided in this division are available for obligation until September 30, 2008, unless otherwise so provided in this division.

**SEC. 602.** Notwithstanding any other provision of law or of this division, funds made available in this division are in addition to amounts appropriated or otherwise made available for the Department of Defense for fiscal year 2008.

**(TRANSFER OF FUNDS)**

**SEC. 603.** Upon the determination of the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer between appropriations up to \$4,000,000,000 of the funds made available to the Department of Defense in this division: *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.

**SEC. 604.** Funds appropriated in this division, or made available by the transfer of funds in or pursuant to this division, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

**SEC. 605.** None of the funds provided in this division may be used to finance programs or activities denied by Congress in fiscal years 2007 or 2008 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.

**SEC. 606. (a) AVAILABILITY OF FUNDS FOR CERP.**—From funds made available in this division to the Department of Defense, not to exceed \$500,000,000 may be used, notwithstanding any other provision of law, to fund the Commander's Emergency Response Program, for the purpose of enabling military commanders in Iraq to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the Iraqi people, and to fund a similar program to assist the people of Afghanistan.

**(b) QUARTERLY REPORTS.**—Not later than 15 days after the end of each fiscal year quarter (beginning with the first quarter of fiscal year 2008), 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. 607.** During the current fiscal year, funds available to the Department of Defense for operation and maintenance may be used, notwithstanding any other provision of law,

to provide supplies, services, transportation, including airlift and sealift, and other logistical support to coalition forces supporting military and stability operations in Iraq and Afghanistan: *Provided*, That the Secretary of Defense shall provide quarterly reports to the congressional defense committees regarding support provided under this section.

SEC. 608. During fiscal year 2008, supervision and administration costs associated with projects carried out with funds appropriated to “Afghanistan Security Forces Fund” or “Iraq Security Forces Fund” in this division 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. 609. (a) REPORTS ON PROGRESS TOWARD STABILITY IN IRAQ.—Not later than 60 days after the date of the enactment of this Act and every 90 days thereafter through the end of fiscal year 2008, the Secretary of Defense shall set forth in a report to Congress a comprehensive set of performance indicators and measures for progress toward military and political stability in Iraq.

(b) SCOPE OF REPORTS.—Each report shall include performance standards and goals for security, economic, and security force training objectives in Iraq together with a national timetable for achieving these goals.

(c) SPECIFIC ELEMENTS.—In specific, each report shall require, at a minimum, the following:

(1) With respect to stability and security in Iraq, the following:

(A) Key measures of political stability, including the important political milestones that must be achieved over the next several years.

(B) The primary indicators of a stable security environment in Iraq, such as number of engagements per day, numbers of trained Iraqi forces, and trends relating to numbers and types of ethnic and religious-based hostile encounters.

(C) An assessment of the estimated strength of the insurgency in Iraq and the extent to which it is composed of non-Iraqi fighters.

(D) A description of all militias operating in Iraq, including the number, size, equipment strength, military effectiveness, sources of support, legal status, and efforts to disarm or reintegrate each militia.

(E) Key indicators of economic activity that should be considered the most important for determining the prospects of stability in Iraq, including—

(i) unemployment levels;

(ii) electricity, water, and oil production rates; and

(iii) hunger and poverty levels.

(F) The criteria the Administration will use to determine when it is safe to begin withdrawing United States forces from Iraq.

(2) With respect to the training and performance of security forces in Iraq, the following:

(A) The training provided Iraqi military and other Ministry of Defense forces and the equipment used by such forces.

(B) Key criteria for assessing the capabilities and readiness of the Iraqi military and other Ministry of Defense forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping these forces), and the milestones and notional timetable for achieving these goals.

(C) The operational readiness status of the Iraqi military forces, including the type, number, size, and organizational structure of Iraqi battalions that are—

(i) capable of conducting counterinsurgency operations independently;

(ii) capable of conducting counterinsurgency operations with the support of United States or coalition forces; or

(iii) not ready to conduct counterinsurgency operations.

(D) The rates of absenteeism in the Iraqi military forces and the extent to which insurgents have infiltrated such forces.

(E) The training provided Iraqi police and other Ministry of Interior forces and the equipment used by such forces.

(F) Key criteria for assessing the capabilities and readiness of the Iraqi police and other Ministry of Interior forces, goals for achieving certain capability and readiness levels (as well as for recruiting, training, and equipping), and the milestones and notional timetable for achieving these goals, including—

(i) the number of police recruits that have received classroom training and the duration of such instruction;

(ii) the number of veteran police officers who have received classroom instruction and the duration of such instruction;

(iii) the number of police candidates screened by the Iraqi Police Screening Service, the number of candidates derived from other entry procedures, and the success rates of those groups of candidates;

(iv) the number of Iraqi police forces who have received field training by international police trainers and the duration of such instruction; and

(v) attrition rates and measures of absenteeism and infiltration by insurgents.

(G) The estimated total number of Iraqi battalions needed for the Iraqi security forces to perform duties now being undertaken by coalition forces, including defending the borders of Iraq and providing adequate levels of law and order throughout Iraq.

(H) The effectiveness of the Iraqi military and police officer cadres and the chain of command.

(I) The number of United States and coalition advisors needed to support the Iraqi security forces and associated ministries.

(J) An assessment, in a classified annex if necessary, of United States military requirements, including planned force rotations, through the end of calendar year 2008.

SEC. 610. Each amount appropriated or otherwise made available in this division is designated as an emergency requirement and necessary to meet emergency needs pursuant to subsections (a) and (b) of section 204 of S. Con. Res. 21 (110th Congress), the concurrent resolution on the budget for fiscal year 2008.

SEC. 611. None of the funds appropriated or otherwise made available by this division may be obligated or expended to provide award fees to any defense contractor for performance that does not meet the requirements of the contract.

SEC. 612. No funds appropriated or otherwise made available by this division may be used by the Government of the United States to enter into an agreement with the Government of Iraq that would subject members of the Armed Forces of the United States to the jurisdiction of Iraqi criminal courts or punishment under Iraqi law.

SEC. 613. Notwithstanding any other provision of law, the Secretary of the Army may reimburse a member for expenses incurred by the member or family member when such expenses are otherwise not reimbursable under law: *Provided*, That such expenses must have been incurred in good faith as a direct consequence of reasonable preparation for, or execution of, military orders: *Provided further*, That reimbursement under this section shall be allowed only in situations wherein other authorities are insufficient to remedy a hardship determined by the Secretary, and only when the Secretary determines that re-

imbursement of the expense is in the best interest of the member and the United States.

SEC. 614. In this division, the term “congressional defense committees” means—

(1) The Committees on Armed Services and Appropriations of the Senate; and

(2) the Committees on Armed Services and Appropriations of the House of Representatives.

SEC. 615. This division may be cited as the “Emergency Supplemental Appropriations Act for Defense, 2008”.

**SA 3875.** Mr. FEINGOLD (for himself, Mr. REID, Mr. LEAHY, Mr. DODD, Mrs. BOXER, Mr. KENNEDY, Mr. KERRY, Mr. HARKIN, Mr. WHITEHOUSE, Mr. WYDEN, Mr. DURBIN, Mr. SCHUMER, Mr. OBAMA, Mr. SANDERS, Mr. MENENDEZ, Mr. LAUTENBERG, Mr. BROWN, and Mrs. CLINTON) proposed an amendment to amendment SA 3874 proposed by Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUYE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_.** **SAFE REDEPLOYMENT OF UNITED STATES TROOPS FROM IRAQ.**

(a) TRANSITION OF MISSION.—The President shall promptly transition the mission of the United States Armed Forces in Iraq to the limited and temporary purposes set forth in subsection (d).

(b) COMMENCEMENT OF SAFE, PHASED REDEPLOYMENT FROM IRAQ.—The President shall commence the safe, phased redeployment of members of the United States Armed Forces from Iraq who are not essential to the limited and temporary purposes set forth in subsection (d). Such redeployment shall begin not later than 90 days after the date of the enactment of this Act, and shall be carried out in a manner that protects the safety and security of United States troops.

(c) USE OF FUNDS.—No funds appropriated or otherwise made available under any provision of law may be obligated or expended to continue the deployment in Iraq of members of the United States Armed Forces after the date that is nine months after the date of the enactment of this Act.

(d) EXCEPT FOR LIMITED AND TEMPORARY PURPOSES.—The prohibition under subsection (c) shall not apply to the obligation or expenditure of funds for the following limited and temporary purposes:

(1) To conduct targeted operations, limited in duration and scope, against members of al Qaeda and affiliated international terrorist organizations.

(2) To provide security for United States Government personnel and infrastructure.

(3) To provide training to members of the Iraqi Security Forces who have not been involved in sectarian violence or in attacks upon the United States Armed Forces, provided that such training does not involve members of the United States Armed Forces taking part in combat operations or being embedded with Iraqi forces.

(4) To provide training, equipment, or other materiel to members of the United States Armed Forces to ensure, maintain, or improve their safety and security.

**SA 3876.** Mr. LEVIN (for himself, Mr. REED, Mr. VOINOVICH, Mr. HAGEL, Ms. SNOWE, Mr. REID, and Mr. SALAZAR, proposed an amendment to amendment

SA 3874 proposed by Mr. MCCONNELL (for himself, Mr. LIEBERMAN, Mr. INOUYE, Mr. STEVENS, Mr. COCHRAN, and Mr. WARNER) to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. \_\_\_\_\_. It is the sense of Congress that the missions of the United States Armed Forces in Iraq should be transitioned to the more limited set of missions laid out by the President in his September 13, 2007, address to the Nation, that is, to counterterrorism operations and training, equipping, and supporting Iraqi forces, in addition to the necessary mission of force protection, with the goal of completing that transition by the end of 2008.

**SA 3877.** Mr. REID proposed an amendment to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; as follows:

At the end of the amendment add the following:

#### SECTION 1. SHORT TITLE, ETC.

(a) **SHORT TITLE.**—This Act may be cited as the “AMT Relief Act of 2007”.

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

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

Sec. 1. Short title, etc.

#### TITLE I—INDIVIDUAL TAX RELIEF

Sec. 101. Extension of alternative minimum tax relief for nonrefundable personal credits.

Sec. 102. Extension of increased alternative minimum tax exemption amount.

Sec. 103. Increase of AMT refundable credit amount for individuals with long-term unused credits for prior year minimum tax liability, etc.

Sec. 104. Refundable child credit.

#### TITLE II—REVENUE PROVISIONS

Subtitle A—Nonqualified Deferred Compensation From Certain Tax Indifferent Parties

Sec. 201. Nonqualified deferred compensation from certain tax indifferent parties.

Subtitle B—Codification of Economic Substance Doctrine

Sec. 211. Codification of economic substance doctrine.

Sec. 212. Penalties for underpayments.

Subtitle C—Other Provisions

Sec. 221. Delay in application of worldwide allocation of interest.

Sec. 222. Modification of penalty for failure to file partnership returns.

Sec. 223. Penalty for failure to file S corporation returns.

Sec. 224. Increase in minimum penalty on failure to file a return of tax.

Sec. 225. Time for payment of corporate estimated taxes.

#### TITLE I—INDIVIDUAL TAX RELIEF

##### SEC. 101. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) **IN GENERAL.**—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking “or 2006” and inserting “2006, or 2007”, and

(2) by striking “2006” in the heading thereof and inserting “2007”.

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

##### SEC. 102. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) **IN GENERAL.**—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—

(1) by striking “(\$62,550 in the case of taxable years beginning in 2006)” in subparagraph (A) and inserting “(\$66,250 in the case of taxable years beginning in 2007)”, and

(2) by striking “(\$42,500 in the case of taxable years beginning in 2006)” in subparagraph (B) and inserting “(\$44,350 in the case of taxable years beginning in 2007)”, and

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

##### SEC. 103. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

(a) **IN GENERAL.**—Paragraph (2) of section 53(e) is amended to read as follows:

“(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

“(A) 50 percent of the long-term unused minimum tax credit for such taxable year, or

“(B) the amount (if any) of the AMT refundable credit amount determined under this paragraph for the taxpayer’s preceding taxable year.”

(b) **TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.**—Section 53 is amended by adding at the end the following new subsection:

“(f) **TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.**—

(1) **ABATEMENT.**—Any underpayment of tax outstanding on the date of the enactment of this subsection which is attributable to the application of section 56(b)(3) for any taxable year ending before January 1, 2007 (and any interest or penalty with respect to such underpayment which is outstanding on such date of enactment), is hereby abated. No credit shall be allowed under this section with respect to any amount abated under this paragraph.

(2) **INCREASE IN CREDIT FOR CERTAIN INTEREST AND PENALTIES ALREADY PAID.**—Any interest or penalty paid before the date of the enactment of this subsection which would (but for such payment) have been abated under paragraph (1) shall be treated for purposes of this section as an amount of adjusted net minimum tax imposed for the taxable year of the underpayment to which such interest or penalty relates.”

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2006.

(2) **ABATEMENT.**—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by sub-

section (b), shall take effect on the date of the enactment of this Act.

##### SEC. 104. REFUNDABLE CHILD CREDIT.

(a) **MODIFICATION OF THRESHOLD AMOUNT.**—Clause (i) of section 24(d)(1)(B) is amended by inserting “(\$8,500 in the case of taxable years beginning in 2008)” after “\$10,000”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

#### TITLE II—REVENUE PROVISIONS

##### Subtitle A—Nonqualified Deferred Compensation From Certain Tax Indifferent Parties

##### SEC. 201. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFERENT PARTIES.

(a) **IN GENERAL.**—Subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by inserting after section 457 the following new section:

##### “SEC. 457A. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES.

“(a) **IN GENERAL.**—Any compensation which is deferred under a nonqualified deferred compensation plan of a nonqualified entity shall be taken into account for purposes of this chapter when there is no substantial risk of forfeiture of the rights to such compensation.

“(b) **NONQUALIFIED ENTITY.**—For purposes of this section, the term ‘nonqualified entity’ means—

“(1) any foreign corporation unless substantially all of its income is—

“(A) effectively connected with the conduct of a trade or business in the United States, or

“(B) subject to a comprehensive foreign income tax, and

“(2) any partnership unless substantially all of its income is allocated to persons other than—

“(A) foreign persons with respect to whom such income is not subject to a comprehensive foreign income tax, and

“(B) organizations which are exempt from tax under this title.

“(c) **ASCERTAINABILITY OF AMOUNTS OF COMPENSATION.**—

“(1) **IN GENERAL.**—If the amount of any compensation is not ascertainable at the time that such compensation is otherwise to be taken into account under subsection (a)—

“(A) such amount shall be so taken into account when ascertainable, and

“(B) the tax imposed under this chapter for the taxable year in which such compensation is taken into account under subparagraph (A) shall be increased by the sum of—

“(i) the amount of interest determined under paragraph (2), and

“(ii) an amount equal to 20 percent of the amount of such compensation.

“(2) **INTEREST.**—For purposes of paragraph (1)(B)(i), the interest determined under this paragraph for any taxable year is the amount of interest at the underpayment rate under section 6621 plus 1 percentage point on the underpayments that would have occurred had the deferred compensation been includable in gross income for the taxable year in which first deferred or, if later, the first taxable year in which such deferred compensation is not subject to a substantial risk of forfeiture.

“(d) **OTHER DEFINITIONS AND SPECIAL RULES.**—For purposes of this section—

“(1) **SUBSTANTIAL RISK OF FORFEITURE.**—

“(A) **IN GENERAL.**—The rights of a person to compensation shall be treated as subject to a substantial risk of forfeiture only if such person’s rights to such compensation are conditioned upon the future performance of substantial services by any individual.

“(B) EXCEPTION FOR COMPENSATION BASED ON GAIN RECOGNIZED ON AN INVESTMENT ASSET.—

“(i) IN GENERAL.—To the extent provided in regulations prescribed by the Secretary, if compensation is determined solely by reference to the amount of gain recognized on the disposition of an investment asset, such compensation shall be treated as subject to a substantial risk of forfeiture until the date of such disposition.

“(ii) INVESTMENT ASSET.—For purposes of clause (i), the term ‘investment asset’ means any single asset (other than an investment fund or similar entity)—

“(I) acquired directly by an investment fund or similar entity,

“(II) with respect to which such entity does not (nor does any person related to such entity) participate in the active management of such asset (or if such asset is an interest in an entity, in the active management of the activities of such entity), and

“(III) substantially all of any gain on the disposition of which (other than such deferred compensation) is allocated to investors in such entity.

“(iii) COORDINATION WITH SPECIAL RULE FOR SHORT-TERM DEFERRALS OF COMPENSATION.—Paragraph (3)(B) shall not apply to any compensation to which clause (i) applies.

“(2) COMPREHENSIVE FOREIGN INCOME TAX.—The term ‘comprehensive foreign income tax’ means, with respect to any foreign person, the income tax of a foreign country if—

“(A) such person is eligible for the benefits of a comprehensive income tax treaty between such foreign country and the United States, or

“(B) such person demonstrates to the satisfaction of the Secretary that such foreign country has a comprehensive income tax. Such term shall not include any tax unless such tax includes rules for the deductibility of deferred compensation which are similar to the rules of this title.

“(3) NONQUALIFIED DEFERRED COMPENSATION PLAN.—

“(A) IN GENERAL.—The term ‘nonqualified deferred compensation plan’ has the meaning given such term under section 409A(d), except that such term shall include any plan that provides a right to compensation based on the appreciation in value of a specified number of equity units of the service recipient.

“(B) EXCEPTION FOR SHORT-TERM DEFERRALS.—Compensation shall not be treated as deferred for purposes of this section if the service provider receives payment of such compensation not later than 12 months after the end of the taxable year of the service recipient during which the right to the payment of such compensation is no longer subject to a substantial risk of forfeiture.

“(4) EXCEPTION FOR CERTAIN COMPENSATION WITH RESPECT TO EFFECTIVELY CONNECTED INCOME.—In the case a foreign corporation with income which is taxable under section 882, this section shall not apply to compensation which, had such compensation had been paid in cash on the date that such compensation ceased to be subject to a substantial risk of forfeiture, would have been deductible by such foreign corporation against such income.

“(5) APPLICATION OF RULES.—Rules similar to the rules of paragraphs (5) and (6) of section 409A(d) shall apply.

“(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations disregarding a substantial risk of forfeiture in cases where necessary to carry out the purposes of this section.”

(b) CONFORMING AMENDMENT.—Section 26(b)(2) is amended by striking “and” at the

end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting “, and”, and by adding at the end the following new subparagraph:

“(U) section 457A(c)(1)(B) (relating to ascertainability of amounts of compensation).”.

(c) CLERICAL AMENDMENT.—The table of sections of subpart B of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 457 the following new item:

“Sec. 457A. Nonqualified deferred compensation from certain tax indifferent parties.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts deferred which are attributable to services performed after December 31, 2007.

(2) APPLICATION TO EXISTING DEFERRALS.—

In the case of any amount deferred to which the amendments made by this section do not apply solely by reason of the fact that the amount is attributable to services performed before January 1, 2008, to the extent such amount is not includible in gross income in a taxable year beginning before 2017, such amounts shall be includible in gross income in the later of—

(A) the last taxable year beginning before 2017, or

(B) the taxable year in which there is no substantial risk of forfeiture of the rights to such compensation (determined in the same manner as determined for purposes of section 457A of the Internal Revenue Code of 1986, as added by this section).

(3) ACCELERATED PAYMENTS.—No later than 60 days after the date of the enactment of this Act, the Secretary shall issue guidance providing a limited period of time during which a nonqualified deferred compensation arrangement attributable to services performed on or before December 31, 2007, may, without violating the requirements of section 409A(a) of the Internal Revenue Code of 1986, be amended to conform the date of distribution to the date the amounts are required to be included in income.

(4) CERTAIN BACK-TO-BACK ARRANGEMENTS.—If the taxpayer is also a service recipient and maintains one or more nonqualified deferred compensation arrangements for its service providers under which any amount is attributable to services performed on or before December 31, 2007, the guidance issued under paragraph (3) shall permit such arrangements to be amended to conform the dates of distribution under such arrangement to the date amounts are required to be included in the income of such taxpayer under this subsection.

(5) ACCELERATED PAYMENT NOT TREATED AS MATERIAL MODIFICATION.—Any amendment to a nonqualified deferred compensation arrangement made pursuant to paragraph (3) or (4) shall not be treated as a material modification of the arrangement for purposes of section 409A of the Internal Revenue Code of 1986.

#### Subtitle B—Codification of Economic Substance Doctrine

##### SEC. 211. CODIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

“(p) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.—

“(1) APPLICATION OF DOCTRINE.—In the case of any transaction to which the economic substance doctrine is relevant, such transaction shall be treated as having economic substance only if—

“(A) the transaction changes in a meaningful way (apart from Federal income tax effects) the taxpayer’s economic position, and

“(B) the taxpayer has a substantial purpose (apart from Federal income tax effects) for entering into such transaction.

(2) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—

(A) IN GENERAL.—The potential for profit of a transaction shall be taken into account in determining whether the requirements of subparagraphs (A) and (B) of paragraph (1) are met with respect to the transaction only if the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected.

(B) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (A).

(3) STATE AND LOCAL TAX BENEFITS.—For purposes of paragraph (1), any State or local income tax effect which is related to a Federal income tax effect shall be treated in the same manner as a Federal income tax effect.

(4) FINANCIAL ACCOUNTING BENEFITS.—For purposes of paragraph (1)(B), achieving a financial accounting benefit shall not be taken into account as a purpose for entering into a transaction if such transaction results in a Federal income tax benefit.

(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

(A) ECONOMIC SUBSTANCE DOCTRINE.—The term ‘economic substance doctrine’ means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

(B) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, paragraph (1) shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

(C) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

(D) DETERMINATION OF APPLICATION OF DOCTRINE NOT AFFECTED.—The determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if this subsection had never been enacted.

(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

##### SEC. 212. PENALTIES FOR UNDERPAYMENTS.

(a) PENALTY FOR UNDERPAYMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (5) the following new paragraph:

“(6) Any disallowance of claimed tax benefits by reason of a transaction lacking economic substance (within the meaning of section 7701(p)) or failing to meet the requirements of any similar rule of law.”

(2) INCREASED PENALTY FOR NONDISCLOSED TRANSACTIONS.—Section 6662 is amended by

adding at the end the following new subsection:

“(i) INCREASE IN PENALTY IN CASE OF NON-DISCLOSED NONECONOMIC SUBSTANCE TRANSACTIONS.—

“(1) IN GENERAL.—To the extent that a portion of the underpayment to which this section applies is attributable to one or more nondisclosed noneconomic substance transactions, subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’.

“(2) NONDISCLOSED NONECONOMIC SUBSTANCE TRANSACTIONS.—For purposes of this subsection, the term ‘nondisclosed noneconomic substance transaction’ means any portion of a transaction described in subsection (b)(6) with respect to which the relevant facts affecting the tax treatment are not adequately disclosed in the return nor in a statement attached to the return.

“(3) SPECIAL RULE FOR AMENDED RETURNS.— Except as provided in regulations, in no event shall any amendment or supplement to a return of tax be taken into account for purposes of this subsection if the amendment or supplement is filed after the earlier of the date the taxpayer is first contacted by the Secretary regarding the examination of the return or such other date as is specified by the Secretary.”.

“(3) CONFORMING AMENDMENT.—Subparagraph (B) of section 6662A(e)(2) is amended—

(A) by striking “section 6662(h)” and inserting “subsection (h) or (i) of section 6662”, and

(B) by striking “GROSS VALUATION MISSTATEMENT PENALTY” in the heading and inserting “CERTAIN INCREASED UNDERPAYMENT PENALTIES”.

(b) REASONABLE CAUSE EXCEPTION NOT APPLICABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS, TAX SHELTERS, AND CERTAIN LARGE CORPORATIONS.—Subsection (c) of section 6664 is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

(2) by striking “paragraph (2)” in paragraph (4), as so redesignated, and inserting “paragraph (3)”, and

(3) by inserting after paragraph (1) the following new paragraph:

“(2) EXCEPTION FOR NONECONOMIC SUBSTANCE TRANSACTIONS, TAX SHELTERS, AND CERTAIN LARGE CORPORATIONS.—Paragraph (1) shall not apply—

“(A) to any portion of an underpayment which is attributable to one or more tax shelters (as defined in section 6662(d)(2)(C)) or transactions described in section 6662(b)(6), and

“(B) to any taxpayer if such taxpayer is a specified large corporation (as defined in section 6662(d)(2)(D)(ii)).”.

(c) APPLICATION OF PENALTY FOR ERRONEOUS CLAIM FOR REFUND OR CREDIT TO NONECONOMIC SUBSTANCE TRANSACTIONS.—Section 6676 is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

“(c) NONECONOMIC SUBSTANCE TRANSACTIONS TREATED AS LACKING REASONABLE BASIS.—For purposes of this section, any excessive amount which is attributable to any transaction described in section 6662(b)(6) shall not be treated as having a reasonable basis.”.

(d) SPECIAL UNDERSTATEMENT REDUCTION RULE FOR CERTAIN LARGE CORPORATIONS.—

(1) IN GENERAL.—Paragraph (2) of section 6662(d) is amended by adding at the end the following new subparagraph:

“(D) SPECIAL REDUCTION RULE FOR CERTAIN LARGE CORPORATIONS.—

“(i) IN GENERAL.—In the case of any specified large corporation—

“(I) subparagraph (B) shall not apply, and

“(II) the amount of the understatement under subparagraph (A) shall be reduced by that portion of the understatement which is attributable to any item with respect to which the taxpayer has a reasonable belief that the tax treatment of such item by the taxpayer is more likely than not the proper tax treatment of such item.

“(ii) SPECIFIED LARGE CORPORATION.—

“(I) IN GENERAL.—For purposes of this subparagraph, the term ‘specified large corporation’ means any corporation with gross receipts in excess of \$100,000,000 for the taxable year involved.

“(II) AGGREGATION RULE.—All persons treated as a single employer under section 662(a) shall be treated as one person for purposes of subclause (I).”.

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 6662(d)(2) is amended by striking “Subparagraph (B)” and inserting “Subparagraphs (B) and (D)(i)(II)”.

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

### Subtitle C—Other Provisions

#### SEC. 221. DELAY IN APPLICATION OF WORLD-WIDE ALLOCATION OF INTEREST.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) are each amended by striking “December 31, 2008” and inserting “December 31, 2017”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

#### SEC. 222. MODIFICATION OF PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS.

(a) EXTENSION OF TIME LIMITATION.—Subsection (a) of section 6698 (relating to general rule) is amended by striking ‘5 months’ and inserting ‘12 months’.

(b) INCREASE IN PENALTY AMOUNT.—Paragraph (1) of section 6698(b) is amended by striking “\$50” and inserting “\$100”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after the date of the enactment of this Act.

#### SEC. 223. PENALTY FOR FAILURE TO FILE S CORPORATION RETURNS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

#### “SEC. 669A. FAILURE TO FILE S CORPORATION RETURN.

“(a) GENERAL RULE.—In addition to the penalty imposed by section 7203 (relating to willful failure to file return, supply information, or pay tax), if any S corporation required to file a return under section 6037 for any taxable year—

“(1) fails to file such return at the time prescribed therefor (determined with regard to any extension of time for filing), or

“(2) files a return which fails to show the information required under section 6037, such S corporation shall be liable for a penalty determined under subsection (b) for each month (or fraction thereof) during which such failure continues (but not to exceed 12 months), unless it is shown that such failure is due to reasonable cause.

“(b) AMOUNT PER MONTH.—For purposes of subsection (a), the amount determined under this subsection for any month is the product of—

“(1) \$100, multiplied by

“(2) the number of persons who were shareholders in the S corporation during any part of the taxable year.

“(c) ASSESSMENT OF PENALTY.—The penalty imposed by subsection (a) shall be assessed against the S corporation.

“(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating

to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).”.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

“Sec. 669A. Failure to file S corporation return.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after the date of the enactment of this Act.

#### SEC. 224. INCREASE IN MINIMUM PENALTY ON FAILURE TO FILE A RETURN OF TAX.

(a) IN GENERAL.—Subsection (a) of section 6651 is amended by striking “\$100” in the last sentence and inserting “\$150”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to returns the due date for the filing of which (including extensions) is after December 31, 2007.

#### SEC. 225. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

The percentage under subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 52.5 percentage points.

**SA 3878.** Ms. SNOWE (for herself, Mr. SUNUNU, Mr. DODD, Mr. GREGG, Ms. COLLINS, Mr. LIEBERMAN, Mr. REED, and Mr. WHITEHOUSE) submitted an amendment intended to be proposed by her to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; which was ordered to lie on the table; as follows:

On page 14, beginning in line 23, strike “fishery.” and insert “fishery: *Provided further*, That, of the funds provided, not less than \$15,000,000 in the aggregate is provided to Connecticut, Maine, New Hampshire, and Rhode Island for the alleviation of economic impacts associated with Amendment 13 and subsequent Framework adjustments, including Framework 42.”.

**SA 3879.** Mr. CARDIN (for himself, Mr. WARNER, Ms. MIKULSKI, and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill H.R. 2764, making appropriations for the Department of State, foreign operations, and related programs for the fiscal year ending September 30, 2008, and for other purposes; as follows:

At the appropriate place, insert the following:

#### SEC. \_\_\_\_\_. NATIONAL CAPITAL TRANSPORTATION AMENDMENTS ACT OF 2007.

##### (a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the “National Capital Transportation Amendments Act of 2007”.

##### (2) FINDINGS.—Congress finds as follows:

(A) Metro, the public transit system of the Washington metropolitan area, is essential for the continued and effective performance of the functions of the Federal Government, and for the orderly movement of people during major events and times of regional or national emergency.

(B) On 3 occasions, Congress has authorized appropriations for the construction and capital improvement needs of the Metrorail system.

(C) Additional funding is required to protect these previous Federal investments and

ensure the continued functionality and viability of the original 103-mile Metrorail system.

(b) FEDERAL CONTRIBUTION FOR CAPITAL PROJECTS FOR WASHINGTON METROPOLITAN AREA TRANSIT SYSTEM.—The National Capital Transportation Act of 1969 (sec. 9-1111.01 et seq., D.C. Official Code) is amended by adding at the end the following:

“AUTHORIZATION OF ADDITIONAL FEDERAL CONTRIBUTION FOR CAPITAL AND PREVENTIVE MAINTENANCE PROJECTS

“SEC. 18. (a) AUTHORIZATION.—Subject to the succeeding provisions of this section, the Secretary of Transportation is authorized to make grants to the Transit Authority, in addition to the contributions authorized under sections 3, 14, and 17, for the purpose of financing in part the capital and preventive maintenance projects included in the Capital Improvement Program approved by the Board of Directors of the Transit Authority.

“(b) USE OF FUNDS.—The Federal grants made pursuant to the authorization under this section shall be subject to the following limitations and conditions:

“(1) The work for which such Federal grants are authorized shall be subject to the provisions of the Compact (consistent with the amendments to the Compact described in subsection (d)).

“(2) Each such Federal grant shall be for 50 percent of the net project cost of the project involved, and shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Consistent with the terms of the amendment to the Compact described in subsection (d)(1), any funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

“(c) APPLICABILITY OF REQUIREMENTS FOR MASS TRANSPORTATION CAPITAL PROJECTS RECEIVING FUNDS UNDER FEDERAL TRANSPORTATION LAW.—Except as specifically provided in this section, the use of any amounts appropriated pursuant to the authorization under this section shall be subject to the requirements applicable to capital projects for which funds are provided under chapter 53 of title 49, United States Code, except to the extent that the Secretary of Transportation determines that the requirements are inconsistent with the purposes of this section.

“(d) AMENDMENTS TO COMPACT.—No amounts may be provided to the Transit Authority pursuant to the authorization under this section until the Transit Authority notifies the Secretary of Transportation that each of the following amendments to the Compact (and any further amendments which may be required to implement such amendments) have taken effect:

“(1)(A) An amendment requiring that all payments by the local signatory governments for the Transit Authority for the purpose of matching any Federal funds appropriated in any given year authorized under subsection (a) for the cost of operating and maintaining the adopted regional system are made from amounts derived from dedicated funding sources.

“(B) For purposes of this paragraph, the term ‘dedicated funding source’ means any source of funding which is earmarked or required under State or local law to be used to match Federal appropriations authorized under this Act for payments to the Transit Authority.

“(2) An amendment establishing the Office of the Inspector General of the Transit Authority in accordance with section 3 of the National Capital Transportation Amendments Act of 2007.

“(3) An amendment expanding the Board of Directors of the Transit Authority to include

4 additional Directors appointed by the Administrator of General Services, of whom 2 shall be nonvoting and 2 shall be voting, and requiring one of the voting members so appointed to be a regular passenger and customer of the bus or rail service of the Transit Authority.

“(e) AMOUNT.—There are authorized to be appropriated to the Secretary of Transportation for grants under this section an aggregate amount not to exceed \$1,500,000,000 to be available in increments over 10 fiscal years beginning in fiscal year 2009, or until expended.

“(f) AVAILABILITY.—Amounts appropriated pursuant to the authorization under this section—

“(1) shall remain available until expended; and

“(2) shall be in addition to, and not in lieu of, amounts available to the Transit Authority under chapter 53 of title 49, United States Code, or any other provision of law.

“(g) ACCESS TO WIRELESS SERVICES IN METRORAIL SYSTEM.—

“(1) REQUIRING TRANSIT AUTHORITY TO PROVIDE ACCESS TO SERVICE.—No amounts may be provided to the Transit Authority pursuant to the authorization under this section unless the Transit Authority ensures that customers of the rail service of the Transit Authority have access within the rail system to services provided by any licensed wireless provider that notifies the Transit Authority (in accordance with such procedures as the Transit Authority may adopt) of its intent to offer service to the public, in accordance with the following timetable:

“(A) Not later than 1 year after the date of the enactment of the National Capital Transportation Amendments Act of 2007, in the 20 underground rail station platforms with the highest volume of passenger traffic.

“(B) Not later than 4 years after such date, throughout the rail system.

“(2) ACCESS OF WIRELESS PROVIDERS TO SYSTEM FOR UPGRADES AND MAINTENANCE.—No amounts may be provided to the Transit Authority pursuant to the authorization under this section unless the Transit Authority ensures that each licensed wireless provider who provides service to the public within the rail system pursuant to paragraph (1) has access to the system on an ongoing basis (subject to such restrictions as the Transit Authority may impose to ensure that such access will not unduly impact rail operations or threaten the safety of customers or employees of the rail system) to carry out emergency repairs, routine maintenance, and upgrades to the service.

“(3) PERMITTING REASONABLE AND CUSTOMARY CHARGES.—Nothing in this subsection may be construed to prohibit the Transit Authority from requiring a licensed wireless provider to pay reasonable and customary charges for access granted under this subsection.

“(4) REPORTS.—Not later than 1 year after the date of the enactment of the National Capital Transportation Amendments Act of 2007, and each of the 3 years thereafter, the Transit Authority shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the implementation of this subsection.

“(5) DEFINITION.—In this subsection, the term ‘licensed wireless provider’ means any provider of wireless services who is operating pursuant to a Federal license to offer such services to the public for profit.”.

(c) WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY INSPECTOR GENERAL.—

(1) ESTABLISHMENT OF OFFICE.—

(A) IN GENERAL.—The Washington Metropolitan Area Transit Authority (referred to

in this subsection as the “Transit Authority”) shall establish in the Transit Authority the Office of the Inspector General (referred to in this subsection as the “Office”), headed by the Inspector General of the Transit Authority (referred to in this subsection as the “Inspector General”).

(B) DEFINITION.—In subparagraph (A), the “Washington Metropolitan Area Transit Authority” means the Authority established under Article III of the Washington Metropolitan Area Transit Authority Compact (Public Law 89-774).

(2) INSPECTOR GENERAL.—

(A) APPOINTMENT.—The Inspector General shall be appointed by the vote of a majority of the Board of Directors of the Transit Authority, and shall be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations, as well as familiarity or experience with the operation of transit systems.

(B) TERM OF SERVICE.—The Inspector General shall serve for a term of 5 years, and an individual serving as Inspector General may be reappointed for not more than 2 additional terms.

(C) REMOVAL.—The Inspector General may be removed from office prior to the expiration of his term only by the unanimous vote of all of the members of the Board of Directors of the Transit Authority, and the Board shall communicate the reasons for any such removal to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(3) DUTIES.—

(A) APPLICABILITY OF DUTIES OF INSPECTOR GENERAL OF EXECUTIVE BRANCH ESTABLISHMENT.—The Inspector General shall carry out the same duties and responsibilities with respect to the Transit Authority as an Inspector General of an establishment carries out with respect to an establishment under section 4 of the Inspector General Act of 1978 (5 U.S.C. App. 4), under the same terms and conditions which apply under such section.

(B) CONDUCTING ANNUAL AUDIT OF FINANCIAL STATEMENTS.—The Inspector General shall be responsible for conducting the annual audit of the financial accounts of the Transit Authority, either directly or by contract with an independent external auditor selected by the Inspector General.

(C) REPORTS.—

(i) SEMIANNUAL REPORTS TO TRANSIT AUTHORITY.—The Inspector General shall prepare and submit semiannual reports summarizing the activities of the Office in the same manner, and in accordance with the same deadlines, terms, and conditions, as an Inspector General of an establishment under section 5 of the Inspector General Act of 1978 (5 U.S.C. App. 5). For purposes of applying section 5 of such Act to the Inspector General, the Board of Directors of the Transit Authority shall be considered the head of the establishment, except that the Inspector General shall transmit to the General Manager of the Transit Authority a copy of any report submitted to the Board pursuant to this paragraph.

(ii) ANNUAL REPORTS TO LOCAL SIGNATORY GOVERNMENTS AND CONGRESS.—Not later than January 15 of each year, the Inspector General shall prepare and submit a report summarizing the activities of the Office during the previous year, and shall submit such reports to the Governor of Maryland, the Governor of Virginia, the Mayor of the District of Columbia, the chair of the Committee on

Government Reform of the House of Representatives, and the chair of the Committee on Homeland Security and Governmental Affairs of the Senate.

(D) INVESTIGATIONS OF COMPLAINTS OF EMPLOYEES AND MEMBERS.—

(1) AUTHORITY.—The Inspector General may receive and investigate complaints or information from an employee or member of the Transit Authority concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority, or a substantial and specific danger to the public health and safety.

(ii) NONDISCLOSURE.—The Inspector General shall not, after receipt of a complaint or information from an employee or member, disclose the identity of the employee or member without the consent of the employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

(iii) PROHIBITING RETALIATION.—An employee or member of the Transit Authority who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee or member as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

(E) INDEPENDENCE IN CARRYING OUT DUTIES.—Neither the Board of Directors of the Transit Authority, the General Manager of the Transit Authority, nor any other member or employee of the Transit Authority may prevent or prohibit the Inspector General from carrying out any of the duties or responsibilities assigned to the Inspector General under this subsection.

(4) POWERS.—

(A) IN GENERAL.—The Inspector General may exercise the same authorities with respect to the Transit Authority as an Inspector General of an establishment may exercise with respect to an establishment under section 6(a) of the Inspector General Act of 1978 (5 U.S.C. App. 6(a)), other than paragraphs (7), (8), and (9) of such section.

(B) STAFF.—

(i) ASSISTANT INSPECTOR GENERALS AND OTHER STAFF.—The Inspector General shall appoint and fix the pay of—

(I) an Assistant Inspector General for Audits, who shall be responsible for coordinating the activities of the Inspector General relating to audits;

(II) an Assistant Inspector General for Investigations, who shall be responsible for coordinating the activities of the Inspector General relating to investigations; and

(III) such other personnel as the Inspector General considers appropriate.

(ii) INDEPENDENCE IN APPOINTING STAFF.—No individual may carry out any of the duties or responsibilities of the Office unless the individual is appointed by the Inspector General, or provides services procured by the Inspector General, pursuant to this subparagraph. Nothing in this clause may be construed to prohibit the Inspector General from entering into a contract or other arrangement for the provision of services under this subsection.

(iii) APPLICABILITY OF TRANSIT SYSTEM PERSONNEL RULES.—None of the regulations governing the appointment and pay of employees of the Transit System shall apply with respect to the appointment and compensation of the personnel of the Office, except to the extent agreed to by the Inspector General. Nothing in the previous sentence may be construed to affect clauses (i) and (ii).

(C) EQUIPMENT AND SUPPLIES.—The General Manager of the Transit Authority shall provide the Office with appropriate and adequate office space, together with such equipment, supplies, and communications facilities and services as may be necessary for the operation of the Office, and shall provide necessary maintenance services for such office space and the equipment and facilities located therein.

(5) TRANSFER OF FUNCTIONS.—To the extent that any office or entity in the Transit Authority prior to the appointment of the first Inspector General under this subsection carried out any of the duties and responsibilities assigned to the Inspector General under this subsection, the functions of such office or entity shall be transferred to the Office upon the appointment of the first Inspector General under this subsection.

(d) STUDY AND REPORT BY COMPTROLLER GENERAL.—

(1) STUDY.—The Comptroller General shall conduct a study on the use of the funds provided under section 18 of the National Capital Transportation Act of 1969 (as added by this section).

(2) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Comptroller General shall submit a report to the Committee on Government Reform of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate on the study conducted under paragraph (1).

**SA 3880.** Mr. PRYOR (for Mr. BIDEN) proposed an amendment to the resolution S. Res. 279, expressing the sense of the Senate regarding the 125th anniversary of the 1882 Treaty of Peace, Amity, Commerce and Navigation between the Kingdom and Chosun (Korea) and the United States; as follows:

On page 4, strike lines 4 through 10 and insert the following:

“(2) the economic relationship, highlighting the vibrancy and diversity of the common interests of the United States and the Republic of Korea, should be broadened and deepened;”.

On page 5, lines 4 and 5, strike “and support for peacekeeping” and insert “, support for peacekeeping, and protection of the environment”.

**SA 3881.** Mr. PRYOR (for Mr. NELSON) proposed an amendment to the concurrent resolution S. Con. Res. 53, condemning the kidnapping and hostage-taking of 3 United States citizens for over 4 years by the Revolutionary Armed Forces of Colombia (FARC), and demanding their immediate and unconditional release; as follows:

Strike “on July 25, 2003” and all that follows in the eighth whereas clause of the preamble and insert “in a videotape seized by the Government of Colombia and aired on November 30, 2007;”.

**SA 3882.** Mr. PRYOR (for Mr. FEINGOLD) proposed an amendment to the bill S. 2135, to prohibit the recruitment or use of child soldiers, to designate persons who recruit or use child soldiers as inadmissible aliens, to allow the deportation of persons who recruit or use child soldiers, and for other purposes; as follows:

On page 4, line 7, insert after “state-sponsored” the following: “, excluding any group assembled solely for non-violent political association”.

**SA 3883.** Mr. PRYOR (for Mr. BIDEN) proposed an amendment to the resolution S. Res. 279, expressing the sense of the Senate regarding the 125th anniversary of the 1882 Treaty of Peace, Amity, Commerce and Navigation between the Kingdom and Chosun (Korea) and the United States; as follows:

On page 3, strike “Whereas the Free Trade Agreement” and all that follows through “both countries;”.

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON ARMED SERVICES**

Mrs. BOXER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on December 18, 2007, at 10 a.m. in open session to consider the following nominations: Mary Beth Long to be Assistant Secretary of Defense for International Security Affairs; James Shinn to be Assistant Secretary of Defense for Asian and Pacific Security Affairs; Craig W. Duehring to be Assistant Secretary of the Air Force for Manpower and Reserve Affairs; and John H. Gibson to be Assistant Secretary of the Air Force for Financial Management.

The PRESIDING OFFICER. Without objection, it is so ordered.

**COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**

Mrs. BOXER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, December 18, 2007, at 11 a.m., in room 253 of the Russell Senate Office Building, for the purpose of conducting a hearing.

The Committee will be hearing from the following nominees: Francis Mulvey, Reappointment to be a Member of the Surface Transportation Board (PN 1084); Denver Stutler, Jr., to be a Member of the National Railroad Passenger Corporation Board of Directors (Amtrak) (PN 1047); Nancy A. Naples, to be a Member of the National Railroad Passenger Corporation Board of Directors (Amtrak) (PN 1046); Thomas C. Carper, to be a Member of the National Railroad Passenger Corporation Board of Directors (Amtrak) (PN 1045); and Carl T. Johnson, to be Administrator of the Pipeline and Hazardous Materials Safety Administration, Department of Transportation (PN 1011).

The PRESIDING OFFICER. Without objection, it is so ordered.

**COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**

Mrs. BOXER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, Transportation be authorized to meet during the session of the Senate on Tuesday, December 18, 2007, at 2:30 p.m., in room 253 of the Russell Senate Office Building, for the purpose of conducting a hearing.