Eagle Day'', and celebrating the recovery and restoration of the American bald eagle, the national symbol of the United States.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself and Mr. BENNETT):

S. 1110. A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to provide for the conjunctive use of surface and ground water in Juab County, Utah; to the Committee on Energy and Natural Resources.

Mr. HATCH. Mr. President, I rise today to reinforce the importance of water resource development projects in Juab County, UT, by introducing the Juab County Surface and Ground Water Study and Development Act of 2007, S. 1110. This legislation would amend the Reclamation Projects Authorization and Adjustment Act of 2005 to include Juab County.

Juab County's inclusion in that Act would allow the County to use Central Utah Project funds to complete water resource development projects, thus enabling the County to better utilize their existing water resources. I hope that by passing this legislation, we will ensure that farmers, ranchers, and other citizens of Juab County will have a reliable water supply and a buffer in times of drought.

Under the original plan for the Bonneville Unit of the Central Unit Project, several counties in central Utah, including Juab, were to receive supplemental water through an irrigation and drainage delivery system. Over the years, however, many central Utah Counties have elected not to participate in the plan and no longer pay the requisite taxes to the Central Utah Water Conservancy District, the political division of the State of Utah established to manage Central Utah Project activities in Utah.

Juab County, on the other hand, remained active in the Central Utah Water Conservatory District's efforts and has paid millions in property taxes to the District in hopes of benefitting from its membership. Currently, most of the water allocated to the Bonneville Unit of the Central Utah Project is planned for use in Wasatch, Salt Lake, and Utah Counties. This legislation would simply ensure that the citizens of Juab County can benefit from the system that they have financially supported for so many years.

I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1110

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 ''Juab County Surface and Ground Water Study and Development Act of 2007''.

SEC. 2. CONJUNCTIVE USE OF SURFACE AND GROUND WATER, CENTRAL UTAH PROJECT.

Section 202(a)(2) of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4609) is amended by inserting ''Juab,'' after ''Davis,''.

By Mr. WYDEN:

S. 1111. A bill to amend the Internal Revenue Code of 1986 to make the Federal income tax system simpler, fairer, and more fiscally responsible, and for other purposes; to the Committee on Finance.

Mr. WYDEN. Mr. President, I have come to the floor to talk a bit about taxes. Millions of Americans are scrambling today to file their taxes, trying to pull together their 1040 forms and ''schedule this'' and ''form that'' and are plowing through shoe boxes and filing cabinets trying to find the receipts they accumulated all through this year.

Millions of our citizens have to calculate their taxes twice to find out the hard way that they have been ensnared in the alternative minimum tax and that they have to pay a much larger burden than they had expected. I believe there is a better way for our country to handle taxes, one where most Americans do not have to fear tax day, do not have to shell out billions of dollars in order to file their taxes, do not have to worry about getting crushed by the alternative minimum tax that years ago, when it was created, was not supposed to clobber middle-class folks in the Pacific Northwest and across the country.

Today I am introducing the Fair Flat Tax Act, along with my colleague in the other body, Congressman RAHM EMANUEL of Illinois. What we are doing in our fair flat tax legislation is offering the country a proposal that offers the administrative simplicity of a flat tax with the sense of fairness and progressivity that our country has always wanted in our tax system.

The tax reform proposal we have developed is simpler because it is easier to understand and use. Our legislation will include a simplified 1040 form, one page, 30 lines for every individual taxpayer.

The folks at Money magazine, the financial publication, took this one-page 1040 form, and they were able to fill out their taxes in 15 minutes.

We also make the tax system flatter by collapsing the current system of six individual tax brackets down to three brackets of 15, 25 and 35 percent. We create a flat corporate rate of 35 percent.

The plan is fairer because we do more to make it possible for middle-class folks to get ahead. We are able to give a tax cut to millions of middle-class families because we eliminate scores and scores of special-interest tax breaks, close those loopholes, that, in effect, drain the country of revenue and never find their way to helping the middle class.

We make a radical statement about tax law in our legislation. We say something is out of whack when the cop who is walking the beat in this country pays a lot higher tax rate than the person who makes all their money in the stock market. I wish to make it clear: we want everybody to get ahead, we want everybody to do well, we never want to penalize success. But let's make it possible for all Americans to share the American dream and not just the fortunate few.

Under the current Federal Tax Code, all income is not treated fairly. My colleague in the other body, Congressman EMANUEL, and I would change that. We are not interested in soaking investors. We believe in markets. We believe in creating wealth. But we want everybody to be able to share in that wealth, and under the Fair Flat Tax, they would be able to do it.

The Fair Flat Tax adopts the flat tax idea to provide real relief to the middle class through fewer exclusions, exemptions, deductions deferrals, credits and special rates for certain favored businesses, very often, breaks that have been added to the Tax Code because those powerful interests have lobbyists that the middle-class folks we represent do not.

We triple the standard deduction for single filers from $5,000 to $15,000 and from $10,000 to $30,000 for married couples. As a result, the vast majority of Americans would be better off claiming the standard deduction than having to itemize their deductions, so their filing will be simplified. We do keep the key deductions most used by middle-income folks across the country. We keep the deduction for mortgage interest and charity. We keep the credits for children, for education, and earned income.

Nobody would have to calculate their taxes twice under the Fair Flat Tax Act. Our proposal eliminates the individual alternative minimum tax which could ensnare as many as 100 million taxpayers by the end of the decade. We eliminate an estimated $20 billion each year in special breaks for special interests.

Eliminating those breaks would sustain current benefits for our men and women in uniform, our veterans, our elderly, and our disabled, as well as those tax incentives that promote savings and help our families pay for medical care and for education.

I think an especially important feature of the Fair Flat Tax Act is it corrects one of the most glaring inequities in the current tax system; and that is regressive State and local taxes. Under current law, low- and middle-income taxpayers get hit with a double whammy. Compared to wealthier folks, they pay more of their income in State and local taxes. Poor families pay more than 11 percent and middle-income families pay about 10 percent of their

income in State and local taxes, while the wealthier pay only about 5 percent.

Because many low- and middle-income taxpayers do not itemize, they get no credit on their Federal form for paying State and local taxes. In fact, two-thirds of the Federal tax deduction for State and local taxes goes to those with incomes above $100,000 a year. Under the Fair Flat Tax Act, for the first time, the Federal Code would look at the entire picture of one's taxes, at an individual's combined Federal, State, and local tax burden, and give a credit to low- and middle-income individuals to correct for regressive State and local taxes.

Repealing some individual tax credits, deductions, and exclusions from income—along with eliminating some of those special interest favors in the corporate Tax Code—enables larger standard deductions and broader middle-class tax relief.

What this means is that, according to the Congressional Research Service, under our legislation, the vast majority of taxpayers would see their taxes go down. The Congressional Research Service has advised us that on average, middle-class families and individuals with wage and salary incomes up to $150,000 would see tax relief. Let me repeat that. We are talking about on average, tax relief for middle-class families and families with wage and salary incomes up to approximately $150,000. Middle-class folks in our country would get a tax break.

The legislation also makes concrete progress toward deficit reduction. Certainly, there is a long way to go to stop the hemorrhaging in the Federal budget, but this legislation makes a decent start by allowing us to start lowering the Federal deficit in 2011. It is essentially a revenue-neutral kind of system. But certainly, as we look to the future, this is going to allow us to start lowering the Federal deficit.

I also point out, by simplifying the Code, there are going to be other benefits. For example, we have heard a great deal about the tax gap in the Finance and Budget Committees. It is one of the most serious problems our country faces as it relates to finance in America. Upwards of $300 billion of money that is owed to our government is not collected. Given the fact we have a system today where people are able to flout the rules, change the system, why not go to a simpler system that makes it harder for individuals to cheat and easier for the IRS to catch those who do?

If you look at what I have proposed, the Fair Flat Tax Act—a 1040 form that is only 30 lines long—it is going to be a lot harder to cheat the system under a proposal such as this, and it is going to be a lot easier for the IRS to catch those who try to take advantage of something such as this.

I believe the Fair Flat Tax Act can make a significant contribution in helping this country collect those taxes that are owed and raise a significant amount of revenue from a source that does not increase taxes. What we are proposing with our fair flat tax legislation is a win for everybody except those who would try to rip off the system.

I am introducing the Fair Flat Tax Act of 2007 today to provide Americans a plan based on common sense principles that can make the Tax Code work better. We are going to have a system that is simpler and we are going to have a system that is fairer because it closes scores of those special interest loopholes. It gets rid of the despised alternative minimum tax, and it gives everybody a chance to get ahead in America.

It is not about class warfare. It is not about pitting one group against another. It is about giving everybody the opportunity to be a winner and to get ahead to provide for their family and ensure that when they are successful, their success can allow them to do well financially.

I do think it is important to make sure those who work for a wage get fair treatment. That has not been the case today. I want investors to do well. We all look to the stock market as a major barometer of economic prosperity in our country. But let's make sure everybody has an opportunity to get ahead. Something is seriously wrong when somebody who works for a wage gets hit with a lot higher tax rate than somebody who makes their money as an investor.

I hope we can go forward in a bipartisan way on the issue of tax reform. I am extremely disappointed the Bush administration has not chosen to follow up on tax reform. I think it is especially unfortunate, given the fact the President had a commission that had a number of good ideas as it relates to tax reform. I certainly did not agree with all of them, but let me talk about one example of how the Congress could work with the Bush administration in a bipartisan way.

I have shown this fair flat tax form I am proposing for a reason; and that is, because I think it is an ideal way for the administration and Democrats and Republicans to work together. My form is 30 lines long—30 lines long—and you can fill it out in under an hour. The President's commission had a form that is maybe six, seven lines longer—just a handful of additional lines. For purposes of Government work, there is virtually no difference between the simplified form I am proposing and what the President's commission has called for. We could get Democrats and Republicans together to work on tax reform and come up with a simplified form in a matter of days.

There is very little difference between what I am proposing and what came out of the President's commission.

But what is going to be important is that the President reach out to Democrats and Republicans in the Congress and say: Look, I want to work with you on simplifying the Tax Code. I want to work with you to hold down rates for everybody by closing out some of those special interest breaks. I want to see everybody have an opportunity to get ahead.

That certainly is what President Reagan did in 1986, when he worked with another tall fellow who served on the Senate Finance Committee, our former colleague Senator Bill Bradley. I went to school on a basketball scholarship. My jump shot is not quite as good as Bill Bradley's, but I sure know the value of bipartisan teamwork.

So today, the day before taxes are owed, I want to renew my offer to the Bush administration to work with them on the issue of tax reform. It is a natural for bipartisan leadership. We have a model; and that is, the reform of 1986, where, again, they simplified the system. They cleaned out the clutter. They got rid of some of those special interest loopholes. They held down rates for everybody. It was good for our country. We can do that again.

The fair flat tax legislation I am introducing today provides an opportunity for Democrats and Republicans to come together to fix the Tax Code in 2007, the way Democrats and Republicans did back in 1986, when the late President Reagan and Bill Bradley came together and led a bipartisan effort.

I think it is time to do that again. Most people clean out their attic every 20 years or so. We ought to clean the Tax Code every 20 years as well. I think we know how to proceed. The question is whether there is political will. I urge the Bush administration to work with Democrats and Republicans in the Congress because the current tax system, which has subjected our citizens to so much hassle and bureaucracy over the last few months, does not have to be that way. There is an alternative. I have presented one. The President's commission has presented one. Democrats and Republicans working together can do better.

I urge the President to look to the Congress, leaders of both political parties, to move forward on tax reform in the days ahead.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1111

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

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

(a) SHORT TITLE.—This Act may be cited as the ''Fair Flat Tax Act of 2007''.

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

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

SEC. 2. PURPOSE.

The purpose of this Act is to amend the Internal Revenue Code of 1986—

(1) to make the Federal individual income tax system simpler, fairer, and more transparent by—

(A) recognizing the overall Federal, State, and local tax burden on individual Americans, especially the regressive nature of State and local taxes, and providing a Federal income tax credit for State and local income, sales, and property taxes,

(B) providing for an earned income tax credit for childless taxpayers and a new earned income child credit,

(C) repealing the individual alternative minimum tax,

(D) increasing the basic standard deduction and maintaining itemized deductions for principal residence mortgage interest and charitable contributions,

(E) reducing the number of exclusions, exemptions, deductions, and credits, and

(F) treating all income equally,

(2) to make the Federal corporate income tax rate a flat 35 percent and eliminate special tax preferences that favor particular types of businesses or activities, and

(3) to partially offset the Federal budget deficit through the increased fiscal responsibility resulting from these reforms.

TITLE I—INDIVIDUAL INCOME TAX REFORMS

SEC. 101. 3 PROGRESSIVE INDIVIDUAL INCOME TAX RATES FOR ALL FORMS OF INCOME.

(a) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES.—The table contained in section 1(a) is amended to read as follows:

"If taxable income is:	The tax is:
Not over $30,000	15% of taxable income.
Over $30,000 but not over $120,000.	$4,500, plus 25% of the excess over $30,000
Over $120,000	$27,000, plus 35% of the excess over $120,000''.

(b) HEADS OF HOUSEHOLDS.—The table contained in section 1(b) is amended to read as follows:

"If taxable income is:	The tax is:
Not over $16,000	15% of taxable income.
Over $16,000 but not over $105,000.	$2,400, plus 25% of the excess over $16,000
Over $105,000	$24,650, plus 35% of the excess over $105,000''.

(c) UNMARRIED INDIVIDUALS (OTHER THAN SURVIVING SPOUSES AND HEADS OF HOUSEHOLDS).—The table contained in section 1(c) is amended to read as follows:

"If taxable income is:	The tax is:
Not over $15,000	15% of taxable income.
Over $15,000 but not over $60,000.	$2,250, plus 25% of the excess over $15,000
Over $60,000	$13,500, plus 35% of the excess over $60,000''.

(d) MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—The table contained in section 1(d) is amended to read as follows:

"If taxable income is:	The tax is:
Not over $15,000	15% of taxable income.
Over $15,000 but not over $60,000.	$2,250, plus 25% of the excess over $15,000
Over $60,000	$13,500, plus 35% of the excess over $60,000''.

(e) CONFORMING AMENDMENTS TO INFLATION ADJUSTMENT.—Section 1(f) is amended—

(1) by striking ''1993''in paragraph (1) and inserting ''2008'',

(2) by striking ''except as provided in paragraph (8)'' in paragraph (2)(A),

(3) by striking ''1992'' in paragraph (3)(B) and inserting ''2007'',

(4) by striking paragraphs (7) and (8), and

(5) by striking ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT BRACKET;'' in the heading thereof.

(f) REPEAL OF RATE DIFFERENTIAL FOR CAPITAL GAINS AND DIVIDENDS.—

(1) REPEAL OF 2003 RATE REDUCTION.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 is amended by striking ''December 3, 2008'' and inserting ''December 31, 2007''.

(2) TERMINATION OF PRE-2003 CAPITAL GAIN RATE DIFFERENTIAL.—Section 1(h) is amended (after the application of paragraph (1)) by adding at the end the following new paragraph:

''(13) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2007.''.

(g) ADDITIONAL CONFORMING AMENDMENTS.—

(1) Section 1 is amended by striking subsection (i).

(2) The Internal Revenue Code of 1986 is amended by striking ''calendar year 1992'' each place it appears and inserting ''calendar year 2007''.

(3) Section 1445(e)(1) (after the application of subsection (g)(1)) is amended by striking ''(or, to the extent provided in regulations, 20 percent)''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 102. HEALTH CARE STANDARD DEDUCTION.

(a) IN GENERAL.—Section 62(a) (defining adjusted gross income) is amended by inserting after paragraph (21) the following new paragraph:

''(22) INDIVIDUAL SHARED RESPONSIBILITY PAYMENTS.—

''(A) IN GENERAL.—In the case of a taxpayer with gross income for the taxable year exceeding 100 percent of the poverty line (adjusted for the size of the family involved) for the calendar year in which such taxable year begins and who is enrolled in a HAPI plan under the Healthy Americans Act, the deduction allowable under section 213 by reason of subsection (d)(1)(D) thereof (determined without regard to any income limitation under subsection (a) thereof) in an amount equal to the applicable fraction times, in the case of—

''(i) coverage of an individual, $6,025,

''(ii) coverage of a married couple or domestic partnership (as determined by a State) without dependent children, $12,050,

''(iii) coverage of an unmarried individual with 1 or more dependent children, $8,610, plus $2,000 for each dependent child, and

''(iv) coverage of a married couple or domestic partnership (as determined by a State) with 1 or more dependent children, $15,210, plus $2,000 for each dependent child.

''(B) APPLICABLE FRACTION.—For purposes of subparagraph (A), the applicable fraction is the fraction (not to exceed 1)—

''(i) the numerator of which is the gross income of the taxpayer for the taxable year expressed as a percentage of the poverty line

(adjusted for the size of the family involved) minus such poverty line for the calendar year in which such taxable year begins, and

''(ii) the denominator of which is 400 percent of the poverty line (adjusted for the size of the family involved) minus such poverty line.

''(C) PHASEOUT OF DEDUCTION AMOUNT.—

''(i) IN GENERAL.—The amount otherwise determined under subparagraph (A) for any taxable year shall be reduced by the amount determined under clause (ii).

''(ii) AMOUNT OF REDUCTION.—The amount determined under this clause shall be the amount which bears the same ratio to the amount determined under subparagraph (A) as—

''(I) the excess of the taxpayer's modified adjusted gross income for such taxable year, over $62,500 ($125,000 in the case of a joint return), bears to

''(II) $62,500 ($125,000 in the case of a joint return).

Any amount determined under this clause which is not a multiple of $1,000 shall be rounded to the next lowest $1,000.

''(D) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2009, each dollar amount contained in subparagraph (A) and subparagraph (C)(ii)(I) shall be increased by an amount equal to such dollar amount, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2008' for 'calendar year 1992' in subparagraph (B) thereof. Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50 ($1,000 in the case of the dollar amount contained in subparagraph (C)(ii)(I)).

''(E) DETERMINATION OF MODIFIED ADJUSTED GROSS INCOME.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income—

''(ii) determined without regard to this section and sections 86, 135, 137, 199, 221, 222, 911, 931, and 933, and

''(iii) increased by—

''(I) the amount of interest received or accrued during the taxable year which is exempt from tax under this title, and

''(II) the amount of any social security benefits (as defined in section 86(d)) received or accrued during the taxable year.

''(F) POVERTY LINE.—For purposes of this paragraph, the term 'poverty line' has the meaning given such term in section 673(2) of the Community Health Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.''.

(b) CONFORMING AMENDMENT.—Section 213(d)(1)(D) is amended by inserting ''amounts paid under section 3421 and'' after ''including''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 103. INCREASE IN BASIC STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (defining standard deduction) is amended to read as follows:

''(2) BASIC STANDARD DEDUCTION.—For purposes of paragraph (1), the basic standard deduction is—

''(A) 200 percent of the dollar amount in effect under subparagraph (C) for the taxable year in the case of—

''(i) a joint return, or

''(ii) a surviving spouse (as defined in section 2(a)),

''(B) $26,250 in the case of a head of household (as defined in section 2(b)), reduced by any deduction allowed under section 62(a)(22) for such taxable year, or

''(C) $15,000 in any other case, reduced by any deduction allowed under section 62(a)(22) for such taxable year.''.

(b) CONFORMING AMENDMENT TO INFLATION ADJUSTMENT.—Section 63(c)(4)(B)(i) is amended by striking ''(2)(B), (2)(C), or''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 104. REFUNDABLE CREDIT FOR STATE AND LOCAL INCOME, SALES, AND REAL AND PERSONAL PROPERTY TAXES.

(a) GENERAL RULE.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

''SEC. 36. CREDIT FOR STATE AND LOCAL INCOME, SALES, AND REAL AND PERSONAL PROPERTY TAXES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 10 percent of the qualified State and local taxes paid by the taxpayer for such year.

''(b) QUALIFIED STATE AND LOCAL TAXES.—For purposes of this section, the term 'qualified State and local taxes' means—

''(1) State and local income taxes,

''(2) State and local general sales taxes,

''(3) State and local real property taxes, and

''(4) State and local personal property taxes.

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

''(1) STATE OR LOCAL TAXES.—A State or local tax includes only a tax imposed by a State, a possession of the United States, or a political subdivision of any of the foregoing, or by the District of Columbia.

''(2) GENERAL SALES TAXES.—

''(A) IN GENERAL.—The term 'general sales tax' means a tax imposed at one rate with respect to the sale at retail of a broad range of classes of items.

''(B) APPLICATION OF RULES.—Rules similar to the rules under subparagraphs (C), (D), (E), (F), (G), and (H) of section 164(b)(5) shall apply.

''(3) PERSONAL PROPERTY TAXES.—The term 'personal property tax' means an ad valorem tax which is imposed on an annual basis in respect of personal property.

''(4) APPLICATION OF RULES TO PROPERTY TAXES.—Rules similar to the rules of subsections (c) and (d) of section 164 shall apply.

''(5) NO CREDIT FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(6) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(7) DENIAL OF DOUBLE BENEFIT.—Any amount taken into account in determining the credit allowable under this section may not be taken into account in determining any credit or deduction under any other provision of this chapter.''.

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting ''or from section 36 of such Code'' before the period at the end.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 36 and inserting the following:

''Sec. 36. Credit for state and local income, sales, and real and personal property taxes

''Sec. 37. Overpayments of tax''.

(c) REPORT REGARDING USE OF CREDIT BY RENTERS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives recommendations regarding the treatment of a portion of rental payments in a manner similar to real property taxes under section 36 of the Internal Revenue Code of 1986 (as added by this section).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 105. EARNED INCOME CHILD CREDIT AND EARNED INCOME CREDIT FOR CHILDLESS TAXPAYERS.

(a) IN GENERAL.—Subsection (a) of section 32 (relating to earned income) is amended to read as follows:

''(a) ALLOWANCE OF EARNED INCOME CHILD CREDIT AND EARNED INCOME CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this subtitle for the taxable year—

''(A) in the case of any eligible individual with 1 or more qualifying children, an amount equal to the earned income child credit amount, and

''(B) in the case of any eligible individual with no qualifying children, an amount equal to the earned income credit amount.

''(2) EARNED INCOME CHILD CREDIT AMOUNT.—For purposes of this section, the earned income child credit amount is equal to the sum of—

''(A) the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income limit amount, plus

''(B) the supplemental child credit amount determined under subsection (n) for such taxable year.

''(3) EARNED INCOME CREDIT AMOUNT.—For purposes of this section, the earned income credit amount is equal to the credit percentage of so much of the taxpayer's earned income for the taxable year as does not exceed the earned income limit amount.

''(4) LIMITATION.—The amount of the credit allowable to a taxpayer under paragraph (2)(A) or (3) for any taxable year shall not exceed the excess (if any) of—

''(A) the credit percentage of the earned income amount, over

''(B) the phaseout percentage of so much of the adjusted gross income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the phaseout amount.''.

(b) SUPPLEMENTAL CHILD CREDIT AMOUNT.—Section 32 is amended by adding at the end the following new subsection:

''(n) SUPPLEMENTAL CHILD CREDIT AMOUNT.—

''(1) IN GENERAL.—For purposes of subsection (a)(2)(B), the supplemental child credit amount for any taxable year is equal to the lesser of—

''(A) the credit which would be allowed under section 24 for such taxable year without regard to the limitation under section 24(b)(3) with respect to any qualifying child as defined under subsection (c)(3), or

''(B) the amount by which the aggregate amount of credits allowed by subpart A for such taxable year would increase if the limitation imposed by section 24(b)(3) were increased by the excess (if any) of—

''(i) 15 percent of so much of the taxpayer's earned income which is taken into account in computing taxable income for the taxable year as exceeds $10,000, or

''(ii) in the case of a taxpayer with 3 or more qualifying children (as so defined), the excess (if any) of—

''(I) the taxpayer's social security taxes for the taxable year, over

''(II) the credit allowed under this section for the taxable year.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under subpart A and shall reduce the amount of credit otherwise allowable under section 24(a) without regard to section 24(b)(3).

''(2) SOCIAL SECURITY TAXES.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The term 'social security taxes' means, with respect to any taxpayer for any taxable year—

''(i) the amount of the taxes imposed by section 3101 and 3201(a) on amounts received by the taxpayer during the calendar year in which the taxable year begins,

''(ii) 50 percent of the taxes imposed by section 1401 on the self-employment income of the taxpayer for the taxable year, and

''(iii) 50 percent of the taxes imposed by section 3211(a)(1) on amounts received by the taxpayer during the calendar year in which the taxable year begins.

''(B) COORDINATION WITH SPECIAL REFUND OF SOCIAL SECURITY TAXES.—The term 'social security taxes' shall not include any taxes to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).

''(C) SPECIAL RULE.—Any amounts paid pursuant to an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates) which are equivalent to the taxes referred to in subparagraph (A)(i) shall be treated as taxes referred to in such paragraph.

''(3) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2007, the $10,000 amount contained in paragraph (1)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $50.''.

(c) CONFORMING AMENDMENT.—Section 24(d) is amended by adding at the end the following new paragraph:

''(4) TERMINATION.—This subsection shall not apply with respect to any taxable year beginning after December 31, 2007.''.

(d) CERTAIN TREATMENT OF EARNED INCOME MADE PERMANENT.—Clause (vi) of section 32(c)(2)(B) is amended to read as follows:

''(vi) a taxpayer may elect to treat amounts excluded from gross income by reason of section 112 as earned income.''.

(e) REPEAL OF DISQUALIFIED INVESTMENT INCOME TEST.—Subsection (i) of section 32 is repealed.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 106. REPEAL OF INDIVIDUAL ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 55(a) (relating to alternative minimum tax imposed) is amended by adding at the end the following new flush sentence:

''For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2007, shall be zero.''.

(b) MODIFICATION OF LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53 (relating to credit for prior year minimum tax liability) is amended to read as follows:

''(c) LIMITATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

''(B) the tentative minimum tax for the taxable year.

''(2) TAXABLE YEARS BEGINNING AFTER 2007.—In the case of any taxable year beginning after 2007, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 107. TERMINATION OF VARIOUS EXCLUSIONS, EXEMPTIONS, DEDUCTIONS, AND CREDITS.

(a) IN GENERAL.—Subchapter C of chapter 90 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

''SEC. 7875. TERMINATION OF CERTAIN PROVISIONS.

''The following provisions shall not apply to taxable years beginning after December 31, 2007:

''(1) Section 67 (relating to 2-percent floor on miscellaneous itemized deductions).

''(2) Section 74(c) (relating to exclusion of certain employee achievement awards).

''(3) Section 79 (relating to exclusion of group-term life insurance purchased for employees).

''(4) Section 119 (relating to exclusion of meals or lodging furnished for the convenience of the employer).

''(5) Section 125 (relating to exclusion of cafeteria plan benefits).

''(6) Section 132 (relating to certain fringe benefits), except with respect to subsection (a)(5) thereof (relating to exclusion of qualified transportation fringe).

''(7) Section 163(h)(4)(A)(i)(II) (relating to definition of qualified residence).

''(8) Section 165(d) (relating to deduction for wagering losses).

''(9) Section 217 (relating to deduction for moving expenses).

''(10) Section 454 (relating to deferral of tax on obligations issued at discount).

''(11) Section 501(c)(9) (relating to tax-exempt status of voluntary employees' beneficiary associations).

''(12) Section 911 (relating to exclusion of earned income of citizens or residents of the United States living abroad).

''(13) Section 912 (relating to exemption for certain allowances).''.

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 90 is amended by adding at the end the following new item:

''Sec. 7875. Termination of certain provisions''.

TITLE II—CORPORATE AND BUSINESS INCOME TAX REFORMS

SEC. 201. CORPORATE FLAT TAX.

(a) IN GENERAL.—Subsection (b) of section 11 (relating to tax imposed) is amended to read as follows:

''(b) AMOUNT OF TAX.—The amount of tax imposed by subsection (a) shall be equal to 35 percent of the taxable income.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 280C(c)(3)(B)(ii)(II) is amended by striking ''maximum rate of tax under section 11(b)(1)'' and inserting ''rate of tax under section 11(b)''.

(2) Sections 860E(e)(2)(B), 860E(e)(6)(A)(ii), 860K(d)(2)(A)(ii), 860K(e)(1)(B)(ii), 1446(b)(2)(B), and 7874(e)(1)(B) are each amended by striking ''highest rate of tax specified in section 11(b)(1)'' and inserting ''rate of tax specified in section 11(b)''.

(3) Section 904(b)(3)(D)(ii) is amended by striking ''(determined without regard to the last sentence of section 11(b)(1))''.

(4) Section 962 is amended by striking subsection (c) and by redesignating subsection (d) as subsection (c).

(5) Section 1201(a) is amended by striking ''(determined without regard to the last 2 sentences of section 11(b)(1))''.

(6) Section 1561(a) is amended—

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

(B) by striking ''The amounts specified in paragraph (1), the'' and inserting ''The'',

(C) by striking ''paragraph (2)'' and inserting ''paragraph (1)'',

(D) by striking ''paragraph (3)'' both places it appears and inserting ''paragraph (2)'',

(E) by striking ''paragraph (4)'' and inserting ''paragraph (3)'', and

(F) by striking the fourth sentence.

(7) Subsection (b) of section 1561 is amended to read as follows:

''(b) CERTAIN SHORT TAXABLE YEARS.—If a corporation has a short taxable year which does not include a December 31 and is a component member of a controlled group of corporations with respect to such taxable year, then for purposes of this subtitle, the amount to be used in computing the accumulated earnings credit under section 535(c)(2) and (3) of such corporation for such taxable year shall be the amount specified in subsection (a)(1) divided by the number of corporations which are component members of such group on the last day of such taxable year. For purposes of the preceding sentence, section 1563(b) shall be applied as if such last day were substituted for December 31.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 202. TREATMENT OF TRAVEL ON CORPORATE AIRCRAFT.

(a) IN GENERAL.—Section 162 (relating to trade or business expenses) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) TREATMENT OF TRAVEL ON CORPORATE AIRCRAFT.—The rate at which an amount allowable as a deduction under this chapter for the use of an aircraft owned by the taxpayer is determined shall not exceed the rate at which an amount paid or included in income by an employee of such taxpayer for the personal use of such aircraft is determined.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 203. TERMINATION OF VARIOUS PREFERENTIAL TREATMENTS.

(a) IN GENERAL.—Section 7875, as added by section 107, is amended—

(1) by inserting ''(or transactions in the case of sections referred to in paragraphs (21), (22), (23), (24), and (27))'' after ''taxable years beginning'', and

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

''(14) Section 43 (relating to enhanced oil recovery credit).

''(15) Section 263(c) (relating to intangible drilling and development costs in the case of oil and gas wells and geothermal wells).

''(16) Section 382(l)(5) (relating to exception from net operating loss limitations for corporations in bankruptcy proceeding).

''(17) Section 451(i) (relating to special rules for sales or dispositions to implement

Federal Energy Regulatory Commission or State electric restructuring policy).

''(18) Section 453A (relating to special rules for nondealers), but only with respect to the dollar limitation under subsection (b)(1) thereof and subsection (b)(3) thereof (relating to exception for personal use and farm property).

''(19) Section 460(e)(1) (relating to special rules for long-term home construction contracts or other short-term construction contracts).

''(20) Section 613A (relating to percentage depletion in case of oil and gas wells).

''(21) Section 616 (relating to development costs).

''(22) Sections 861(a)(6), 862(a)(6), 863(b)(2), 863(b)(3), and 865(b) (relating to inventory property sales source rule exception).''.

(b) FULL TAX RATE ON NUCLEAR DECOMMISSIONING RESERVE FUND.—Subparagraph (B) of section 468A(e)(2) is amended to read as follows:

''(B) RATE OF TAX.—For purposes of subparagraph (A), the rate set forth in this subparagraph is 35 percent.''.

(c) DEFERRAL OF ACTIVE INCOME OF CONTROLLED FOREIGN CORPORATIONS.—Section 952 (relating to subpart F income defined) is amended by adding at the end the following new subsection:

''(e) SPECIAL APPLICATION OF SUBPART.—

''(1) IN GENERAL.—For taxable years beginning after December 31, 2007, notwithstanding any other provision of this subpart, the term 'subpart F income' means, in the case of any controlled foreign corporation, the income of such corporation derived from any foreign country.

''(2) APPLICABLE RULES.—Rules similar to the rules under the last sentence of subsection (a) and subsection (d) shall apply to this subsection.''.

(d) DEFERRAL OF ACTIVE FINANCING INCOME.—Section 953(e)(10) is amended—

(1) by striking ''January 1, 2009'' and inserting ''January 1, 2008'', and

(2) by striking ''December 31, 2008'' and inserting ''December 31, 2007''.

(e) DEPRECIATION ON EQUIPMENT IN EXCESS OF ALTERNATIVE DEPRECIATION SYSTEM.—Section 168(g)(1) (relating to alternative depreciation system) is amended by striking ''and'' at the end of subparagraph (D), by adding ''and'' at the end of subparagraph (E), and by inserting after subparagraph (E) the following new subparagraph:

''(F) notwithstanding subsection (a), any tangible property placed in service after December 31, 2007,''.

(f) EFFECTIVE DATE.—The amendments made by subsections (b), (c), and (d) shall apply to taxable years beginning after December 31, 2007.

SEC. 204. ELIMINATION OF TAX EXPENDITURES THAT SUBSIDIZE INEFFICIENCIES IN THE HEALTH CARE SYSTEM.

Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives recommendations regarding the elimination of Federal tax incentives which subsidize inefficiencies in the health care system and if eliminated would result in Federal budget savings of not less than $10,000,000,000 annually.

SEC. 205. PASS-THROUGH BUSINESS ENTITY TRANSPARENCY.

Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives regarding the implementation of additional reporting requirements with respect to any pass-through entity with the goal of the reduction of tax avoidance through the use of such entities, In addition, the Secretary shall develop procedures to share such report data with State revenue agencies under the disclosure requirements of section 6103(d) of the Internal Revenue Code of 1986.

SEC. 206. MODIFICATION OF EFFECTIVE DATE OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2006, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 207. REVALUATION OF LIFO INVENTORIES OF LARGE INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2006, the taxpayer shall—

(1) increase, effective as of the close of such taxable year, the value of each historic LIFO layer of inventories of crude oil, natural gas, or any other petroleum product (within the meaning of section 4611) by the layer adjustment amount, and

(2) decrease its cost of goods sold for such taxable year by the aggregate amount of the increases under paragraph (1).

If the aggregate amount of the increases under paragraph (1) exceed the taxpayer's cost of goods sold for such taxable year, the taxpayer's gross income for such taxable year shall be increased by the amount of such excess.

(b) LAYER ADJUSTMENT AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ''layer adjustment amount'' means, with respect to any historic LIFO layer, the product of—

(A) $18.75, and

(B) the number of barrels of crude oil (or in the case of natural gas or other petroleum products, the number of barrel-of-oil equivalents) represented by the layer.

(2) BARREL-OF-OIL EQUIVALENT.—The term ''barrel-of-oil equivalent'' has the meaning given such term by section 29(d)(5) (as in effect before its redesignation by the Energy Tax Incentives Act of 2005).

(c) APPLICATION OF REQUIREMENT.—

(1) NO CHANGE IN METHOD OF ACCOUNTING.—Any adjustment required by this section shall not be treated as a change in method of accounting.

(2) UNDERPAYMENTS OF ESTIMATED TAX.—No addition to the tax shall be made under section 6655 of the Internal Revenue Code of 1986 (relating to failure by corporation to pay estimated tax) with respect to any underpayment of an installment required to be paid with respect to the taxable year described in subsection (a) to the extent such underpayment was created or increased by this section.

(d) APPLICABLE INTEGRATED OIL COMPANY.—For purposes of this section, the term ''applicable integrated oil company'' means an integrated oil company (as defined in section 291(b)(4) of the Internal Revenue Code of 1986) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year and which had gross receipts in excess of $1,000,000,000 for its last taxable year ending during calendar year 2006. For purposes of this subsection all persons treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as 1 person and, in the case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.

SEC. 208. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO LARGE INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO LARGE INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is a large integrated oil company to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.

''(4) LARGE INTEGRATED OIL COMPANY.—For purposes of this subsection, the term 'large integrated oil company' means, with respect to any taxable year, an integrated oil company (as defined in section 291(b)(4)) which—

''(A) had gross receipts in excess of $1,000,000,000 for such taxable year, and

''(B) has an average daily worldwide production of crude oil of at least 500,000 barrels for such taxable year.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 209. REPEAL OF LOWER OF COST OR MARKET VALUE OF INVENTORY RULE.

(a) IN GENERAL.—Subsection (a) of section 471 (relating to general rules for inventories) is amended to read as follows:

''(a) GENERAL RULE.—Whenever in the opinion of the Secretary the use of inventories is necessary in order clearly to determine the income of the taxpayer, inventories shall be valued at cost.''.

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

SEC. 210. REINSTITUTION OF PER COUNTRY FOREIGN TAX CREDIT.

(a) IN GENERAL.—Subsection (a) of section 904 (relating to limitation on credit) is amended to read as follows:

''(a) LIMITATION.—The amount of the credit in respect of the tax paid or accrued to any foreign country or possession of the United States shall not exceed the same proportion of the tax against which such credit is taken which the taxpayer's taxable income from sources within such country or possession (but not in excess of the taxpayer's entire taxable income) bears to such taxpayer's entire taxable income for the same taxable year.''.

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

SEC. 211. APPLICATION OF RULES TREATING INVERTED CORPORATIONS AS DOMESTIC CORPORATIONS TO CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.

(a) IN GENERAL.—Section 7874(b) (relating to inverted corporations treated as domestic corporations) is amended to read as follows:

''(b) INVERTED CORPORATIONS TREATED AS DOMESTIC CORPORATIONS.—

''(1) IN GENERAL.—Notwithstanding section 7701(a)(4), a foreign corporation shall be treated for purposes of this title as a domestic corporation if such corporation would be a surrogate foreign corporation if subsection (a)(2) were applied by substituting '80 percent' for '60 percent'.

''(2) SPECIAL RULE FOR CERTAIN TRANSACTIONS OCCURRING AFTER MARCH 20, 2002.—

''(A) IN GENERAL.—If—

''(i) paragraph (1) does not apply to a foreign corporation, but

''(ii) paragraph (1) would apply to such corporation if, in addition to the substitution under paragraph (1), subsection (a)(2) were applied by substituting 'March 20, 2002' for 'March 4, 2003' each place it appears,

then paragraph (1) shall apply to such corporation but only with respect to taxable years of such corporation beginning after December 31, 2006.

''(B) SPECIAL RULES.—Subject to such rules as the Secretary may prescribe, in the case of a corporation to which paragraph (1) applies by reason of this paragraph—

''(i) the corporation shall be treated, as of the close of its last taxable year beginning before January 1, 2007, as having transferred all of its assets, liabilities, and earnings and profits to a domestic corporation in a transaction with respect to which no tax is imposed under this title,

''(ii) the bases of the assets transferred in the transaction to the domestic corporation shall be the same as the bases of the assets in the hands of the foreign corporation, subject to any adjustments under this title for built-in losses,

''(iii) the basis of the stock of any shareholder in the domestic corporation shall be the same as the basis of the stock of the shareholder in the foreign corporation for which it is treated as exchanged, and

''(iv) the transfer of any earnings and profits by reason of clause (i) shall be disregarded in determining any deemed dividend or foreign tax creditable to the domestic corporation with respect to such transfer.

''(C) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this paragraph, including regulations to prevent the avoidance of the purposes of this paragraph.''.

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

TITLE III—OTHER PROVISIONS

Subtitle A—Improvements in Tax Compliance

SEC. 301. INFORMATION REPORTING ON PAYMENTS TO CORPORATIONS.

(a) IN GENERAL.—Section 6041(a) (relating to payments of $600 or more) is amended by inserting ''(including any corporation other than a corporation exempt from taxation)'' after ''another person''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2007.

SEC. 302. BROKER REPORTING OF CUSTOMER'S BASIS IN SECURITIES TRANSACTIONS.

(a) IN GENERAL.—Section 6045 (relating to returns of brokers) is amended by adding at the end the following new subsection:

''(g) ADDITIONAL INFORMATION REQUIRED IN THE CASE OF SECURITIES TRANSACTIONS.—

''(1) IN GENERAL.—If a broker is otherwise required to make a return under subsection (a) with respect to any applicable security, the broker shall include in such return the information described in paragraph (2).

''(2) ADDITIONAL INFORMATION REQUIRED.—

''(A) IN GENERAL.—The information required under paragraph (1) to be shown on a return with respect to an applicable security of a customer shall include for each reported applicable security the customer's adjusted basis in such security.

''(B) EXEMPTION FROM REQUIREMENT.—The Secretary shall issue such regulations or guidance as necessary concerning the application of the requirement under subparagraph (A) in cases in which a broker in making a return does not have sufficient information to meet such requirement with respect to the reported applicable security. Such regulations or guidance may—

''(i) require such other information related to such adjusted basis as the Secretary may prescribe, and

''(ii) exempt classes of cases in which the broker does not have sufficient information to meet either the requirement under subparagraph (A) or the requirement under clause (i).

''(3) INFORMATION TRANSFERS.—To the extent provided in regulations, there shall be such exchanges of information between brokers as such regulations may require for purposes of enabling such brokers to meet the requirements of this subsection.

''(4) DEFINITIONS.—For purposes of this subsection, the term 'applicable security' means any—

''(A) security described in subparagraph (A) or (C) of section 475(c)(2),

''(B) interest in a regulated investment company (as defined in section 851), or

''(C) other financial instrument designated in regulations prescribed by the Secretary.''.

(b) DETERMINATION OF BASIS OF CERTAIN SECURITIES BY FIFO METHOD.—Section 1012 (relating to basis of property—cost) is amended by adding at the end the following new sentence: ''Except to the extent provided in regulations, the basis of any applicable security reportable under section 6045 (by reason of subsection (g) thereof) shall be determined on a first-in, first-out method.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales and transfers occurring after December 31, 2007, with respect to securities acquired before, on, or after such date.

SEC. 303. ADDITIONAL REPORTING REQUIREMENTS BY REGULATION.

The Secretary of the Treasury is authorized to issue regulations under which with respect to payments made after December 31, 2007—

(1) any merchant acquiring bank is required to annually report to the Secretary the gross reimbursement payments made to merchants in a calendar year, unless the benefit of such reporting does not justify the cost of compliance, as determined by the Secretary,

(2) any contractor receiving payments of $600 or more in a calendar year from a particular business is required to furnish such business the contractor's certified taxpayer identification number or be subject to withholding on such payments at a flat rate percentage selected by the contractor, and

(3) any Federal, State, or local government is required to report to the Secretary any non-wage payment to procure property and services, other than payments of interest, payments for real property, payments to tax-exempt entities or foreign governments, intergovernmental payments, and payments made pursuant to a classified or confidential contract.

SEC. 304. INCREASE IN INFORMATION RETURN PENALTIES.

(a) FAILURE TO FILE CORRECT INFORMATION RETURNS.—

(1) IN GENERAL.—Section 6721(a)(1) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$250,000'' and inserting ''$3,000,000''.

(2) REDUCTION WHERE CORRECTION IN SPECIFIED PERIOD.—

(A) CORRECTION WITHIN 30 DAYS.—Section 6721(b)(1) is amended—

(i) by striking ''$15'' and inserting ''$50'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$75,000'' and inserting ''$500,000''.

(B) FAILURES CORRECTED ON OR BEFORE AUGUST 1.—Section 6721(b)(2) is amended—

(i) by striking ''$30'' and inserting ''$100'',

(ii) by striking ''$50'' and inserting ''$250'', and

(iii) by striking ''$150,000'' and inserting ''$1,500,000''.

(3) LOWER LIMITATION FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Section 6721(d)(1) is amended—

(A) in subparagraph (A)—

(i) by striking ''$100,000'' and inserting ''$1,000,000'', and

(ii) by striking ''$250,000'' and inserting ''$3,000,000'',

(B) in subparagraph (B)—

(i) by striking ''$25,000'' and inserting ''$175,000'', and

(ii) by striking ''$75,000'' and inserting ''$500,000'', and

(C) in subparagraph (C)—

(i) by striking ''$50,000'' and inserting ''$500,000'', and

(ii) by striking ''$150,000'' and inserting ''$1,500,000''.

(4) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6721(e) is amended—

(A) by striking ''$100'' in paragraph (2) and inserting ''$500'',

(B) by striking ''$250,000'' in paragraph (3)(A) and inserting ''$3,000,000''.

(b) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Section 6722(a) is amended—

(A) by striking ''$50'' and inserting ''$250'', and

(B) by striking ''$100,000'' and inserting ''$1,000,000''.

(2) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Section 6722(c) is amended—

(A) by striking ''$100'' in paragraph (1) and inserting ''$500'', and

(B) by striking ''$100,000'' in paragraph (2)(A) and inserting ''$1,000,000''.

(c) FAILURE TO COMPLY WITH OTHER INFORMATION REPORTING REQUIREMENTS.—Section 6723 is amended—

(1) by striking ''$50'' and inserting ''$250'', and

(2) by striking ''$100,000'' and inserting ''$1,000,000''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to information returns required to be filed on or after January 1, 2008.

SEC. 305. E-FILING REQUIREMENT FOR CERTAIN LARGE ORGANIZATIONS.

(a) IN GENERAL.—The first sentence of section 6011(e)(2) is amended to read as follows: ''In prescribing regulations under paragraph (1), the Secretary shall take into account (among other relevant factors) the ability of the taxpayer to comply at reasonable cost with the requirements of such regulations.''.

(b) CONFORMING AMENDMENT.—Section 6724 is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending on or after December 31, 2008.

SEC. 306. IMPLEMENTATION OF STANDARDS CLARIFYING WHEN EMPLOYEE LEASING COMPANIES CAN BE HELD LIABLE FOR THEIR CLIENTS' FEDERAL EMPLOYMENT TAXES.

With respect to employment tax returns required to be filed with respect to wages paid on or after January 1, 2008, the Secretary of the Treasury shall issue regulations establishing—

(1) standards for holding employee leasing companies jointly and severally liable with their clients for Federal employment taxes under chapters 21, 22, 23, and 24 of the Internal Revenue Code of 1986, and

(2) standards for holding such companies solely liable for such taxes.

SEC. 307. 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 (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 January 1, 2008.

SEC. 308. EXPANSION OF IRS ACCESS TO INFORMATION IN NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) IN GENERAL.—Paragraph (3) of section 453(j) of the Social Security Act (42 U.S.C. 653(j)) is amended to read as follows:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 309. DISCLOSURE OF PRISONER RETURN INFORMATION TO FEDERAL BUREAU OF PRISONS.

(a) DISCLOSURE.—

(1) IN GENERAL.—Subsection (l) of section 6103 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(22) DISCLOSURE OF RETURN INFORMATION OF PRISONERS TO FEDERAL BUREAU OF PRISONS.—

''(A) IN GENERAL.—Under such procedures as the Secretary may prescribe, the Secretary may disclose return information with respect to persons incarcerated in Federal prisons whom the Secretary believes filed or facilitated the filing of false or fraudulent returns to the head of the Federal Bureau of Prisons if the Secretary determines that such disclosure is necessary to permit effective tax administration.

''(B) DISCLOSURE BY AGENCY TO EMPLOYEES.—The head of the Federal Bureau of Prisons may redisclose information received under subparagraph (A)—

''(i) only to those officers and employees of the Bureau who are personally and directly engaged in taking administrative actions to address violations of administrative rules and regulations of the prison facility, and

''(ii) solely for the purposes described in subparagraph (C).

''(C) RESTRICTION ON USE OF DISCLOSED INFORMATION.—Return information disclosed under this paragraph may be used only for the purposes of—

''(i) preventing the filing of false or fraudulent returns; and

''(ii) taking administrative actions against individuals who have filed or attempted to file false or fraudulent returns.''.

(2) PROCEDURES AND RECORD KEEPING RELATED TO DISCLOSURE.—Subsection (p)(4) of section 6103 is amended—

(A) by striking ''(14), or (17)'' in the matter before subparagraph (A) and inserting ''(14), (17), or (22)'', and

(B) by striking ''(9), or (16)'' in subparagraph (F)(i) and inserting ''(9), (16), or (22)''.

(3) EVALUATION BY TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Paragraph (3) of section 7803(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ''; and'', and by adding at the end the following new subparagraph:

''(C) not later than 3 years after the date of the enactment of section 6103(l)(22), submit a written report to Congress on the implementation of such section.''.

(b) ANNUAL REPORTS.—

(1) IN GENERAL.—The Secretary of the Treasury shall submit to Congress and make publicly available an annual report on the filing of false and fraudulent returns by individuals incarcerated in Federal and State prisons.

(2) CONTENTS OF REPORT.—The report submitted under paragraph (1) shall contain statistics on the number of false or fraudulent returns associated with each Federal and State prison and such other information that the Secretary determines is appropriate.

(3) EXCHANGE OF INFORMATION.—For the purpose of gathering information necessary for the reports required under paragraph (1), the Secretary of the Treasury shall enter into agreements with the head of the Federal Bureau of Prisons and the heads of State agencies charged with responsibility for administration of State prisons under which the head of the Bureau or Agency provides to the Secretary not less frequently than annually the names and other identifying information of prisoners incarcerated at each facility administered by the Bureau or Agency.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures on or after January 1, 2008.

SEC. 310. MODIFICATION OF CRIMINAL PENALTIES FOR WILLFUL FAILURES INVOLVING TAX PAYMENTS AND FILING REQUIREMENTS.

(a) INCREASE IN PENALTY FOR ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 (relating to attempt to evade or defeat tax) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''5 years'' and inserting ''10 years''.

(b) MODIFICATION OF PENALTIES FOR WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—

(1) IN GENERAL.—Section 7203 (relating to willful failure to file return, supply information, or pay tax) is amended—

(A) in the first sentence—

(i) by striking ''Any person'' and inserting the following:

''(a) IN GENERAL.—Any person'', and

(ii) by striking ''$25,000'' and inserting ''$50,000'',

(B) in the third sentence, by striking ''section'' and inserting ''subsection'', and

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

''(b) AGGRAVATED FAILURE TO FILE.—

''(1) IN GENERAL.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

''(A) 'felony' for 'misdemeanor',

''(B) '$250,000 ($500,000' for '$50,000 ($100,000', and

''(C) '5 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is—

''(A) a failure to make a return described in subsection (a) for any 3 taxable years occurring during any period of 5 consecutive taxable years if the aggregate tax liability for such period is not less than $50,000, or

''(B) a failure to make a return if the tax liability giving rise to the requirement to make such return is attributable to an activity which is a felony under any State or Federal law.''.

(2) PENALTY MAY BE APPLIED IN ADDITION TO OTHER PENALTIES.—Section 7204 (relating to fraudulent statement or failure to make statement to employees) is amended by striking ''the penalty provided in section 6674'' and inserting ''the penalties provided in sections 6674 and 7203(b)''.

(c) FRAUD AND FALSE STATEMENTS.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''$100,000'' and inserting ''$500,000'',

(2) by striking ''$500,000'' and inserting ''$1,000,000'', and

(3) by striking ''3 years'' and inserting ''5 years''.

(d) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—Section 7206 (relating to fraud and false statements), as amended by subsection (a)(3), is amended—

(1) by striking ''Any person who—'' and inserting ''(a) IN GENERAL.—Any person who—'', and

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

''(b) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 311. 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. 312. PENALTIES FOR FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

(a) IN GENERAL.—Part I of subchapter A of chapter 68 (relating to additions to the tax, additional amounts, and assessable penalties) is amended by inserting after section 6652 the following new section:

''SEC. 6652A. FAILURE TO FILE CERTAIN RETURNS ELECTRONICALLY.

''(a) IN GENERAL.—If a person fails to file a return described in section 6651 or 6652(c)(1) in electronic form as required under section 6011(e)—

''(1) such failure shall be treated as a failure to file such return (even if filed in a form other than electronic form), and

''(2) the penalty imposed under section 6651 or 6652(c), whichever is appropriate, shall be equal to the greater of—

''(A) the amount of the penalty under such section, determined without regard to this section, or

''(B) the amount determined under subsection (b).

''(b) AMOUNT OF PENALTY.—

''(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the penalty determined under this subsection is equal to $40 for each day during which a failure described under subsection (a) continues. The maximum penalty under this paragraph on failures with respect to any 1 return shall not exceed the lesser of $20,000 or 10 percent of the gross receipts of the taxpayer for the year.

''(2) INCREASED PENALTIES FOR TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $100,000,000.—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $1,000,000 AND $25,000,000.—In the case of a taxpayer having gross receipts exceeding $1,000,000 but not exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$200' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $100,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $25,000,000.—Except as provided in paragraph (3), in the case of a taxpayer having gross receipts exceeding $25,000,000 for any year—

''(i) the first sentence of paragraph (1) shall be applied by substituting '$500' for '$40', and

''(ii) in lieu of applying the second sentence of paragraph (1), the maximum penalty under paragraph (1) shall not exceed $250,000.

''(3) INCREASED PENALTIES FOR CERTAIN TAXPAYERS WITH GROSS RECEIPTS EXCEEDING $100,000,000.—In the case of a return described in section 6651—

''(A) TAXPAYERS WITH GROSS RECEIPTS BETWEEN $100,000,000 AND $250,000,000.—In the case of a taxpayer having gross receipts exceeding $100,000,000 but not exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $50,000, plus

''(II) $1,000 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $200,000.

''(B) TAXPAYERS WITH GROSS RECEIPTS OVER $250,000,000.—In the case of a taxpayer having gross receipts exceeding $250,000,000 for any year—

''(i) the amount of the penalty determined under this subsection shall equal the sum of—

''(I) $250,000, plus

''(II) $2,500 for each day during which such failure continues (twice such amount for each day such failure continues after the first such 60 days), and

''(ii) the maximum amount under clause (i)(II) on failures with respect to any 1 return shall not exceed $250,000.

''(C) EXCEPTION FOR CERTAIN RETURNS.—Subparagraphs (A) and (B) shall not apply to any return of tax imposed under section 511.''.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter A of chapter 68 is amended by inserting after the item relating to section 6652 the following new item:

''Sec. 6652A. Failure to file certain returns electronically.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed on or after January 1, 2008.

SEC. 313. 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 on which a penalty is 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—

(1) filed or submitted after the date of the enactment of this Act, or

(2) filed or submitted prior to such date but not withdrawn before the date which is 30 days after such date of enactment.

Subtitle B—Requiring Economic Substance

SEC. 321. CLARIFICATION 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; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) 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, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) 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 (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) 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) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

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

''(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

''(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

''(I) depreciation,

''(II) any tax credit, or

''(III) any other deduction as provided in guidance by the Secretary, and

''(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) 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.

''(5) 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. 322. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

"SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has a noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

''(A) there is a lack of economic substance (within the meaning of section 7701(p)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(p)(2), or

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the first letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e).

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e).''.

(b) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.—

(1) The second sentence of section 6662(d)(2)(A) is amended by inserting ''and without regard to items with respect to which a penalty is imposed by section 6662B'' before the period at the end.

(2) Subsection (e) of section 6662A is amended—

(A) in paragraph (1), by inserting ''and noneconomic substance transaction understatements'' after ''reportable transaction understatements'' both places it appears,

(B) in paragraph (2)(A), by inserting ''and a noneconomic substance transaction understatement'' after ''reportable transaction understatement'',

(C) in paragraph (2)(B), by inserting ''6662B or'' before ''6663'',

(D) in paragraph (2)(C)(i), by inserting ''or section 6662B'' before the period at the end,

(E) in paragraph (2)(C)(ii), by inserting ''and section 6662B'' after ''This section'',

(F) in paragraph (3), by inserting ''or noneconomic substance transaction understatement'' after ''reportable transaction understatement'', and

(G) by adding at the end the following new paragraph:

''(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).''.

(3) Subsection (e) of section 6707A is amended—

(A) by striking ''or'' at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraphs:

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

''(D) is required to pay a penalty under section 6662(h) with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(c) or under section 6662B,''.

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.''.

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

SEC. 323. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 163(m) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended—

(1) by striking ''attributable'' and all that follows and inserting the following: ''attributable to—

''(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

''(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).'', and

(2) by inserting ''AND NONECONOMIC SUBSTANCE TRANSACTIONS'' after ''TRANSACTIONS''.

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

Subtitle C—Miscellaneous

SEC. 331. DENIAL OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

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

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

"SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(h) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS; SUNSET

SEC. 401. TECHNICAL AND CONFORMING AMENDMENTS.

The Secretary of the Treasury or the Secretary's delegate shall not later than 90 days after the date of the enactment of this Act, submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a draft of any technical and conforming changes in the Internal Revenue Code of 1986 which are necessary to reflect throughout such Code the purposes of the provisions of, and amendments made by, this Act.

SEC. 402. SUNSET.

(a) IN GENERAL.—All provisions of, and amendments made by, this Act shall not apply to taxable years beginning after December 31, 2012.

(b) APPLICATION OF CODE.—The Internal Revenue Code of 1986 shall be applied and administered to taxable years described in subsection (a) as if the provisions of, and amendments made by, this Act had never been enacted.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1112. A bill to allow for the renegotiation of the payment schedule of contracts between the Secretary of the Interior and the Redwood Valley County Water District, and for other purposes; to the Committee on Energy and Natural Resources.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Redwood

Valley County Water District Loan Renegotiation Act of 2007. I am pleased that Senator BOXER is a cosponsor of this bill.

This bill seeks to remove roadblocks to the implementation of 1988 legislation that requires the Secretary of the Interior to renegotiate debts owed by the Redwood Valley County Water District to the United States. Enactment of this bill is necessary so that Redwood Valley can obtain a reliable water supply.

In 1983, the Redwood Valley County Water District completed a project which supplied water to a rural agricultural community near Ukiah, CA. Two Bureau of Reclamation loans totaling $7.3 million contributed to the financing of this project.

Unfortunately, the District was unable to repay these loans. This occurred for several reasons: The projected water use in the original feasibility study, developed by the District and reviewed by the Bureau, was seriously flawed; the District's ability to raise necessary revenues was compromised by a judicially imposed moratorium on new hook-ups; and concerns for endangered species reduced the District's potential water supply allotment by 33 percent.

As a result, in 1988 Congress passed Section 15 of Public Law 100–516 which indefinitely suspended the District's obligations to repay these Bureau loans and ordered the Secretary of Interior to renegotiate the loans. This loan renegotiation has yet to take place and now the District finds that its water supply is highly uncertain.

In 2000 in a report on Redwood Valley, the Bureau of Reclamation recognized these changed conditions, and concluded that the District needs a reliable water supply before it can solve its current financial dilemma.

The District recently identified two potential new projects, either of which could prove a reliable water source. No government funds will be sought for these projects. The District intends to rely on private financing, a strategy that the Bureau of Reclamation is encouraging. However, before the District can secure private financing for new projects, it must renegotiate the existing loans to provide for their repayment subsequent to the repayment of the new loans.

The existing loans are an impediment to the District's attempts to upgrade elements of its existing plant. As an example, the District unsuccessfully sought private financing to build a 100 kW solar panel project. This project would have enabled the District to cut its energy costs and to qualify for energy rebates.

Significantly, this legislation requires the District to repay to the United States the currently suspended loans once the District's new loans have been paid.

The only difference between this bill and S. 3189, which I introduced last year, is to clarify that no renegotiations are required to trigger the District's obligations to repay the loans and the Secretary of Interior ''shall reschedule the payments due'' once the District has satisfied its additional financial obligations.

The proposed water projects will enable the District to generate adequate revenues to allow the District to repay both its new private loans and its original loans from the United States. By providing a workable and reasonable solution to a longstanding problem, this legislation creates a win-win solution for taxpayers of the United States and the rate payers of the Redwood Valley County Water District.

I urge my colleagues to support this bill and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RENEGOTIATION OF PAYMENT SCHEDULE.

Section 15 of Public Law 100–516 (102 Stat. 2573) is amended as follows:

(1) By amending paragraph (2) of subsection (a) to read as follows:

''(2) If, as of January 1, 2006, the Secretary of the Interior and the Redwood Valley County Water District have not renegotiated the schedule of payment, the District may enter into such additional non-Federal obligations as are necessary to finance procurement of dedicated water rights and improvements necessary to store and convey those rights to provide for the District's water needs. The Secretary shall reschedule the payments due under loans numbered 14–06–200–8423A and 14–06–200–8423A Amendatory and said payments shall commence when such additional obligations have been financially satisfied by the District. The date of the initial payment owed by the District to the United States shall be regarded as the start of the District's repayment period and the time upon which any interest shall first be computed and assessed under section 5 of the Small Reclamation Projects Act of 1956 (43 U.S.C. 422a et seq.).''.

(2) By striking subsection (c).

By Mrs. FEINSTEIN (for herself and Mr. SPECTER):

S. 1114. A bill to reiterate the exclusivity of the Foreign Intelligence Surveillance Act of 1978 as the sole authority to permit the conduct of electronic surveillance, to modernize surveillance authorities, and for other purposes; to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, I rise today to re-introduce legislation from the last Congress that would bring all electronic surveillance of terrorists under the color of law and would modernize the rules for conducting such surveillance. I am pleased that Senator SPECTER, the Ranking Member of the Judiciary Committee, has co-sponsored this legislation.

We all agree that the President and the Intelligence Community should have all the tools they need to find the terrorists before they have a chance to strike us again. This cannot be said too many times in too many ways.

We also agree, though, that these intelligence tools can and should be used in a way that protects the constitutional and privacy rights of all Americans. That is the balance that this legislation attempts to strike.

Nowhere is this more at issue than in electronic surveillance, where government officials record the content of Americans' phone and electronic communications. This important means of obtaining critical counterterrorism information is at the same time a significant, constitutionally recognized intrusion into Americans' privacy rights.

It is worth reminding ourselves of this. We have recently focused on the use of National Security Letters, through which the FBI inappropriately obtained telephone records of at least hundreds of Americans. Electronic surveillance goes far beyond records and collects the actual content—the words spoken over the phone or typed in email.

It is also worth reminding ourselves of why this legislation is necessary, as it has been several months before this was the top legislative issue before the Senate.

For more than five years since September 11, 2001, the National Security Agency collected the content of calls from or to United States persons—citizens and permanent residents—without a court order as is required by the Foreign Intelligence Surveillance Act of 1978 (FISA).

This surveillance was done without notifying and seeking authorization from the congressional intelligence committees. The President and Vice President have very closely restricted disclosure of information about what they call the ''Terrorist Surveillance Program.''

Until this surveillance came to light through an article in The New York Times in December 2005, only eight members of Congress were briefed on it. Even after the article came out, the White House refused to brief the members of the House and Senate Intelligence Committees for several months.

Even now, the Intelligence Committee does not have all the information it needs to carry out its Constitutional oversight duties.

Throughout 2006, the Judiciary Committee debated various bills to authorize or prohibit electronic surveillance outside of FISA. The bill that Senator SPECTER and I authored last year, which is being re-introduced today, was reported out of Judiciary on a bipartisan vote on September 13, 2006. The Senate, however, took no legislative action prior to adjournment.

Then, on January 17, 2007, Attorney General Alberto Gonzales notified the chairman and ranking member of the Senate Judiciary Committee that the FISA Court had authorized the Terrorist Surveillance Program. Since January, the program has proceeded

under Court supervision, as is required by FISA.

I was pleased that the Administration submitted the TSP to the FISA Court, and that the Court had found a way to issue an order approving this surveillance. I was pleased, but not surprised.

I had maintained throughout the legislative debate last year that it would not take many changes for the TSP to fit under the confines of FISA. All it took was the willingness of the Administration to follow legal process.

Members may ask, given the recent developments, why legislation is now necessary. There are two reasons.

The first is that the Senate should enact this bill is because this Administration has never conceded the point that it cannot conduct electronic surveillance outside of the law. It has put the TSP under FISA Court review, but it asserts that it has the right not to do so. Future Administrations, if not enjoined, may take the same view.

I disagree with this legal analysis.

Secondly, the Director of the National Security Agency, the Director of the FBI, and the Attorney General have said on many occasions that FISA is outdated and in need of modernization. The current FISA process is too bureaucratic, too slow to initiate electronic surveillance from the time a suspected terrorist's phone or email account is identified.

This bill addresses those concerns by providing new flexibility and additional resources to speed the FISA process and allow for the more timely collection of valuable intelligence.

Allow me to summarize the legislation. The bill: re-iterates that FISA is the exclusive means for conducting electronic surveillance for intelligence purposes.

Specifies that FISA's requirements cannot be written off through contorted interpretations of other statutes. The Administration's tortured argument with respect to the Authorization for the 2001 Use of Military Force (AUMF) notwithstanding, this legislation would specify that FISA's language can only be undone by a specific and direct Act of Congress.

Requires that Congress, through the Intelligence Committees, be fully briefed on the Terrorist Surveillance Program and any related surveillance programs.

Requires the Supreme Court to review, on an expedited basis, the constitutionality of the Terrorist Surveillance Program.

Streamlines the current ''emergency procedures'' in FISA. Currently, the Attorney General can authorize surveillance prior to a Court order for 72 hours in an emergency. This legislation would extend the time to one week, which should remove any doubt as to whether Court approval can be sought and obtained in time. The bill also allows the Attorney General to delegate his authority to initiate electronic surveillance in an emergency to specific supervisory officials at the NSA and FBI.

Authorizes additional personnel to expedite the writing, submission, and review of FISA applications. Specifically, additional FISA Court judges and staff are authorized, as are additional positions at the Department of Justice, FBI, and NSA.

Extends the existing FISA authority—for 15 days of warrantless surveillance following a declaration of war—to any 30-day period following an authorization for the use of military force or a national emergency following a terrorist attack.

Allows the National Security Agency to take full advantage of its capabilities to collect intelligence on foreign communications.

While foreign-to-foreign communications are not covered now by FISA's requirements, the NSA can only conduct surveillance on these calls if it can be sure, in advance, that a telephone call of email won't transit the United States or unexpectedly end here. In the age of cell phones and the global telecommunications system, this a priori certification is very difficult to make. This legislation therefore specifies that in such inadvertent collection cases, the NSA must minimize the data, but that it has not violated the law.

Finally, the legislation clarifies that FISA court orders for electronic surveillance must be individualized to a particular target that the government has probable cause to believe is a foreign power or an agent of a foreign power.

From the briefings I have received as a member of the Intelligence Committee and the hearings held in Judiciary, I am convinced that the Terrorist Surveillance Program is an important anti-terrorism tool that should be continued.

It is also clear from the January FISA Court ruling that the Terrorist Surveillance Program can be conducted within the confines of FISA. It is appropriate now for Congress to reiterate that this is the appropriate arrangement.

This is by no means an issue that has been overtaken by events. The Administration continues to support a view of plenary authority in which it can conduct electronic surveillance in violation of FISA. The NSA and the FBI continue to labor under a process that was formed 29 years ago, prior to fundamental changes in the telecommunications system.

I urge the Senate to act to ensure that the law is followed and privacy rights upheld, and to provide the Intelligence Community the tools it needs to continue to make us safe.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1114

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Foreign Intelligence Surveillance Improvement and Enhancement Act of 2007''.

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

SEC. 2. DEFINITIONS.

In this Act:

(1) CONGRESSIONAL INTELLIGENCE COMMITTEES.—The term ''congressional intelligence committees'' means—

(A) the Select Committee on Intelligence of the Senate; and

(B) the Permanent Select Committee on Intelligence of the House of Representatives.

(2) FOREIGN INTELLIGENCE SURVEILLANCE COURT.—The term ''Foreign Intelligence Surveillance Court'' means the court established by section 103(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803(a)).

(3) UNITED STATES PERSON.—The term ''United States person'' has the meaning given such term in section 101(i) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(i)).

TITLE I—CONSTRUCTION OF FOREIGN INTELLIGENCE SURVEILLANCE AUTHORITY

SEC. 101. REITERATION OF CHAPTERS 119, 121, AND 206 OF TITLE 18, UNITED STATES CODE, AND FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978 AS EXCLUSIVE MEANS BY WHICH DOMESTIC ELECTRONIC SURVEILLANCE MAY BE CONDUCTED.

(a) EXCLUSIVE MEANS.—Notwithstanding any other provision of law, chapters 119, 121, and 206 of title 18, United States Code, and the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) shall be the exclusive means by which electronic surveillance (as that term is defined in section 101(f) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(f)) may be conducted.

(b) AMENDMENT TO FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.—Section 109(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1809(a)) is amended by striking ''authorized by statute'' each place it appears and inserting ''authorized by this title or chapter 119, 121, or 206 of title 18, United States Code''.

(c) AMENDMENT TO TITLE 18, UNITED STATES CODE.—Section 2511(2)(a)(ii)(B) of title 18, United States Code, is amended by striking ''statutory requirements'' and inserting ''requirements under the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), this chapter, or chapters 121 or 206 of this title''.

SEC. 102. SPECIFIC AUTHORIZATION REQUIRED FOR ANY REPEAL OR MODIFICATION OF TITLE I OF THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978.

(a) IN GENERAL.—Title I of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended by inserting after section 109 the following new section:

''SPECIFIC AUTHORIZATION REQUIRED FOR ANY REPEAL OR MODIFICATION OF TITLE

''SEC. 109A. No provision of law shall be construed to implicitly repeal or modify this title or any provision thereof, nor shall any provision of law be deemed to repeal or modify this title in any manner unless such provision of law, if enacted after the date of the enactment of the Foreign Intelligence Surveillance Improvement and Enhancement Act of 2007, expressly amends or otherwise specifically cites this title.''.

(b) CLERICAL AMENDMENT.—The table of contents for that Act is amended by inserting after the item relating to section 109 the following new item:

''Sec. 109A. Specific authorization required for any repeal or modification of title.''.

SEC. 103. INFORMATION FOR CONGRESS ON THE TERRORIST SURVEILLANCE PROGRAM AND SIMILAR PROGRAMS.

As soon as practicable after the date of the enactment of this Act, but not later than seven days after such date, the President shall brief and inform each member of the congressional intelligence committees on the following:

(1) The Terrorist Surveillance Program of the National Security Agency.

(2) Any program which involves, whether in part or in whole, the electronic surveillance of United States persons in the United States for foreign intelligence purposes, and which is conducted by any department, agency, or other element of the United States Government, or by any entity at the direction of a department, agency, or other element of the United States Government, without fully complying with the procedures set forth in the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) or chapter 119, 121, or 206 of title 18, United States Code.

SEC. 104. SUPREME COURT REVIEW OF THE TERRORIST SURVEILLANCE PROGRAM.

(a) IN GENERAL.—Upon petition by the United States or any party to the underlying proceedings, the Supreme Court of the United States shall review a final decision on the merits concerning the constitutionality of the Terrorist Surveillance Program in at least one case that is pending in the courts of the United States on the date of enactment of this Act.

(b) EXPEDITED CONSIDERATION.—It shall be the duty of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

(c) DEFINITION.—In this section, the term ''Terrorist Surveillance Program'' means the program identified by the President on December 17, 2005, to intercept international communications into and out of the United States of persons linked to al Qaeda or related terrorist organizations.

TITLE II—APPLICATIONS AND PROCEDURES FOR ELECTRONIC SURVEILLANCE FOR FOREIGN INTELLIGENCE PURPOSES

SEC. 201. EXTENSION OF PERIOD FOR APPLICATIONS FOR ORDERS FOR EMERGENCY ELECTRONIC SURVEILLANCE.

Section 105(f) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805(f)) is amended by striking ''72 hours'' both places it appears and inserting ''168 hours''.

SEC. 202. ADDITIONAL AUTHORITY FOR EMERGENCY ELECTRONIC SURVEILLANCE.

Section 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805) is amended—

(1) by redesignating subsections (g), (h), (i), and (j) as subsections (h), (i), (j), and (k), respectively; and

(2) by inserting after subsection (f) the following new subsection (g):

''(g)(1)(A) Notwithstanding any other provision of this title and subject to the provisions of this subsection, the Attorney General may, with the concurrence of the Director of National Intelligence, appoint appropriate supervisory or executive personnel within the Federal Bureau of Investigation and the National Security Agency to authorize electronic surveillance on a United States person in the United States on an emergency basis pursuant to the provisions of this subsection.

''(B) For purposes of this subsection, an intelligence agent or employee acting under the supervision of a supervisor or executive appointed under subparagraph (A) may conduct emergency electronic surveillance under this subsection if such supervisor or executive reasonably determines that—

''(i) an emergency situation exists with respect to the employment of electronic surveillance to obtain foreign intelligence information before an order authorizing such surveillance can with due diligence be obtained; and

''(ii) the factual basis exists for the issuance of an order approving such surveillance under this title.

''(2) The supervisors and executives appointed by the Attorney General under paragraph (1) may only be officials as follows:

''(A) In the case of the Federal Bureau of Investigation, officials at or above the level of Special Agent in Charge.

''(B) In the case of the National Security Agency, officials at or above the level of head of branch of the National Security Agency.

''(3) A supervisor or executive responsible for the emergency employment of electronic surveillance under this subsection shall submit to the Attorney General a request for approval of the surveillance within 24 hours of the commencement of the surveillance. The request shall set forth the ground for the belief specified in paragraph (1), together with such other information as the Attorney General shall require.

''(4)(A) The review of a request under paragraph (3) shall be completed by the official concerned under that paragraph as soon as practicable, but not more than 72 hours after the commencement of the electronic surveillance concerned under paragraph (1).

''(B)(i) If the official concerned determines that the electronic surveillance does not meet the requirements of paragraph (1), the surveillance shall terminate immediately and may not be recommenced by any supervisor or executive appointed under paragraph (1), or any agent or employee acting under the supervision of such supervisor or executive, absent additional facts or changes in circumstances that lead a supervisor or executive appointed under paragraph (1) to reasonably believe that the requirements of paragraph (1) are satisfied.

''(ii) In the event of a determination under clause (i), the Attorney General shall not be required, under section 106(j), to notify any United States person of the fact that the electronic surveillance covered by such determination was conducted before the termination of the surveillance under that clause. However, the official making such determination shall notify the court established by section 103(a) of such determination, and shall also provide notice of such determination in the first report that is submitted under section 108(a) after such determination is made.

''(C) If the official concerned determines that the surveillance meets the requirements of subsection (f), the surveillance may continue, subject to the requirements of paragraph (5).

''(5)(A) An application in accordance with this title shall be made to a judge having jurisdiction under section 103 as soon as practicable but not more than 168 hours after the commencement of electronic surveillance under paragraph (1).

''(B) In the absence of a judicial order approving electronic surveillance commenced under paragraph (1), the surveillance shall terminate at the earlier of—

''(i) when the information sought is obtained;

''(ii) when the application under subparagraph (A) for an order approving the surveillance is denied; or

''(iii) 168 hours after the commencement of the surveillance, unless an application under subparagraph (A) is pending, in which case the surveillance may continue for up to an additional 24 hours while the judge has the application under advisement.

''(C) If an application under subparagraph (A) for an order approving electronic surveillance commenced under paragraph (1) is denied, or in any other case in which the surveillance is terminated and no order approving the surveillance is issued by a court, the use of information obtained or evidence derived from the surveillance shall be governed by the provisions of subsection (f).

''(D) The denial of an application submitted under subparagraph (A) may be reviewed as provided in section 103.

''(6) Any person who engages in the emergency employment of electronic surveillance under paragraph (1) shall follow the minimization procedures otherwise required by this title for the issuance of a judicial order approving the conduct of electronic surveillance.

''(7) Not later than 30 days after appointing supervisors and executives under paragraph (1) to authorize the exercise of authority in

that paragraph, the Attorney General, in consultation with the Director of National Intelligence, shall submit to the court established by section 103(a), the Select Committee on Intelligence of the Senate, and the Permanent Select Committee on Intelligence of the House of Representatives, and bring up to date as required, a report that—

''(A) identifies the number of supervisors and executives who have been so appointed and the positions held by such supervisors and executives; and

''(B) sets forth guidelines or other directives that describe the responsibilities of such supervisors and executives under this subsection.''.

SEC. 203. FOREIGN INTELLIGENCE SURVEILLANCE COURT MATTERS.

(a) AUTHORITY FOR ADDITIONAL JUDGES.—Section 103(a) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803(a)) is amended—

(1) by inserting ''(1)'' after ''(a)'';

(2) in paragraph (1), as so designated, by inserting ''at least'' before ''seven of the United States judicial circuits'';

(3) by designating the second sentence as paragraph (4) and indenting such paragraph, as so designated, two ems from the left margin; and

(4) by inserting after paragraph (1), as so designated, the following new paragraph:

''(2) In addition to the judges designated under paragraph (1), the Chief Justice of the United States may designate as judges of the court established by paragraph (1) such judges appointed under Article III of the Constitution of the United States as the Chief Justice determines appropriate in order to provide for the prompt and timely consideration under section 105 of applications under section 104 for electronic surveillance under this title. Any judge designated under this paragraph shall be designated publicly.''.

(b) CONSIDERATION OF EMERGENCY APPLICATIONS.—Such section is further amended by inserting after paragraph (2), as added by subsection (a)(4) of this section, the following new paragraph:

''(3) A judge of the court shall make a determination to approve, deny, or seek modification of an application submitted pursuant to section subsection (f) or (g) of section 105 not later than 24 hours after the receipt of such application by the court.''.

SEC. 204. DOCUMENT MANAGEMENT SYSTEM FOR APPLICATIONS FOR ORDERS APPROVING ELECTRONIC SURVEILLANCE.

(a) SYSTEM REQUIRED.—The Attorney General shall, in consultation with the Director of the Federal Bureau of Investigation, the Director of the National Security Agency, and the Foreign Intelligence Surveillance Court, develop and implement a secure, classified document management system that permits the prompt preparation, modification, and review by appropriate personnel of the Department of Justice, the Federal Bureau of Investigation, the National Security Agency, and other applicable elements of the United States Government of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) before their submittal to the Foreign Intelligence Surveillance Court.

(b) SCOPE OF SYSTEM.—The document management system required by subsection (a) shall—

(1) permit and facilitate the prompt submittal of applications to the Foreign Intelligence Surveillance Court under section 104 or 105(g)(5) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804 and 1805(g)(5)); and

(2) permit and facilitate the prompt transmittal of rulings of the Foreign Intelligence Surveillance Court to personnel submitting applications described in paragraph (1).

SEC. 205. ADDITIONAL PERSONNEL FOR PREPARATION AND CONSIDERATION OF APPLICATIONS FOR ORDERS APPROVING ELECTRONIC SURVEILLANCE.

(a) OFFICE OF INTELLIGENCE POLICY AND REVIEW.—

(1) ADDITIONAL PERSONNEL.—The Office of Intelligence Policy and Review of the Department of Justice is hereby authorized such additional personnel as may be necessary to carry out the prompt and timely preparation, modification, and review of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Attorney General shall assign personnel authorized by paragraph (1) to and among appropriate offices of the National Security Agency in order that such personnel may directly assist personnel of the Agency in preparing applications described in that paragraph.

(b) FEDERAL BUREAU OF INVESTIGATION.—

(1) ADDITIONAL LEGAL AND OTHER PERSONNEL.—The National Security Branch of the Federal Bureau of Investigation is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(2) ASSIGNMENT.—The Director of the Federal Bureau of Investigation shall assign personnel authorized by paragraph (1) to and among the field offices of the Federal Bureau of Investigation in order that such personnel may directly assist personnel of the Bureau in such field offices in preparing applications described in that paragraph.

(c) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR NATIONAL SECURITY AGENCY.—The National Security Agency is hereby authorized such additional legal and other personnel as may be necessary to carry out the prompt and timely preparation of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes.

(d) ADDITIONAL LEGAL AND OTHER PERSONNEL FOR FOREIGN INTELLIGENCE SURVEILLANCE COURT.—There is hereby authorized for the Foreign Intelligence Surveillance Court such additional staff personnel as may be necessary to facilitate the prompt and timely consideration by that Court of applications under section 104 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804) for orders under section 105 of that Act (50 U.S.C. 1805) approving electronic surveillance for foreign intelligence purposes. Personnel authorized by this paragraph shall perform such duties relating to the consideration of such applications as that Court shall direct.

(e) SUPPLEMENT NOT SUPPLANT.—The personnel authorized by this section are in addition to any other personnel authorized by law.

SEC. 206. TRAINING OF FEDERAL BUREAU OF INVESTIGATION AND NATIONAL SECURITY AGENCY PERSONNEL IN FOREIGN INTELLIGENCE SURVEILLANCE MATTERS.

The Director of the Federal Bureau of Investigation and the Director of the National Security Agency shall each, in consultation with the Attorney General—

(1) develop regulations to establish procedures for conducting and seeking approval of electronic surveillance on an emergency basis, and for preparing and properly submitting and receiving applications and orders, under sections 104 and 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1804 and 1805); and

(2) prescribe related training for the personnel of the applicable agency.

SEC. 207. ENHANCEMENT OF ELECTRONIC SURVEILLANCE AUTHORITY IN WARTIME.

Section 111 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1811) is amended by striking ''fifteen calendar days following a declaration of war by the Congress.'' and inserting ''30 calendar days following any of the following:

''(1) A declaration of war by the Congress.

''(2) An authorization for the use of military force within the meaning of section 2(c)(2) of the War Powers Resolution (50 U.S.C. 1541(c)(2)).

''(3) A national emergency created by attack upon the United States, its territories or possessions, or the Armed Forces within the meaning of section 2(c)(3) of the War Powers Resolution (50 U.S.C. 1541(c)(3)).''.

TITLE III—CLARIFICATIONS TO THE FOREIGN INTELLIGENCE SURVEILLANCE ACT OF 1978

SEC. 301. ACQUISITION OF FOREIGN-FOREIGN COMMUNICATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of this Act or the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), no court order shall be required for the acquisition through electronic surveillance of the contents of any communication between one person who is not located within the United States and another person who is not located within the United States for the purpose of collecting foreign intelligence information even if such communication passes through, or the surveillance device is located within, the United States.

(b) TREATMENT OF INTERCEPTED COMMUNICATIONS INVOLVING DOMESTIC PARTY.—If surveillance conducted as described in subsection (a) inadvertently collects a communication in which at least one party is within the United States, the contents of such communications shall be handled in accordance with the minimization procedures set forth in section 101(h)(4) of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801(h)(4)).

(c) DEFINITIONS.—In this section, the terms ''contents'', ''electronic surveillance'', and ''foreign intelligence information'' have the meaning given such terms in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

SEC. 302. INDIVIDUALIZED FISA ORDERS.

Any order issued pursuant to section 105 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1805) authorizing electronic surveillance shall be supported by an individualized or particularized finding of probable cause to believe the target of the electronic surveillance is a foreign power or an agent of a foreign power.

TITLE IV—OTHER MATTERS

SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out this Act and the amendments made by this Act.

SEC. 402. EFFECTIVE DATE.

Except as provided in section 103, this Act, and the amendments made by this Act, shall take effect on the date that is 30 days after the date of the enactment of this Act.

By Mr. BINGAMAN (for himself, Mr. DOMENICI, Mr. DORGAN, Mr.

LUGAR, Mr. AKAKA, Ms. MURKOWSKI, and Mr. CRAIG):

S. 1115. A bill to promote the efficient use of oil, natural gas, and electricity, reduce oil consumption, and heighten energy efficiency standards for consumer products and industrial equipment, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BINGAMAN. Mr. President, I rise to introduce a comprehensive Energy efficiency bill. I am pleased to have the Ranking Member of the Energy Committee, the senior Senator from New Mexico, as my co-sponsor, along with Senator DORGAN, Senator LUGAR, Senator AKAKA, Senator MURKOWSKI and Senator CRAIG.

Energy efficiency can be viewed as the Nation's largest energy resource. Due to actions taken to increase efficiency since the 1973 oil crisis, we now save more energy each year than we get from any single energy supply resource, including oil.

When the Energy Policy Act of 2005 was signed into law in August of 2005, it included a strong package of energy efficiency initiatives. However, just a month later, when hurricanes devastated our Nation's primary oil and gas supply region and many of us recognized that we needed to enact additional and more aggressive efficiency measures.

During the last 2 years, gasoline, natural gas, and electricity prices have reached all-time high levels. These price increases cost American families and businesses over $300 billion dollars each year. In the 2006 elections, voters sent us a clear message that they wanted Congress to address high energy prices and also to provide solutions to climate change. Energy efficiency policies can alleviate both of these problems.

Our bill includes provisions that will improve efficiency in vehicles, buildings, appliances and industrial equipment. The legislation is also intended to motivate States and utilities to recognize energy efficiency as a resource and to remove current disincentives to programs that will benefit utility customers while reducing demand for electricity and natural gas.

Improving our energy productivity through efficiency has multiple benefits—it lowers the costs of consumers' energy bills; decreases the vulnerability of the economy to energy price shocks from natural disasters or problems with foreign sources of supply; provides environmental benefits such as lower air pollution and reduced greenhouse gas emissions. Moreover, energy efficiency investments help build local jobs and improve state economies.

The bill we are introducing today includes initiatives in six key areas: Promoting the development and use of advanced lighting technologies; Expediting new efficiency standards for appliances and industrial equipment; Promoting high efficiency vehicles, advanced batteries and energy storage; Setting aggressive goals for reducing gasoline consumption and improving overall energy productivity in the U.S.; Promoting Federal leadership in energy efficiency and renewable energy; and Assisting States, local governments and utilities in energy efficiency efforts.

In addition to the Energy Efficiency Promotion Act, I want to emphasize that other Senate committees are working on complementary efficiency initiatives, including the energy efficiency tax provisions we are developing in the Finance Committee and CAFE standards legislation in the Commerce Committee.

Finally, for the information on my colleagues, this bill is the 4th in a quartet of Energy bills that will be taken up by the Energy and Natural Resources Committee in the next few weeks. These bills are: S. 987, the Biofuels for Energy Security and Transportation Act; S. 731, the National Carbon Dioxide Storage Capacity Assessment Act; and S. 962 the Department of Energy Carbon Capture and Storage R D&D Act. We are working diligently to meet the Majority Leader's timetable for floor action on Energy legislation. I encourage Senators with questions or concerns about any of these bills to let me know so that we can try to address issues in a timely manner.

I have included at the end of my statement a preliminary estimate of the energy savings that would result from the implementation of the programs in this bill. I request that this estimate be printed in the RECORD.

There being no objection the material was ordered to be printed as follows.

ENERGY SAVING ESTIMATE FOR THE ENERGY EFFICIENCY PROMOTION ACT

Potential savings from the appliance efficiency standards included in Titles I and II: Electricity—At least 50 billion kilowatt hours per year, or enough to power roughly 4.8 million typical U.S. households; Natural gas—170 million therms per year or enough to heat about a quarter million typical U.S. homes; Water—At least 560 million gallons per day, or about 1.3 percent of total daily potable water usage; and Dollars—More than $12 billion in net present benefits for consumers.

POTENTIAL SAVINGS FROM FEDERAL GOVERNMENT LEADERSHIP IN EFFICIENCY—TITLE V

The Federal Government consumed 1.1 quadrillion Btus or ''quads'' of energy during Fiscal Year 2005. The Federal energy bill for Fiscal Year 2005 increased by 24 percent compared to Fiscal Year 2004.

About 30 percent of the Federal energy use is in standard buildings and about 60 percent is energy used by vehicles and equipment. Although savings can not be estimated at this time—the legislation requires the Federal Government to achieve a 30 percent reduction in energy usage per square foot by 2015 and to reduce its use of gasoline in fleet vehicles by 30 percent in Fiscal Year 2016.

POTENTIAL SAVINGS FROM ELECTRIC AND GAS UTILITY EFFICIENCY PROGRAMS—TITLE VI

Assuming all State utility regulatory commissions and nonregulated utilities adopt the energy efficiency policies and cost-effective energy efficiency programs recommended in this bill, the estimate cumulative potential energy savings by 2020 would be 7.8 quads and the energy cost savings would be $12 billion.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1115

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Energy Efficiency Promotion Act of 2007''.

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

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term ''Secretary'' means the Secretary of Energy.

TITLE I—PROMOTING ADVANCED LIGHTING TECHNOLOGIES

SEC. 101. ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.

Section 553 of the National Energy Conservation Policy Act (42 U.S.C. 8259b) is amended by adding the following:

''(f) ACCELERATED PROCUREMENT OF ENERGY EFFICIENT LIGHTING.—

''(1) IN GENERAL.—Not later than October 1, 2010, in accordance with guidelines issued by the Secretary, all general purpose lighting in Federal buildings shall be Energy Star products or products designated under the Federal Energy Management Program.

''(2) GUIDELINES.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall issue guidelines to carry out this subsection.''.

SEC. 102. INCANDESCENT REFLECTOR LAMP EFFICIENCY STANDARDS.

(a) DEFINITIONS.—Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended—

(1) in paragraph (30)(C)(ii)—

(A) in the matter preceding subclause (I)—

(i) by striking ''or similar bulb shapes (excluding ER or BR)'' and inserting ''ER, BR, BPAR, or similar bulb shapes''; and

(ii) by striking ''2.75'' and inserting ''2.25''; and

(B) by striking ''is either—'' and all that follows through subclause (II) and inserting ''has a rated wattage that is 40 watts or higher''; and

(2) by adding at the end the following:

''(52) BPAR INCANDESCENT REFLECTOR LAMP.—The term 'BPAR incandescent reflector lamp' means a reflector lamp as shown in figure C78.21–278 on page 32 of ANSI C78.21–2003.

''(53) BR INCANDESCENT REFLECTOR LAMP; BR30; BR40.—

''(A) BR INCANDESCENT REFLECTOR LAMP.—The term 'BR incandescent reflector lamp' means a reflector lamp that has—

''(i) a bulged section below the major diameter of the bulb and above the approximate baseline of the bulb, as shown in figure 1 (RB) on page 7 of ANSI C79.1–1994, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph); and

''(ii) a finished size and shape shown in ANSI C78.21–1989, including the referenced reflective characteristics in part 7 of ANSI C78.21–1989, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph).

''(B) BR30.—The term 'BR30' means a BR incandescent reflector lamp with a diameter of 30/8ths of an inch.

''(C) BR40.—The term 'BR40' means a BR incandescent reflector lamp with a diameter of 40/8ths of an inch.

''(54) ER INCANDESCENT REFLECTOR LAMP; ER30; ER40.—

''(A) ER INCANDESCENT REFLECTOR LAMP.—The term 'ER incandescent reflector lamp' means a reflector lamp that has—

''(i) an elliptical section below the major diameter of the bulb and above the approximate baseline of the bulb, as shown in figure 1 (RE) on page 7 of ANSI C79.1–1994, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph); and

''(ii) a finished size and shape shown in ANSI C78.21–1989, incorporated by reference in section 430.22 of title 10, Code of Federal Regulations (as in effect on the date of enactment of this paragraph).

''(B) ER30.—The term 'ER30' means an ER incandescent reflector lamp with a diameter of 30/8ths of an inch.

''(C) ER40.—The term 'ER40' means an ER incandescent reflector lamp with a diameter of 40/8ths of an inch.

''(55) R20 INCANDESCENT REFLECTOR LAMP.—The term 'R20 incandescent reflector lamp' means a reflector lamp that has a face diameter of approximately 2.5 inches, as shown in figure 1(R) on page 7 of ANSI C79.1–1994.''.''.

(b) STANDARDS FOR FLUORESCENT LAMPS AND INCANDESCENT REFLECTOR LAMPS.—Section 325(i) of the Energy Policy and Conservation Act (42 U.S.C. 6925(i)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARDS.—

''(A) DEFINITION OF EFFECTIVE DATE.—In this paragraph (other than subparagraph (D)), the term 'effective date' means, with respect to each type of lamp specified in a table contained in subparagraph (B), the last day of the period of months corresponding to that type of lamp (as specified in the table) that follows October 24, 1992.

''(B) MINIMUM STANDARDS.—Each of the following general service fluorescent lamps and incandescent reflector lamps manufactured after the effective date specified in the tables contained in this paragraph shall meet or exceed the following lamp efficacy and CRI standards:

''FLUORESCENT LAMPS

Lamp Type	Nominal Lamp Wattage	Minimum CRI	Minimum Average Lamp Efficacy (LPW)	Effective Date (Period of Months)
4-foot medium bi-pin	>35 W	69	75.0	36
	≤35 W	45	75.0	36
2-foot U-shaped	>35 W	69	68.0	36
	≤35 W	45	64.0	36
8-foot slimline	65 W	69	80.0	18
	≤65 W	45	80.0	18
8-foot high output	>100 W	69	80.0	18
	≤100 W	45	80.0	18

''INCANDESCENT REFLECTOR LAMPS

Nominal Lamp Wattage	Minimum Average Lamp Efficacy (LPW)	Effective Date (Period of Months)
40–50	10.5	36
51–66	11.0	36
67–85	12.5	36
86–115	14.0	36
116–155	14.5	36
156–205	15.0	36

''(C) EXEMPTIONS.—The standards specified in subparagraph (B) shall not apply to the following types of incandescent reflector lamps:

''(i) Lamps rated at 50 watts or less that are ER30, BR30, BR40, or ER40 lamps.

''(ii) Lamps rated at 65 watts that are BR30, BR40, or ER40 lamps.

''(iii) R20 incandescent reflector lamps rated 45 watts or less.

''(D) EFFECTIVE DATES.—

''(i) ER, BR, AND BPAR LAMPS.—The standards specified in subparagraph (B) shall apply with respect to ER incandescent reflector lamps, BR incandescent reflector lamps, BPAR incandescent reflector lamps, and similar bulb shapes on and after January 1, 2008.

''(ii) LAMPS BETWEEN 2.25–2.75 INCHES IN DIAMETER.—The standards specified in subparagraph (B) shall apply with respect to incandescent reflector lamps with a diameter of more than 2.25 inches, but not more than 2.75 inches, on and after January 1, 2008.''.

SEC. 103. BRIGHT TOMORROW LIGHTING PRIZES.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, as part of the program carried out under section 1008 of the Energy Policy Act of 2005 (42 U.S.C. 16396), the Secretary shall establish and award Bright Tomorrow Lighting Prizes for solid state lighting in accordance with this section.

(b) PRIZE SPECIFICATIONS.—

(1) 60-WATT INCANDESCENT REPLACEMENT LAMP PRIZE.—The Secretary shall award a 60-Watt Incandescent Replacement Lamp Prize to an entrant that produces a solid-state light package simultaneously capable of—

(A) producing a luminous flux greater than 900 lumens;

(B) consuming less than or equal to 10 watts;

(C) having an efficiency greater than 90 lumens per watt;

(D) having a color rendering index greater than 90;

(E) having a correlated color temperature of not less than 2,750, and not more than 3,000, degrees Kelvin;

(F) having a lifetime exceeding 25,000 hours under typical conditions expected in residential use;

(G) having a light distribution pattern similar to a soft 60-watt incandescent A19 bulb;

(H) having a size and shape similar to a 60-watt incandescent A19 bulb in accordance with American National Standards Institute standard C78.20–2003, figure C78.20–211;

(I) using an incandescent bulb power receptacle; and

(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(2) PAR TYPE 38 HALOGEN REPLACEMENT LAMP PRIZE.—The Secretary shall award a Parabolic Aluminized Reflector Type 38 Halogen Replacement Lamp Prize (referred to in this section as the ''PAR Type 38 Halogen Replacement Lamp Prize'') to an entrant that produces a solid-state-light package simultaneously capable of—

(A) producing a luminous flux greater than or equal to 1,350 lumens;

(B) consuming less than or equal to 10 watts;

(C) having an efficiency greater than 90 lumens per watt;

(D) having a color rendering index greater than or equal to 90;

(E) having a correlated color coordinate temperature of not less than 2,750, and not more than 3,000, degrees Kelvin;

(F) having a lifetime exceeding 25,000 hours under typical conditions expected in residential use;

(G) having a light distribution pattern similar to a PAR 38 halogen lamp;

(H) having a size and shape that fits within the maximum dimensions of a PAR 38 halogen lamp in accordance with American National Standards Institute standard C78–21–2003, figure C78.21–238;

(I) using a PAR 38 halogen power receptacle; and

(J) mass production for a competitive sales commercial market satisfied by the submission of 10,000 such units equal to or exceeding the criteria described in subparagraphs (A) through (I).

(3) TWENTY-FIRST CENTURY LAMP PRIZE.—The Secretary shall award a Twenty-First Century Lamp Prize to an entrant that produces a solid-state-light-light capable of—

(A) producing a light output greater than 1,200 lumens;

(B) having an efficiency greater than 150 lumens per watt;

(C) having a color rendering index greater than 90;

(D) having a color coordinate temperature between 2,800 and 3,000 degrees Kelvin; and

(E) having a lifetime exceeding 25,000 hours.

(c) PRIVATE FUNDS.—The Secretary may accept and use funding from private sources as part of the prizes awarded under this section.

(d) TECHNICAL REVIEW.—The Secretary shall establish a technical review committee composed of non-Federal officers to review entrant data submitted under this section to determine whether the data meets the prize specifications described in subsection (b).

(e) THIRD PARTY ADMINISTRATION.—The Secretary may competitively select a third party to administer awards under this section.

(f) AWARD AMOUNTS.—Subject to the availability of funds to carry out this section, the amount of—

(1) the 60-Watt Incandescent Replacement Lamp Prize described in subsection (b)(1) shall be $10,000,000;

(2) the PAR Type 38 Halogen Replacement Lamp Prize described in subsection (b)(2) shall be $5,000,000; and

(3) the Twenty-First Century Lamp Prize described in subsection (b)(3) shall be $5,000,000.

(g) FEDERAL PROCUREMENT OF SOLID-STATE-LIGHTS.—

(1) 60-WATT INCANDESCENT REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the 60-Watt Incandescent Replacement Lamp Prize under subsection (b)(1), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with a goal of replacing the use of 60-watt incandescent lamps in Federal Government buildings with a solid-state-light package described in subsection (b)(1) by not later than the date that is 5 years after the date the award is made.

(2) PAR 38 HALOGEN REPLACEMENT LAMP REPLACEMENT.—Subject to paragraph (3), as soon as practicable after the successful award of the PAR Type 38 Halogen Replacement Lamp Prize under subsection (b)(2), the Secretary (in consultation with the Administrator of General Services) shall develop governmentwide Federal purchase guidelines with the goal of replacing the use of PAR 38 halogen lamps in Federal Government buildings with a solid-state-light package described in subsection (b)(2) by not later than the date that is 5 years after the date the award is made.

(3) WAIVERS.—

(A) IN GENERAL.—The Secretary or the Administrator of General Services may waive the application of paragraph (1) or (2) if the Secretary or Administrator determines that the return on investment from the purchase of a solid-state-light package described in paragraph (1) or (2) of subsection (b), respectively, is cost prohibitive.

(B) REPORT OF WAIVER.—If the Secretary or Administrator waives the application of paragraph (1) or (2), the Secretary or Administrator, respectively, shall submit to Congress an annual report that describes the waiver and provides a detailed justification for the waiver.

(h) BRIGHT LIGHT TOMORROW AWARD FUND.—

(1) ESTABLISHMENT.—There is established in the United States Treasury a Bright Light Tomorrow permanent fund without fiscal year limitation to award prizes under paragraphs (1), (2), and (3) of subsection (b).

(2) SOURCES OF FUNDING.—The fund established under paragraph (1) shall accept—

(A) fiscal year appropriations; and

(B) private contributions authorized under subsection (c).

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 104. SENSE OF SENATE CONCERNING EFFICIENT LIGHTING STANDARDS.

(a) FINDINGS.—The Senate finds that—

(1) there are approximately 4,000,000,000 screw-based sockets in the United States that contain traditional, energy-inefficient, incandescent light bulbs;

(2) incandescent light bulbs are based on technology that is more than 125 years old;

(3) there are radically more efficient lighting alternatives in the market, with the promise of even more choices over the next several years;

(4) national policy can support a rapid substitution of new, energy-efficient light bulbs for the less efficient products in widespread use; and,

(5) transforming the United States market to use of more efficient lighting technologies can—

(A) reduce electric costs in the United States by more than $18,000,000,000 annually;

(B) save the equivalent electricity that is produced by 80 base load coal-fired power plants; and

(C) reduce fossil fuel related emissions by approximately 158,000,000 tons each year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should—

(1) pass a set of mandatory, technology-neutral standards to establish firm energy efficiency performance targets for lighting products;

(2) ensure that the standards become effective within the next 10 years; and

(3) in developing the standards—

(A) establish the efficiency requirements to ensure that replacement lamps will provide consumers with the same quantity of light while using significantly less energy;

(B) ensure that consumers will continue to have multiple product choices, including energy-saving halogen, incandescent, compact fluorescent, and LED light bulbs; and

(C) work with industry and key stakeholders on measures that can assist consumers and businesses in making the important transition to more efficient lighting.

TITLE II—EXPEDITING NEW ENERGY EFFICIENCY STANDARDS

SEC. 201. DEFINITION OF ENERGY CONSERVATION STANDARD.

Section 321 of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended by striking paragraph (6) and inserting the following:

''(6) ENERGY CONSERVATION STANDARD.—

''(A) IN GENERAL.—The term 'energy conservation standard' means—

''(i) 1 or more performance standards that prescribe a minimum level of energy efficiency or a maximum quantity of energy use, and, in the case of a showerhead, faucet, water closet, urinal, clothes washer, and dishwasher, water use, for a covered product, determined in accordance with test procedures prescribed under section 323; and

''(ii) 1 or more design requirements.

''(B) INCLUSIONS.—The term 'energy conservation standard' includes any other requirements that the Secretary may prescribe under subsections (o) and (r) of section 325.''.

SEC. 202. REGIONAL STANDARDS FOR HEATING AND COOLING PRODUCTS.

Section 325(o) of the Energy Policy and Conservation Act (42 U.S.C. 6295(o)) is amended by adding at the end the following:

''(6) REGIONAL STANDARDS FOR HEATING AND COOLING PRODUCTS.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary may establish regional standards for space heating and air conditioning products.

''(B) MAXIMUM NUMBER OF REGIONS.—For each space heating and air conditioning product, the Secretary may establish not more than 3 regions with differing standards.

''(C) BOUNDARIES OF REGIONS.—

''(i) IN GENERAL.—The Secretary shall establish the regions so as to achieve the maximum level of energy savings that are technically feasible and economically justifiable.

''(ii) STATE BOUNDARIES.—Boundaries for a region shall conform to State borders and only include contiguous States (other than Alaska and Hawaii, which shall be noncontiguous).

''(D) FACTORS FOR ESTABLISHMENT.—In deciding whether to establish 1 or more regional standards for space heating and air

conditioning equipment, the Secretary shall consider all of the factors described in paragraphs (1) through (4).''.

SEC. 203. FURNACE FAN RULEMAKING.

Section 325(f)(3) of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)(3)) is amended by adding at the end the following:

''(E) FINAL RULE.—

''(i) IN GENERAL.—The Secretary shall publish a final rule to carry out this subsection not later than December 31, 2012.

''(ii) CRITERIA.—The standards shall meet the criteria established under subsection (o).''.

SEC. 204. EXPEDITED RULEMAKINGS.

Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6295) is amended by adding at the end the following:

''(hh) EXPEDITED RULEMAKING FOR CONSENSUS STANDARDS.—

''(1) IN GENERAL.—The Secretary shall conduct an expedited rulemaking based on an energy conservation standard or test procedure recommended by interested persons, if—

''(A) the interested persons (demonstrating significant and broad support from manufacturers of a covered product, States, and environmental, energy efficiency, and consumer advocates) submit a joint comment recommending a consensus energy conservation standard or test procedure; and

''(B) the Secretary determines that the joint comment includes evidence that (assuming no other evidence were considered) provides an adequate basis for determining that the proposed consensus energy conservation standard or test procedure proposed in the joint comment complies with the provisions and criteria of this Act (including subsection o)) that apply to the type or class of covered products covered by the joint comment.

''(2) PROCEDURE.—

''(A) IN GENERAL.—Notwithstanding subsection (p) or section 336(a), if the Secretary receives a joint comment that meets the criteria described in paragraph (1), the Secretary shall conduct an expedited rulemaking with respect to the standard or test procedure proposed in the joint comment in accordance with this paragraph.

''(B) ADVANCED NOTICE OF PROPOSED RULEMAKING.—If no advanced notice of proposed rulemaking has been issued under subsection (p)(1) with respect to the rulemaking covered by the joint comment, the requirements of subsection (p) with respect to the issuance of an advanced notice of proposed rulemaking shall not apply.

''(C) PUBLICATION OF DETERMINATION.—Not later than 60 days after receipt of a joint comment described in paragraph (1)(A), the Secretary shall publish a description of a determination as to whether the proposed standard or test procedure covered by the joint comment meets the criteria described in paragraph (1).

''(D) PROPOSED RULE.—

''(i) PUBLICATION.—If the Secretary determines that the proposed consensus standard or test procedure covered by the joint comment meets the criteria described in paragraph (1), not later than 30 days after the determination, the Secretary shall publish a proposed rule proposing the consensus standard or test procedure covered by the joint comment.

''(ii) PUBLIC COMMENT PERIOD.—Notwithstanding paragraphs (2) and (3) of subsection (p), the public comment period for the proposed rule shall be the 30–day period beginning on the date of the publication of the proposed rule in the Federal Register.

''(iii) PUBLIC HEARING.—Notwithstanding section 336(a), the Secretary may waive the holding of a public hearing with respect to the proposed rule.

''(E) FINAL RULE.—Notwithstanding subsection (p)(4), the Secretary—

''(i) may publish a final rule at any time after the 60-day period beginning on the date of publication of the proposed rule in the Federal Register; and

''(ii) shall publish a final rule not later than 120 days after the date of publication of the proposed rule in the Federal Register.''.

SEC. 205. PREEMPTION LIMITATION.

Section 327 of the Energy Policy and Conservation Act (42 U.S.C. 6297) is amended—

(1) in subsection (b)—

(A) in paragraph (6), by striking ''or'' at the end;

(B) in paragraph (7), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(8) is a State regulation for a product for which a Federal energy conservation standard has not been established, in that—

''(A) the product is excluded from or not directly affected by a Federal standard; or

''(B) a rulemaking occurs that ultimately does not prescribe a Federal energy conservation standard for the product.''; and

(2) in subsection (c)—

(A) in paragraph (8), by striking the period at the end and inserting ''; or''; and

(B) by adding at the end the following:

''(9) is a State regulation for a product for which a Federal energy conservation standard has not been established, in that—

''(A) the product is excluded from or not directly affected by a Federal standard; or

''(B) a rulemaking occurs that ultimately does not prescribe a Federal energy conservation standard for the product.''.

SEC. 206. ENERGY EFFICIENCY LABELING FOR CONSUMER PRODUCTS.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Federal Trade Commission, in consultation with the Secretary and the Administrator of the Environmental Protection Agency (acting through the Energy Star program), shall promulgate regulations to add the consumer electronics product categories described in subsection (b) to the Energy Guide labeling program of the Commission.

(b) CONSUMER ELECTRONICS PRODUCT CATEGORIES.—The consumer electronics product categories referred to in subsection (a) are the following:

(1) Televisions.

(2) Personal computers.

(3) Cable or satellite set-top boxes.

(4) Stand-alone digital video recorder boxes (including TIVO and similar branded products).

(5) Computer monitors.

(c) LABEL PLACEMENT.—The regulations shall include specific requirements for each product on the placement of Energy Guide labels.

(d) DEADLINE FOR LABELING.—Not later than 1 year after the date of promulgation of regulations under subsection (a), the Commission shall require labeling electronic products described in subsection (b) in accordance with this section (including the regulations).

(e) AUTHORITY TO INCLUDE ADDITIONAL PRODUCT CATEGORIES.—The Commission may add additional product categories to the Energy Guide labeling program if the product categories include products, as determined by the Commission—

(1) that have an annual energy use in excess of 100 kilowatt hours per year; and

(2) for which there is a significant difference in energy use between the most and least efficient products.

SEC. 207. RESIDENTIAL BOILER EFFICIENCY STANDARDS.

Section 325(f) of the Energy Policy and Conservation Act (42 U.S.C. 6295(f)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

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

''(3) BOILERS.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), boilers manufactured on or after September 1, 2012, shall meet the following requirements:

Boiler Type	Minimum Annual Fuel Utilization Efficiency	Design Requirements
Gas Hot Water	82%	No Constant Burning Pilot, Automatic Means for Adjusting Water Temperature
Gas Steam	80%	No Constant Burning Pilot
Oil Hot Water	84%	Automatic Means for Adjusting Temperature
Oil Steam	82%	None
Electric Hot Water	None	Automatic Means for Adjusting Temperature
Electric Steam	None	None

''(B) PILOTS.—The manufacturer shall not equip gas hot water or steam boilers with constant-burning pilot lights.

''(C) AUTOMATIC MEANS FOR ADJUSTING WATER TEMPERATURE.—

''(i) IN GENERAL.—The manufacturer shall equip each gas, oil, and electric hot water boiler (other than a boiler equipped with tankless domestic water heating coils) with an automatic means for adjusting the temperature of the water supplied by the boiler to ensure that an incremental change in inferred heat load produces a corresponding incremental change in the temperature of water supplied.

''(ii) CERTAIN BOILERS.—For a boiler that fires at 1 input rate, the requirements of this subparagraph may be satisfied by providing an automatic means that allows the burner or heating element to fire only when the means has determined that the inferred heat load cannot be met by the residual heat of the water in the system.

''(iii) NO INFERRED HEAT LOAD.—When there is no inferred heat load with respect to a hot water boiler, the automatic means described in clauses (i) and (ii) shall limit the temperature of the water in the boiler to not more than 140 degrees Fahrenheit.

''(iv) OPERATION.—A boiler described in clause (i) or (ii) shall be operable only when the automatic means described in clauses (i), (ii), and (iii) is installed.''.

SEC. 208. TECHNICAL CORRECTIONS.

Section 321(30)(B)(viii) of the Energy Policy and Conservation Act (42 U.S.C. 6291(30)(B)(viii)) is amended by striking ''82'' and inserting ''87''.

SEC. 209. ELECTRIC MOTOR EFFICIENCY STANDARDS.

(a) DEFINITIONS.—Section 340(13) of the Energy Policy and Conservation Act (42 U.S.C. 6311(13)) is amended by striking subparagraph (A) and inserting the following:

''(A)(i) The term 'electric motor' means—

''(I) a general purpose electric motor - subtype I; and

''(II) a general purpose electric motor - subtype II.

''(ii) The term 'general purpose electric motor - subtype I' means any motor that is considered a general purpose motor under section 431.12 of title 10, Code of Federal Regulations (or successor regulations).

''(iii) The term 'general purpose electric motor - subtype II' means a motor that, in addition to the design elements for a general purpose electric motor - subtype I, incorporates the design elements (as established in National Electrical Manufacturers Association MG-1 (2006)) (or successor design elements) for any of the following:

''(I) A U-Frame Motor.

''(II) A Design C Motor.

''(III) A close-coupled pump motor.

''(IV) A footless motor.

''(V) A vertical solid shaft normal thrust (tested in a horizontal configuration).

''(VI) An 8-pole motor.

''(VII) A poly-phase motor with voltage of not more than 600 volts (other than 230 or 460 volts).''.

(b) STANDARDS.—Section 342(b) of the Energy Policy and Conservation Act (42 U.S.C. 6313(13)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARDS.—

''(A) GENERAL PURPOSE ELECTRIC MOTORS - SUBTYPE I.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, a general purpose electric motor - subtype I with a power rating of not less than 1, and not more than 200, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of enactment of this subparagraph, shall have a nominal full load efficiency established in Table 12-12 of National Electrical Manufacturers Association (referred to in this paragraph as 'NEMA') MG-1 (2006) (or a successor table).

''(ii) FIRE PUMP MOTORS.—A fire pump motor shall have a nominal full load efficiency established in Table 12-11 of NEMA MG-1 (2006) (or a successor table).

''(B) GENERAL PURPOSE ELECTRIC MOTORS - SUBTYPE II .—A general purpose electric motor - subtype II with a power rating of not less than 1, and not more than 200, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of enactment of this subparagraph, shall have a nominal full load efficiency established in Table 12-11 of NEMA MG-1 (2006) (or a successor table).

''(C) DESIGN B, GENERAL PURPOSE ELECTRIC MOTORS.—A NEMA Design B, general purpose electric motor with a power rating of not less than 201, and not more than 500, horsepower manufactured (alone or as a component of another piece of equipment) after the 3-year period beginning on the date of the enactment of this subparagraph shall have a nominal full load efficiency established in Table 12-11 of NEMA MG-1 (2006) (or a successor table).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is 3 years after the date of enactment of this Act.

SEC. 210. ENERGY STANDARDS FOR HOME APPLIANCES.

(a) DEFINITION OF ENERGY CONSERVATION STANDARD.—Section 321(6)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6291(6)(A)) is amended by striking ''or, in the case of'' and inserting ''and, in the case of residential clothes washers, residential dishwashers,''.

(b) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS.—Section 325(b) of the Energy Policy and Conservation Act (42 U.S.C. 6295(b)) is amended by adding at the end the following:

''(4) REFRIGERATORS, REFRIGERATOR-FREEZERS, AND FREEZERS MANUFACTURED ON OR AFTER JANUARY 1, 2014.—Not later than December 31, 2010, the Secretary shall publish a final rule determining whether to amend the standards in effect for refrigerators, refrigerator-freezers, and freezers manufactured on or after January 1, 2014, and including any amended standards.''.

(c) RESIDENTIAL CLOTHES WASHERS AND DISHWASHERS.—Section 325(g)(4) of the Energy Policy and Conservation Act (42 U.S.C. 6295(g)(4)) is amended by adding at the end the following:

''(D) CLOTHES WASHERS.—

''(i) CLOTHES WASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2011.—A residential clothes washer manufactured on or after January 1, 2011, shall have—

''(I) an energy factor of at least 1.26; and

''(II) a water factor of not more than 9.5.

''(ii) CLOTHES WASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2015.—Not later than December 31, 2011, the Secretary shall publish a final rule determining whether to amend the standards in effect for residential clothes washers manufactured on or after January 1, 2015, and including any amended standards.

''(E) DISHWASHERS.—

''(i) DISHWASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2010.—A dishwasher manufactured on or after January 2, 2010, shall use not more than—

''(I) in the case of a standard-size dishwasher, 355 kWh per year or 6.5 gallons of water per cycle; and

''(II) in the case of a compact-size dishwasher, 260 kWh per year or 4.5 gallons of water per cycle.

''(ii) DISHWASHERS MANUFACTURED ON OR AFTER JANUARY 1, 2018.—Not later than December 31, 2015, the Secretary shall publish a final rule determining whether to amend the standards for dishwashers manufactured on or after January 2, 2018, and including any amended standards.''.

(d) DEHUMIDIFIERS.—Section 325(cc) of the Energy Policy and Conservation Act (42 U.S.C. 6295(cc)) is amended—

(1) in paragraph (1), by inserting ''and before October 1, 2012,'' after ''2007,''; and

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

''(2) DEHUMIDIFIERS MANUFACTURED ON OR AFTER OCTOBER 1, 2012.—Dehumidifiers manufactured on or after October 1, 2012, shall have an Energy Factor that meets or exceeds the following values:

Product Capacity (pints/day):	Minimum Energy Factor liters/kWh
Up to 35.00	1.35
35.01–45.00	1.50
45.01–54.00	1.60
54.01–75.00	1.70
Greater than 75.00	2.5.''

(e) ENERGY STAR PROGRAM.—Section 324A(d)(2) of the Energy Policy and Conservation Act (42 U.S.C. 6294a(d)(2)) is amended by striking ''2010'' and inserting ''2009''.

SEC. 211. IMPROVED ENERGY EFFICIENCY FOR APPLIANCES AND BUILDINGS IN COLD CLIMATES.

(a) RESEARCH.—Section 911(a)(2) of the Energy Policy Act of 2005 (42 U.S.C. 16191(a)(2)) is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(E) technologies to improve the energy efficiency of appliances and mechanical systems for buildings in cold climates, including increased use of renewable resources, including fuel.''.

(b) REBATES.—Section 124 of the Energy Policy Act of 2005 (42 U.S.C. 15821) is amended—

(1) in subsection (b)(1), by inserting '', or products with improved energy efficiency in cold climates,'' after ''residential Energy Star products''; and

(2) in subsection (e), by inserting ''or product with improved energy efficiency in a cold climate'' after ''residential Energy Star product'' each place it appears.

SEC. 212. DEPLOYMENT OF NEW TECHNOLOGIES FOR HIGH-EFFICIENCY CONSUMER PRODUCTS.

(a) DEFINITIONS.—In this section:

(1) ENERGY SAVINGS.—The term ''energy savings'' means megawatt-hours of electricity or million British thermal units of natural gas saved by a product, in comparison to projected energy consumption under the energy efficiency standard applicable to the product.

(2) HIGH-EFFICIENCY CONSUMER PRODUCT.—The term ''high-efficiency consumer product'' means a product that exceeds the energy efficiency of comparable products available in the market by at least 25 percent.

(b) FINANCIAL INCENTIVES PROGRAM.—Effective beginning October 1, 2007, the Secretary shall competitively award financial incentives under this section for the manufacture of high-efficiency consumer products.

(c) REQUIREMENTS.—

(1) IN GENERAL.—The Secretary shall make awards under this section to manufacturers of high-efficiency consumer products, based on the bid of each manufacturer in terms of dollars per megawatt-hour or million British thermal units saved.

(2) ACCEPTANCE OF BIDS.—In making awards under this section, the Secretary shall—

(A) solicit bids for reverse auction from appropriate manufacturers, as determined by the Secretary; and

(B) award financial incentives to the manufacturers that submit the lowest bids that meet the requirements established by the Secretary.

(d) FORMS OF AWARDS.—An award for a high-efficiency consumer product under this section shall be in the form of a lump sum payment in an amount equal to the product obtained by multiplying—

(1) the amount of the bid by the manufacturer of the high-efficiency consumer product; and

(2) the energy savings during the projected useful life of the high-efficiency consumer product, not to exceed 10 years, as determined under regulations issued by the Secretary.

TITLE III—PROMOTING HIGH EFFICIENCY VEHICLES, ADVANCED BATTERIES, AND ENERGY STORAGE

SEC. 301. LIGHTWEIGHT MATERIALS RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a research and development program to determine ways in which—

(1) the weight of vehicles may be reduced to improve fuel efficiency without compromising passenger safety; and

(2) the cost of lightweight materials (such as steel alloys and carbon fibers) required for the construction of lighter-weight vehicles may be reduced.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2007 through 2012.

SEC. 302. LOAN GUARANTEES FOR FUEL-EFFICIENT AUTOMOBILE PARTS MANUFACTURERS.

(a) IN GENERAL.—Section 712(a) of the Energy Policy Act of 2005 (42 U.S.C. 16062(a)) is amended in the second sentence by striking ''grants to automobile manufacturers'' and inserting ''grants and loan guarantees under section 1703 to automobile manufacturers and suppliers''.

(b) CONFORMING AMENDMENT.—Section 1703(b) of the Energy Policy Act of 2005 (42 U.S.C. 16513(b)) is amended by by striking paragraph (8) and inserting the following:

''(8) Production facilities for the manufacture of fuel efficient vehicles or parts of those vehicles, including electric drive transportation technology and advanced diesel vehicles.''.

SEC. 303. ADVANCED TECHNOLOGY VEHICLES MANUFACTURING INCENTIVE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ADJUSTED AVERAGE FUEL ECONOMY.—The term ''adjusted average fuel economy'' means the average fuel economy of a manufacturer for all light duty vehicles produced by the manufacturer, adjusted such that the fuel economy of each vehicle that qualifies for an award shall be considered to be equal to the average fuel economy for vehicles of a similar footprint for model year 2002.

(2) ADVANCED TECHNOLOGY VEHICLE.—The term ''advanced technology vehicle'' means a light duty vehicle that meets—

(A) the Bin 5 Tier II emission standard established in regulations issued by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)), or a lower-numbered Bin emission standard;

(B) any new emission standard for fine particulate matter prescribed by the Administrator under that Act (42 U.S.C. 7401 et seq.); and

(C) at least 125 percent of the average base year combined fuel economy for vehicles of a substantially similar footprint.

(3) COMBINED FUEL ECONOMY.—The term ''combined fuel economy'' means—

(A) the combined city/highway miles per gallon values, as reported in accordance with section 32908 of title 49, United States Code; and

(B) in the case of an electric drive vehicle with the ability to recharge from an off-board source, the reported mileage, as determined in a manner consistent with the Society of Automotive Engineers Recommended Practice J1711 or a similar practice recommended by the Secretary .

(4) ENGINEERING INTEGRATION COSTS.—The term ''engineering integration costs'' includes the cost of engineering tasks relating to—

(A) incorporating qualifying components into the design of advanced technology vehicles; and

(B) designing new tooling and equipment for production facilities that produce qualifying components or advanced technology vehicles.

(5) QUALIFYING COMPONENTS.—The term ''qualifying components'' means components that the Secretary determines to be—

(A) specially designed for advanced technology vehicles; and

(B) installed for the purpose of meeting the performance requirements of advanced technology vehicles.

(b) MANUFACTURER FACILITY CONVERSION AWARDS.—The Secretary shall provide facility conversion funding awards under this section to automobile manufacturers and component suppliers to pay not more than 30 percent of the cost of—

(1) reequipping or expanding an existing manufacturing facility in the United States to produce—

(A) qualifying advanced technology vehicles; or

(B) qualifying components; and

(2) engineering integration performed in the United States of qualifying vehicles and qualifying components.

(c) PERIOD OF AVAILABILITY.—An award under subsection (b) shall apply to—

(1) facilities and equipment placed in service before December 30, 2017; and

(2) engineering integration costs incurred during the period beginning on the date of enactment of this Act and ending on December 30, 2017.

(d) IMPROVEMENT.—The Secretary shall issue regulations that require that, in order for an automobile manufacturer to be eligible for an award under this section during a particular year, the adjusted average fuel economy of the manufacturer for light duty vehicles produced by the manufacturer during the most recent year for which data are available shall be not less than the average fuel economy for all light duty vehicles of the manufacturer for model year 2002.

SEC. 304. ENERGY STORAGE COMPETITIVENESS.

(a) SHORT TITLE.—This section may be cited as the ''United States Energy Storage Competitiveness Act of 2007''.

(b) ENERGY STORAGE SYSTEMS FOR MOTOR TRANSPORTATION AND ELECTRICITY TRANSMISSION AND DISTRIBUTION.—

(1) DEFINITIONS.—In this subsection:

(A) COUNCIL.—The term ''Council'' means the Energy Storage Advisory Council established under paragraph (3).

(B) COMPRESSED AIR ENERGY STORAGE.—The term ''compressed air energy storage'' means, in the case of an electricity grid application, the storage of energy through the compression of air.

(C) DEPARTMENT.—The term ''Department'' means the Department of Energy.

(D) FLYWHEEL.—The term ''flywheel'' means, in the case of an electricity grid application, a device used to store rotational kinetic energy.

(E) ULTRACAPACITOR.—The term ''ultracapacitor'' means an energy storage device that has a power density comparable to conventional capacitors but capable of exceeding the energy density of conventional capacitors by several orders of magnitude.

(2) PROGRAM.—The Secretary shall carry out a research, development, and demonstration program to support the ability of the United States to remain globally competitive in energy storage systems for motor transportation and electricity transmission and distribution.

(3) ENERGY STORAGE ADVISORY COUNCIL.—

(A) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish an Energy Storage Advisory Council.

(B) COMPOSITION.—

(i) IN GENERAL.—Subject to clause (ii), the Council shall consist of not less than 15 individuals appointed by the Secretary, based on recommendations of the National Academy of Sciences.

(ii) ENERGY STORAGE INDUSTRY.—The Council shall consist primarily of representatives of the energy storage industry of the United States.

(iii) CHAIRPERSON.—The Secretary shall select a Chairperson for the Council from among the members appointed under clause (i)

(C) MEETINGS.—

(i) IN GENERAL.—The Council shall meet not less than once a year.

(ii) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App. 2) shall apply to a meeting of the Council.

(D) PLANS.—No later than 1 year after the date of enactment of this Act, in conjunction with the Secretary, the Council shall develop 5-year plans for integrating basic and applied research so that the United States retains a globally competitive domestic energy storage industry for motor transportation and electricity transmission and distribution.

(E) REVIEW.—The Council shall—

(i) assess the performance of the Department in meeting the goals of the plans developed under subparagraph (D); and

(ii) make specific recommendations to the Secretary on programs or activities that should be established or terminated to meet those goals.

(4) BASIC RESEARCH PROGRAM.—

(A) BASIC RESEARCH.—The Secretary shall conduct a basic research program on energy storage systems to support motor transportation and electricity transmission and distribution, including—

(i) materials design;

(ii) materials synthesis and characterization;

(iii) electrolytes, including bioelectrolytes;

(iv) surface and interface dynamics; and

(v) modeling and simulation.

(B) NANOSCIENCE CENTERS.—The Secretary shall ensure that the nanoscience centers of the Department—

(i) support research in the areas described in subparagraph (A), as part of the mission of the centers; and

(ii) coordinate activities of the centers with activities of the Council.

(5) APPLIED RESEARCH PROGRAM.—The Secretary shall conduct an applied research program on energy storage systems to support motor transportation and electricity transmission and distribution technologies, including—

(A) ultracapacitors;

(B) flywheels;

(C) compressed air energy systems;

(D) power conditioning electronics; and

(E) manufacturing technologies for energy storage systems.

(6) ENERGY STORAGE RESEARCH CENTERS.—

(A) IN GENERAL.—The Secretary shall establish, through competitive bids, 4 energy storage research centers to translate basic research into applied technologies to advance the capability of the United States to maintain a globally competitive posture in energy storage systems for motor transportation and electricity transmission and distribution.

(B) PROGRAM MANAGEMENT.—The centers shall be jointly managed by the Under Secretary for Science and the Under Secretary of Energy of the Department.

(C) PARTICIPATION AGREEMENTS.—As a condition of participating in a center, a participant shall enter into a participation agreement with the center that requires that activities conducted by the participant for the center promote the goal of enabling the United States to compete successfully in global energy storage markets.

(D) PLANS.—A center shall conduct activities that promote the achievement of the goals of the plans of the Council under paragraph (3)(D).

(E) COST SHARING.—In carrying out this paragraph, the Secretary shall require cost-sharing in accordance with section 988 of the Energy Policy Act of 2005 (42 U.S.C. 16352).

(F) NATIONAL LABORATORIES.—A national laboratory (as defined in section 2 of the Energy Policy Act 2005 (42 U.S.C. 15801)) may participate in a center established under this paragraph as part of a cooperative research and development agreement (as defined in section 12(d) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d))).

(G) INTELLECTUAL PROPERTY.—A participant in a center under this paragraph shall

have a royalty-free, exclusive nontransferable license to intellectual property that the center invents from funding received under this subsection.

(7) REVIEW BY NATIONAL ACADEMY OF SCIENCES.—Not later than 5 years after the date of enactment of this Act, the Secretary shall offer to enter into an arrangement with the National Academy of Sciences to assess the performance of the Department in making the United States globally competitive in energy storage systems for motor transportation and electricity transmission and distribution.

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out—

(A) the basic research program under paragraph (4) $50,000,000 for each of fiscal years 2008 through 2017;

(B) the applied research program under paragraph (5) $80,000,000 for each of fiscal years 2008 through 2017; and;

(C) the energy storage research center program under paragraph (6) $100,000,000 for each of fiscal years 2008 through 2017.

(c) ADVANCED BATTERY AND ELECTRIC VEHICLE TECHNOLOGY PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) BATTERY.—The term ''battery'' means an electrochemical energy storage device powered directly by electrical current.

(B) ELECTRIC DRIVE TRANSPORTATION TECHNOLOGY.—The term ''electric drive transportation technology'' means vehicle systems that use stored electrical energy to provide motive power, including electric motors and drivetrain systems.

(2) PROGRAM.—The Secretary shall conduct a program of research, development, demonstration, and commercial application for batteries and electric drive transportation technology, including—

(A) batteries;

(B) on-board and off-board charging components;

(C) drivetrain systems;

(D) vehicles systems integration; and

(E) control systems, including systems that optimize for—

(i) prolonging battery life;

(ii) reduction of petroleum consumption; and

(iii) reduction of fossil fuel emissions.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for each of fiscal years 2007 through 2012.

TITLE IV—SETTING ENERGY EFFICIENCY GOALS

SEC. 401. NATIONAL GOALS FOR ENERGY SAVINGS IN TRANSPORTATION.

(a) GOALS.—The goals of the United States are to reduce gasoline usage in the United States from the levels projected under subsection (b) by—

(1) 20 percent by calendar year 2017;

(2) 35 percent by calendar year 2025; and

(3) 45 percent by calendar year 2030.

(b) MEASUREMENT.—For purposes of subsection (a), reduction in gasoline usage shall be measured from the estimates for each year in subsection (a) contained in the reference case in the report of the Energy Information Administration entitled ''Annual Energy Outlook 2007''.

(c) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for reduction in gasoline usage established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public comment.

(d) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector; and

(3) include data collection methodologies and compilations used to establish baseline and energy savings data.

(e) PLAN UPDATES.—

(1) IN GENERAL.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7321).

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing efficiency policies to achieve the national goals established under subsection (a); and

(B) to the maximum extent practicable, verify energy savings resulting from the policies.

(f) REPORT TO CONGRESS AND PUBLIC.—The Secretary shall submit to Congress, and make available to the public, the initial strategic plan developed under subsection (c) and each updated plan.

SEC. 402. NATIONAL ENERGY EFFICIENCY IMPROVEMENT GOALS.

(a) GOALS.—The goals of the United States are—

(1) to achieve an improvement in the overall energy productivity of the United States (measured in gross domestic product per unit of energy input) of at least 2.5 percent per year by the year 2012; and

(2) to maintain that annual rate of improvement each year through 2030.

(b) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Administrator of the Environmental Protection Agency and the heads of other appropriate Federal agencies, shall develop a strategic plan to achieve the national goals for improvement in energy productivity established under subsection (a).

(2) PUBLIC INPUT AND COMMENT.—The Secretary shall develop the plan in a manner that provides appropriate opportunities for public input and comment.

(c) PLAN CONTENTS.—The strategic plan shall—

(1) establish future regulatory, funding, and policy priorities to ensure compliance with the national goals;

(2) include energy savings estimates for each sector; and

(3) include data collection methodologies and compilations used to establish baseline and energy savings data.

(d) PLAN UPDATES.—

(1) IN GENERAL.—The Secretary shall—

(A) update the strategic plan biennially; and

(B) include the updated strategic plan in the national energy policy plan required by section 801 of the Department of Energy Organization Act (42 U.S.C. 7321).

(2) CONTENTS.—In updating the plan, the Secretary shall—

(A) report on progress made toward implementing efficiency policies to achieve the national goals established under subsection (a); and

(B) verify, to the maximum extent practicable, energy savings resulting from the policies.

(e) REPORT TO CONGRESS AND PUBLIC.—The Secretary shall submit to Congress, and make available to the public, the initial strategic plan developed under subsection (b) and each updated plan.

(f) NATIONAL ACTION PLAN ON ENERGY EFFICIENCY.—The Administrator of the Environmental Protection Agency and the Secretary, with the heads of other Federal agencies as appropriate, shall continue to support maintenance and updating of the National Action Plan on Energy Efficiency to help inform the development of the strategic plan under subsection (b).

SEC. 403. NATIONWIDE MEDIA CAMPAIGN TO INCREASE ENERGY EFFICIENCY.

(a) IN GENERAL.—The Secretary, acting through the Assistant Secretary for Energy Efficiency and Renewable Energy (referred to in this section as the ''Secretary''), shall develop and conduct a national media campaign for the purpose of increasing energy efficiency throughout the economy of the United States over the next decade.

(b) CONTRACT WITH ENTITY.—The Secretary shall carry out subsection (a) directly or through—

(1) competitively bid contracts with 1 or more nationally recognized media firms for the development and distribution of monthly television, radio, and newspaper public service announcements; or

(2) collective agreements with 1 or more nationally recognized institutes, businesses, or nonprofit organizations for the funding, development, and distribution of monthly television, radio, and newspaper public service announcements.

(c) USE OF FUNDS.—

(1) IN GENERAL.—Amounts made available to carry out this section shall be used for the following:

(A) ADVERTISING COSTS.—

(i) The purchase of media time and space.

(ii) Creative and talent costs.

(iii) Testing and evaluation of advertising.

(iv) Evaluation of the effectiveness of the media campaign.

(v) The negotiated fees for the winning bidder on requests from proposals issued either by the Secretary for purposes otherwise authorized in this section.

(vi) Entertainment industry outreach, interactive outreach, media projects and activities, public information, news media outreach, and corporate sponsorship and participation.

(B) ADMINISTRATIVE COSTS.—Operational and management expenses.

(2) LIMITATIONS.—In carrying out this section, the Secretary shall allocate not less than 85 percent of funds made available under subsection (e) for each fiscal year for the advertising functions specified under paragraph (1)(A).

(d) REPORTS.—The Secretary shall annually submit to Congress a report that describes—

(1) the strategy of the national media campaign and whether specific objectives of the campaign were accomplished, including—

(A) determinations concerning the rate of change of energy consumption, in both absolute and per capita terms; and

(B) an evaluation that enables consideration whether the media campaign contributed to reduction of energy consumption;

(2) steps taken to ensure that the national media campaign operates in an effective and efficient manner consistent with the overall strategy and focus of the campaign;

(3) plans to purchase advertising time and space;

(4) policies and practices implemented to ensure that Federal funds are used responsibly to purchase advertising time and space and eliminate the potential for waste, fraud, and abuse; and

(5) all contracts or cooperative agreements entered into with a corporation, partnership,

or individual working on behalf of the national media campaign.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2008 through 2012.

TITLE V—PROMOTING FEDERAL LEADERSHIP IN ENERGY EFFICIENCY AND RENEWABLE ENERGY

SEC. 501. FEDERAL FLEET CONSERVATION REQUIREMENTS.

(a) FEDERAL FLEET CONSERVATION REQUIREMENTS.—

(1) IN GENERAL.—Part J of title III of the Energy Policy and Conservation Act (42 U.S.C. 6374 et seq.) is amended by adding at the end the following:

''SEC. 400FF. FEDERAL FLEET CONSERVATION REQUIREMENTS.

''(a) MANDATORY REDUCTION IN PETROLEUM CONSUMPTION.—

''(1) IN GENERAL.—The Secretary shall issue regulations for Federal fleets subject to section 400AA requiring that not later than October 1, 2015, each Federal agency achieve at least a 20 percent reduction in petroleum consumption, and that each Federal agency increase alternative fuel consumption by 10 percent annually, as calculated from the baseline established by the Secretary for fiscal year 2005.

''(2) PLAN.—

''(A) REQUIREMENT.—The regulations shall require each Federal agency to develop a plan to meet the required petroleum reduction levels and the alternative fuel consumption increases.

''(B) MEASURES.—The plan may allow an agency to meet the required petroleum reduction level through—

''(i) the use of alternative fuels;

''(ii) the acquisition of vehicles with higher fuel economy, including hybrid vehicles and plug–in hybrid vehicles if the vehicles are commercially available;

''(iii) the substitution of cars for light trucks;

''(iv) an increase in vehicle load factors;

''(v) a decrease in vehicle miles traveled;

''(vi) a decrease in fleet size; and

''(vii) other measures.

''(b) FEDERAL EMPLOYEE INCENTIVE PROGRAMS FOR REDUCING PETROLEUM CONSUMPTION.—

''(1) IN GENERAL.—Each Federal agency shall actively promote incentive programs that encourage Federal employees and contractors to reduce petroleum through the use of practices such as—

''(A) telecommuting;

''(B) public transit;

''(C) carpooling; and

''(D) bicycling.

''(2) MONITORING AND SUPPORT FOR INCENTIVE PROGRAMS.—The Administrator of General Services, the Director of the Office of Personnel Management, and the Secretary of Energy shall monitor and provide appropriate support to agency programs described in paragraph (1).

''(3) RECOGNITION.—The Secretary may establish a program under which the Secretary recognizes private sector employers and State and local governments for outstanding programs to reduce petroleum usage through practices described in paragraph (1).

''(c) REPLACEMENT TIRES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the regulations issued under subsection (a)(1) shall include a requirement that, to the maximum extent practicable, each Federal agency purchase energy-efficient replacement tires for the respective fleet vehicles of the agency.

''(2) EXCEPTIONS.—This section does not apply to—

''(A) law enforcement motor vehicles;

''(B) emergency motor vehicles; or

''(C) motor vehicles acquired and used for military purposes that the Secretary of Defense has certified to the Secretary must be exempt for national security reasons.

''(d) ANNUAL REPORTS ON COMPLIANCE.—The Secretary shall submit to Congress an annual report that summarizes actions taken by Federal agencies to comply with this section.''.

(2) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. prec. 6201) is amended by adding at the end of the items relating to part J of title III the following:

''Sec. 400FF. Federal fleet conservation requirements.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the amendment made by this section $10,000,000 for the period of fiscal years 2008 through 2013.

SEC. 502. FEDERAL REQUIREMENT TO PURCHASE ELECTRICITY GENERATED BY RENEWABLE ENERGY.

Section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852) is amended by striking subsection (a) and inserting the following:

''(a) REQUIREMENT.—

''(1) IN GENERAL.—The President, acting through the Secretary, shall ensure that, of the total quantity of domestic electric energy the Federal Government consumes during any fiscal year, the following percentages shall be renewable energy from facilities placed in service after January 1, 1999:

''(A) Not less than 10 percent in fiscal year 2010.

''(B) Not less than 15 percent in fiscal year 2015.

''(2) CAPITOL COMPLEX.—The Architect of the Capitol, in consultation with the Secretary, shall ensure that, of the total quantity of electric energy the Capitol complex consumes during any fiscal year, the percentages prescribed in paragraph (1) shall be renewable energy.

''(3) WAIVER AUTHORITY.—The President may reduce or waive the requirement under paragraph (1) on an annual basis, if the President determines that the average governmentwide cost per kilowatt hour of complying with paragraph (1) will be more than 50 percent higher than the average governmentwide cost per kilowatt-hour for electric energy in the preceding year.''.

SEC. 503. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) RETENTION OF SAVINGS.—Section 546(c) of the National Energy Conservation Policy Act (42 U.S.C. 8256(c)) is amended by striking paragraph (5).

(b) FINANCING FLEXIBILITY.—Section 801(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)(2)) is amended by adding at the end the following:

''(E) SEPARATE CONTRACTS.—In carrying out a contract under this title, a Federal agency may—

''(i) enter into a separate contract for energy services and conservation measures under the contract; and

''(ii) provide all or part of the financing necessary to carry out the contract.''.

(c) SUNSET AND REPORTING REQUIREMENTS.—Section 801 of the National Energy Conservation Policy Act (42 U.S.C. 8287) is amended by striking subsection (c).

(d) DEFINITION OF ENERGY SAVINGS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and indenting appropriately;

(2) by striking ''means a reduction'' and inserting ''means—

''(A) a reduction'';

(3) by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(B) the increased efficient use of an existing energy source by cogeneration or heat recovery, and installation of renewable energy systems;

''(C) the sale or transfer of electrical or thermal energy generated on-site, but in excess of Federal needs, to utilities or non-Federal energy users; and

''(D) the increased efficient use of existing water sources in interior or exterior applications.''.

(e) ENERGY AND COST SAVINGS IN NONBUILDING APPLICATIONS.—

(1) DEFINITIONS.—In this subsection:

(A) NONBUILDING APPLICATION.—The term ''nonbuilding application'' means—

(i) any class of vehicles, devices, or equipment that is transportable under the power of the applicable vehicle, device, or equipment by land, sea, or air and that consumes energy from any fuel source for the purpose of—

(I) that transportation; or

(II) maintaining a controlled environment within the vehicle, device, or equipment; and

(ii) any federally-owned equipment used to generate electricity or transport water.

(B) SECONDARY SAVINGS.—

(i) IN GENERAL.—The term ''secondary savings'' means additional energy or cost savings that are a direct consequence of the energy savings that result from the energy efficiency improvements that were financed and implemented pursuant to an energy savings performance contract.

(ii) INCLUSIONS.—The term ''secondary savings'' includes—

(I) energy and cost savings that result from a reduction in the need for fuel delivery and logistical support;

(II) personnel cost savings and environmental benefits; and

(III) in the case of electric generation equipment, the benefits of increased efficiency in the production of electricity, including revenues received by the Federal Government from the sale of electricity so produced.

(2) STUDY.—

(A) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary and the Secretary of Defense shall jointly conduct, and submit to Congress and the President a report of, a study of the potential for the use of energy savings performance contracts to reduce energy consumption and provide energy and cost savings in nonbuilding applications.

(B) REQUIREMENTS.—The study under this subsection shall include—

(i) an estimate of the potential energy and cost savings to the Federal Government, including secondary savings and benefits, from increased efficiency in nonbuilding applications;

(ii) an assessment of the feasibility of extending the use of energy savings performance contracts to nonbuilding applications, including an identification of any regulatory or statutory barriers to such use; and

(iii) such recommendations as the Secretary and Secretary of Defense determine to be appropriate.

SEC. 504. ENERGY MANAGEMENT REQUIREMENTS FOR FEDERAL BUILDINGS.

Section 543(a)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8253(a)(1)) is amended by striking the table and inserting the following:

''Fiscal Year	Percentage reduction
2006	2
2007	4
2008	9

''Fiscal Year	Percentage reduction
2009	12
2010	15
2011	18
2012	21
2013	24
2014	27
2015	30.''.

SEC. 505. COMBINED HEAT AND POWER AND DISTRICT ENERGY INSTALLATIONS AT FEDERAL SITES.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended by adding at the end the following:

''(f) COMBINED HEAT AND POWER AND DISTRICT ENERGY INSTALLATIONS AT FEDERAL SITES.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary, in consultation with the Administrator of General Services and the Secretary of Defense, shall identify Federal sites that could achieve significant cost-effective energy savings through the use of combined heat and power or district energy installations.

''(2) INFORMATION AND TECHNICAL ASSISTANCE.—The Secretary shall provide agencies with information and technical assistance that will enable the agencies to take advantage of the energy savings described in paragraph (1).

''(3) ENERGY PERFORMANCE REQUIREMENTS.—Any energy savings from the installations described in paragraph (1) may be applied to meet the energy performance requirements for an agency under subsection (a)(1).''.

SEC. 506. FEDERAL BUILDING ENERGY EFFICIENCY PERFORMANCE STANDARDS.

Section 305(a)(3) of the Energy Conservation and Production Act (42 U.S.C. 6834(a)(3)) is amended by striking ''(3)(A)'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) FEDERAL BUILDING ENERGY EFFICIENCY PERFORMANCE STANDARDS.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of the Energy Efficiency Promotion Act of 2007, the Secretary shall establish, by rule, revised Federal building energy efficiency performance standards that require that:

''(i) For new Federal buildings and Federal buildings undergoing major renovations:

''(I) The buildings be designed to achieve energy consumption levels that are at least 30 percent below the levels established in the version of the ASHRAE Standard or the International Energy Conservation Code, as appropriate, that is in effect as of the date of enactment of the Energy Efficiency Promotion Act of 2007.

''(II) The buildings be designed so that the fossil fuel-generated energy consumption of the buildings is reduced, as compared with the fossil fuel-generated energy consumption by a similar Federal building in fiscal year 2003 (as measured by Commercial Buildings Energy Consumption Survey or Residential Energy Consumption Survey data from the Energy Information Agency), by the percentage specified in the following table:

''Fiscal Year	Percentage Reduction
2007	50
2010	60
2015	70
2020	80
2025	90
2030	100.

''(III) Sustainable design principles are applied to the siting, design, and construction of all new and replacement buildings and major renovations of buildings.

''(ii) If water is used to achieve energy efficiency, water conservation technologies shall be applied to the extent that the technologies are life-cycle cost-effective.''.

SEC. 507. APPLICATION OF INTERNATIONAL ENERGY CONSERVATION CODE TO PUBLIC AND ASSISTED HOUSING.

Section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709) is amended—

(1) in subsection (a)(2), by striking ''the Council of American'' and all that follows through ''2003'' and inserting ''the 2006'';

(2) in subsection (b)—

(A) in the heading, by striking ''MODEL ENERGY CODE.—'' and inserting ''INTERNATIONAL ENERGY CONSERVATION CODE.—''; and

(B) by striking ''CABO'' and all that follows through ''2003'' and inserting ''the 2006'';

(3) in subsection (c)—

(A) in the heading, by striking ''MODEL ENERGY CODE AND''; and

(B) by striking ''CABO'' and all that follows through ''2003'' and inserting ''the 2006''; and

(4) by adding at the end the following:

''(d) FAILURE TO AMEND THE STANDARDS.—Not later than 1 year after the requirements of the 2006 International Energy Conservation Code are revised, if the Secretaries have not amended the energy efficiency standards under this section or made a determination under subsection (c), and if the Secretary of Energy has made a determination under section 304 of the Energy Conservation and Production Act (42 U.S.C. 6833) that such revised International Energy Conservation Code would improve energy efficiency, all new construction of housing described in subsection (a) shall meet the requirements of such revised International Energy Conservation Code.''.

TITLE VI—ASSISTING STATE AND LOCAL GOVERNMENTS IN ENERGY EFFICIENCY

SEC. 601. WEATHERIZATION ASSISTANCE FOR LOW-INCOME PERSONS.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking ''$700,000,000 for fiscal year 2008'' and inserting ''$750,000,000 for each of fiscal years 2008 through 2012''.

SEC. 602. STATE ENERGY CONSERVATION PLANS.

Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking ''fiscal year 2008'' and inserting ''each of fiscal years 2008 through 2012''.

SEC. 603. UTILITY ENERGY EFFICIENCY PROGRAMS.

(a) ELECTRIC UTILITIES.—Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2621(d)) is amended by adding at the end the following:

''(16) INTEGRATED RESOURCE PLANNING.—Each electric utility shall—

''(A) integrate energy efficiency resources into utility, State, and regional plans; and

''(B) adopt policies establishing cost-effective energy efficiency as a priority resource.

''(17) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

''(A) IN GENERAL.—The rates allowed to be charged by any electric utility shall—

''(i) align utility incentives with the delivery of cost-effective energy efficiency; and

''(ii) promote energy efficiency investments.

''(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

''(i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;

''(ii) providing utility incentives for the successful management of energy efficiency programs;

''(iii) including the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;

''(iv) adopting rate designs that encourage energy efficiency for each customer class; and

''(v) allowing timely recovery of energy efficiency-related costs.''.

(b) NATURAL GAS UTILITIES.—Section 303(b) of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 3203(b)) is amended by adding at the end the following:

''(5) ENERGY EFFICIENCY.—Each natural gas utility shall—

''(A) integrate energy efficiency resources into the plans and planning processes of the natural gas utility; and

''(B) adopt policies that establish energy efficiency as a priority resource in the plans and planning processes of the natural gas utility.

''(6) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

''(A) IN GENERAL.—The rates allowed to be charged by a natural gas utility shall align utility incentives with the deployment of cost-effective energy efficiency.

''(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

''(i) separating fixed-cost revenue recovery from the volume of transportation or sales service provided to the customer;

''(ii) providing to utilities incentives for the successful management of energy efficiency programs, such as allowing utilities to retain a portion of the cost-reducing benefits accruing from the programs;

''(iii) promoting the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives; and

''(iv) adopting rate designs that encourage energy efficiency for each customer class.''.

SEC. 604. ENERGY EFFICIENCY AND DEMAND RESPONSE PROGRAM ASSISTANCE.

The Secretary shall provide technical assistance regarding the design and implementation of the energy efficiency and demand response programs established under this title, and the amendments made by this title, to State energy offices, public utility regulatory commissions, and nonregulated utilities through the appropriate national laboratories of the Department of Energy.

SEC. 605. ENERGY AND ENVIRONMENTAL BLOCK GRANT.

(a) DEFINITIONS.—In this section

(1) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State;

(B) an eligible unit of local government within a State; and

(C) the District of Columbia.

(2) ELIGIBLE UNIT OF LOCAL GOVERNMENT.—The term ''eligible unit of local government'' means—

(A) a city with a population of at least 35,000; and

(B) a county with a population of at least 200,000.

(3) STATE.—The term ''State'' means—

(A) each of the several States of the United States;

(B) the Commonwealth of Puerto Rico;

(C) Guam;

(D) American Samoa; and

(E) the United States Virgin Islands.

(b) PURPOSE.—The purpose of this section is to assist State and local governments in implementing strategies—

(1) to reduce fossil fuel emissions created as a result of activities within the boundaries of the States or units of local government;

(2) to reduce the total energy use of the States and units of local government; and

(3) to improve energy efficiency in the transportation sector, building sector, and any other appropriate sectors.

(c) PROGRAM.—

(1) IN GENERAL.—The Secretary shall provide to eligible entities block grants to carry out eligible activities (as specified under paragraph (2)) relating to the implementation of environmentally beneficial energy strategies.

(2) ELIGIBLE ACTIVITIES.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, the Secretary of Transportation, and the Secretary of Housing and Urban Development, shall establish a list of activities that are eligible for assistance under the grant program.

(3) ALLOCATION TO STATES AND ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

(A) IN GENERAL.—Of the amounts made available to provide grants under this subsection, the Secretary shall allocate—

(i) 70 percent to eligible units of local government; and

(ii) 30 percent to States.

(B) DISTRIBUTION TO ELIGIBLE UNITS OF LOCAL GOVERNMENT.—

(i) IN GENERAL.—The Secretary shall establish a formula for the distribution of amounts under subparagraph (A)(i) to eligible units of local government, taking into account any factors that the Secretary determines to be appropriate, including the residential and daytime population of the eligible units of local government.

(ii) CRITERIA.—Amounts shall be distributed to eligible units of local government under clause (i) only if the eligible units of local government meet the criteria for distribution established by the Secretary for units of local government.

(C) DISTRIBUTION TO STATES.—

(i) IN GENERAL.—Of the amounts provided to States under subparagraph (A)(ii), the Secretary shall distribute—

(I) at least 1.25 percent to each State; and

(II) the remainder among the States, based on a formula, to be determined by the Secretary, that takes into account the population of the States and any other criteria that the Secretary determines to be appropriate.

(ii) CRITERIA.—Amounts shall be distributed to States under clause (i) only if the States meet the criteria for distribution established by the Secretary for States.

(iii) LIMITATION ON USE OF STATE FUNDS.—At least 40 percent of the amounts distributed to States under this subparagraph shall be used by the States for the conduct of eligible activities in nonentitlement areas in the States, in accordance with any criteria established by the Secretary.

(4) REPORT.—Not later than 2 years after the date on which an eligible entity first receives a grant under this section, and every 2 years thereafter, the eligible entity shall submit to the Secretary a report that describes any eligible activities carried out using assistance provided under this subsection.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.

(d) ENVIRONMENTALLY BENEFICIAL ENERGY STRATEGIES SUPPLEMENTAL GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall provide to each eligible entity that meets the applicable criteria under subparagraph (B)(ii) or (C)(ii) of subsection (c)(3) a supplemental grant to pay the Federal share of the total costs of carrying out an eligible activity (as specified under subsection (c)(2)) relating to the implementation of an environmentally beneficial energy strategy.

(2) REQUIREMENTS.—To be eligible for a grant under paragraph (1), an eligible entity shall—

(A) demonstrate to the satisfaction of the Secretary that the eligible entity meets the applicable criteria under subparagraph (B)(ii) or (C)(ii) of subsection (c)(3); and

(B) submit to the Secretary for approval a plan that describes the activities to be funded by the grant.

(3) COST-SHARING REQUIREMENT.—

(A) FEDERAL SHARE.—The Federal share of the cost of carrying out any activities under this subsection shall be 75 percent.

(B) NON-FEDERAL SHARE.—

(i) FORM.—Not more than 50 percent of the non-Federal share may be in the form of in-kind contributions.

(ii) LIMITATION.—Amounts provided to an eligible entity under subsection (c) shall not be used toward the non-Federal share.

(4) MAINTENANCE OF EFFORT.—An eligible entity shall provide assurances to the Secretary that funds provided to the eligible entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended by the eligible entity for eligible activities under this subsection.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.

(e) GRANTS TO OTHER STATES AND COMMUNITIES.—

(1) IN GENERAL.—Of the total amount of funds that are made available each fiscal year to carry out this section, the Secretary shall use 2 percent of the amount to make competitive grants under this section to States and units of local government that are not eligible entities or to consortia of such units of local government.

(2) APPLICATIONS.—To be eligible for a grant under this subsection, a State, unit of local government, or consortia described in paragraph (1) shall apply to the Secretary for a grant to carry out an activity that would otherwise be eligible for a grant under subsection (c) or (d).

(3) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to—

(A) States with populations of less than 2,000,000; and

(B) projects that would result in significant energy efficiency improvements, reductions in fossil fuel use, or capital improvements.

SEC. 606. ENERGY SUSTAINABILITY AND EFFICIENCY GRANTS FOR INSTITUTIONS OF HIGHER EDUCATION.

(a) DEFINITIONS.—In this section:

(1) ENERGY SUSTAINABILITY.—The term ''energy sustainability'' includes using a renewable energy resource and a highly efficient technology for electricity generation, transportation, heating, or cooling.

(2) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

(b) GRANTS FOR ENERGY EFFICIENCY IMPROVEMENT.—

(1) IN GENERAL.—The Secretary shall award not more than 100 grants to institutions of higher education to carry out projects to improve energy efficiency on the grounds and facilities of the institution of higher education, including not less than 1 grant to an institution of higher education in each State.

(2) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to—

(A) implement a public awareness campaign in the community in which the institution of higher education is located to promote the project; and

(B) submit to the Secretary, and make available to the public, reports on any improvements achieved as part of a project carried out under paragraph (1).

(c) GRANTS FOR INNOVATION IN ENERGY SUSTAINABILITY.—

(1) IN GENERAL.—The Secretary shall award not more than 250 grants to institutions of higher education to engage in innovative energy sustainability projects, including not less than 2 grants to institutions of higher education in each State.

(2) INNOVATION PROJECTS.—An innovation project carried out with a grant under this subsection shall—

(A) involve an innovative technology that is not yet commercially available;

(B) have the greatest potential for testing or modeling new technologies or processes; and

(C) ensure active student participation in the project, including the planning, implementation, evaluation, and other phases of the project.

(3) CONDITION.—As a condition of receiving a grant under this subsection, an institution of higher education shall agree to submit to the Secretary, and make available to the public, reports that describe the results of the projects carried out under paragraph (1).

(d) AWARDING OF GRANTS.—

(1) APPLICATION.—An institution of higher education that seeks to receive a grant under this section may submit to the Secretary an application for the grant at such time, in such form, and containing such information as the Secretary may prescribe.

(2) SELECTION.—The Secretary shall establish a committee to assist in the selection of grant recipients under this section.

(e) ALLOCATION TO INSTITUTIONS OF HIGHER EDUCATION WITH SMALL ENDOWMENTS.—Of the amount of grants provided for a fiscal year under this section, the Secretary shall provide not less 50 percent of the amount to institutions of higher education that have an endowment of not more than $100,000,000, with 50 percent of the allocation set aside for institutions of higher education that have an endowment of not more than $50,000,000.

(f) GRANT AMOUNTS.—The maximum amount of grants for a project under this section shall not exceed—

(1) in the case of grants for energy efficiency improvement under subsection (b), $1,000,000; or.

(2) in the case of grants for innovation in energy sustainability under subsection (c), $500,000.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

SEC. 607. WORKFORCE TRAINING.

Section 1101 of the Energy Policy Act of 2005 (42 U.S.C. 16411) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

''(d) WORKFORCE TRAINING.—

''(1) IN GENERAL.—The Secretary, in cooperation with the Secretary of Labor, shall promulgate regulations to implement a program to provide workforce training to meet the high demand for workers skilled in the energy efficiency and renewable energy industries.

''(2) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with

representatives of the energy efficiency and renewable energy industries concerning skills that are needed in those industries.''.

SEC. 608. ASSISTANCE TO STATES TO REDUCE SCHOOL BUS IDLING.

(a) STATEMENT OF POLICY.—Congress encourages each local educational agency (as defined in section 9101(26) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(26))) that receives Federal funds under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) to develop a policy to reduce the incidence of school bus idling at schools while picking up and unloading students.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary, working in coordination with the Secretary of Education, $5,000,000 for each of fiscal years 2007 through 2012 for use in educating States and local education agencies about—

(1) benefits of reducing school bus idling; and

(2) ways in which school bus idling may be reduced.

Mr. DOMENICI. Mr. President, over 18 months ago, the President signed into law the Energy Policy Act of 2005. The enactment of that comprehensive legislation was a watershed event in structuring sound Energy policy for this Nation's future. We did a great deal in that energy bill on energy conservation and improved energy efficiency.

EPAct implemented new efficiency standards for 15 large commercial and residential appliances that have, in the past, consumed a great deal of energy, such as commercial washers, refrigerators, freezers, air-conditioners, and icemakers. In response to that mandate, the Department of Energy codified 15 new efficiency standards. Because of these new standards alone, we will save 50,000 megawatts of off-peak electricity use by 2020—which is an energy savings equal to more than eighty 600-megawatt power plants.

EPAct also encourages consumers to make their homes more energy efficient by giving them a 10-percent personal tax credit for energy efficient improvements. Additionally, homebuilders get a business tax credit for the construction of new homes that meet a 30-percent energy reduction standard. The law aids businesses in saving energy by providing a deduction for energy-efficient commercial buildings meeting a 50-percent energy reduction standard. Manufacturers are also assisted in building more energy-efficient home products via a manufacturers' tax credit for energy-efficient dishwashers, clothes washers, and refrigerators.

Still, there is no doubt that much can be done to improve the ways in which we use energy. That is why I am pleased today to introduce the Energy Efficiency Promotion Act of 2007 with Senator BINGAMAN. The bill we are introducing is a good starting point—but it is still a work in progress. I expect this bill to evolve over the course of the next several weeks with important input from those who will be tasked with implementing this policy and those who will be impacted by it. In particular, I am very interested in the Energy Department's views on this bill, and the committee will conduct a hearing next week at which the Department will testify.

The Energy Efficiency Promotion Act of 2007 represents over $12 billion in net present benefits for consumers. Potential electricity savings of 50 billion kilowatt hours per year equal enough energy savings to power almost 5 million households. Potential natural gas savings of 170 million therms per year equal enough energy savings to heat 250,000 households. And water savings from the legislation amount to about 560 million gallons per day.

This bill presses for better energy efficiency in the Federal Government—the appropriate place to start. Title I focuses on the promotion of energy-efficient lighting technologies within Federal Government and requires all general purpose lighting in Federal buildings to be Energy Star rated or designated as efficient by the Federal Energy Management Program. Title I also contains a sense of the Senate that Federal policies be adopted on efficient lightbulb standards.

Title II, which deals with energy efficiency standards, sets forth a number of consensus standards on such products as residential boilers, clothes washers, dishwashers, dehumidifiers, and electric motors. Such efficiency standards have the potential to save significant amounts of energy. This title also provides DOE with the authority to expedite rulemakings for energy-efficient consensus standards.

Title III promotes high efficiency vehicles, advanced batteries, and energy storage. It provides for lightweight materials research and development and loan guarantee the manufacture of fuel-efficient vehicle parts, including hybrid and advanced diesel vehicles.

Title IV sets forth national energy savings goals in the areas of transportation and the Nation's energy productivity. This title extends the President's goal for gasoline savings and further seeks to improve the Nation's overall energy productivity.

Title V calls for increased federal leadership in energy efficiency and renewable energy. It directs DOE to reduce petroleum consumption and increases the Federal requirement to purchase electricity generated by renewable energy. This title also permanently authorizes the Energy Savings Performance Contracts Program.

Title VI seeks to assist State and local governments with their ongoing efforts to improve their energy efficiency. It extends the authorization for both the Weatherization Assistance Program and the State Energy Conservation Program. This title also establishes energy efficiency grant programs for local governments and institutions of higher learning.

Again, I think the Energy Efficiency Promotion Act of 2007 we are introducing today is a good starting point for our continued work in the energy efficiency area. I look forward to working with Senator BINGAMAN, the administration, and all affected stakeholders as we move forward on this bill.

By Mr. BOND (for himself and Mr. DODD):

S. 1117. A bill to establish a grant program to provide vision care to children, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. BOND. Mr. President, children endure a lot. They cannot always tell us what's wrong. Often they do not know themselves. So it takes a special person to work with young people and help identify their problems. Every child deserves the opportunity to reach their full potential, but it takes more than a book-bag full of pencils, paper, books and rulers to equip children with the tools necessary to succeed in school.

The most important tool kids will take to school is their eyes. Good vision is critical to learning. 80 percent of what kids learn in their early school years is visual. Unfortunately, we overlook that fact sometimes. According to the CDC only one in three children receive any form of preventive vision care before entering school. That means many kids are in school with an undetected vision problem. One in four children has a vision problem that can interfere with learning. Some children are even labeled ''disruptive'' or thought to have a learning disability when the real reason for their difficulty is an undetected vision problem.

Without any vision care, some of our children will continue to fall through the cracks. I sympathize with these kids because I suffer from permanent vision loss in one eye as a result of undiagnosed Amblyopia in childhood. Amblyopia is the number one cause of vision loss in young Americans. If discovered and treated early, vision loss from Amblyopia can be largely prevented. Had I been identified and treated before I entered school, I could have avoided a lifetime of vision loss. Parents are not always aware that their child may suffer from a vision problem. By educating parents on the importance of vision care and recognizing signs of visual impairment we can help children avoid unnecessary vision loss.

To ensure that children get the vital vision care that they need to succeed, today Senator DODD and I are introducing the Vision Care for Kids Act which will establish a grant program to compliment and encourage existing State efforts to improve children's vision care. More specifically, grant funds will be used to: (1) provide comprehensive eye exams to children that have been previously identified as needing such services; (2) provide treatment or services necessary to correct vision problems identified in that eye exam; and (3) develop and disseminate educational materials to recognize the signs of visual impairment in children

for parents, teachers, and health care practitioners.

We need to do this. We must improve vision care for children to better equip them to succeed in school and in life. The Vision Care for Kids Act, endorsed by the American Academy of Ophthalmology, American Optometric Association, and Vision Council of America, will make a difference in the lives of children across the country.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1117

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 ''Vision Care for Kids Act of 2007''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Millions of children in the United States suffer from vision problems, many of which go undetected. Because children with vision problems can struggle developmentally, resulting in physical, emotional, and social consequences, good vision is essential for proper physical development and educational progress.

(2) Vision problems in children range from common conditions such as refractive errors, amblyopia, strabismus, ocular trauma, and infections, to rare but potentially life- or sight-threatening problems such as retinoblastoma, infantile cataracts, congenital glaucoma, and genetic or metabolic diseases of the eye.

(3) Since many serious ocular conditions are treatable if identified in the preschool and early school-aged years, early detection provides the best opportunity for effective treatment and can have far-reaching implications for vision.

(4) Various identification methods, including vision screening and comprehensive eye examinations required by State laws, can be helpful in identifying children needing services. A child identified as needing services through vision screening should receive a comprehensive eye examination followed by subsequent treatment as needed. Any child identified as needing services should have access to subsequent treatment as needed.

(5) There is a need to increase public awareness about the prevalence and devastating consequences of vision disorders in children and to educate the public and health care providers about the warning signs and symptoms of ocular and vision disorders and the benefits of early detection, evaluation, and treatment.

SEC. 3. GRANTS REGARDING VISION CARE FOR CHILDREN.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary''), acting through the Director of the Centers for Disease Control and Prevention, may award grants to States on the basis of an established review process for the purpose of complementing existing State efforts for—

(1) providing comprehensive eye examinations by a licensed optometrist or ophthalmologist for children who have been previously identified through a vision screening or eye examination by a licensed health care provider or vision screener as needing such services, with priority given to children who are under the age of 9 years;

(2) providing treatment or services, subsequent to the examinations described in paragraph (1), necessary to correct vision problems; and

(3) developing and disseminating, to parents, teachers, and health care practitioners, educational materials on recognizing signs of visual impairment in children.

(b) CRITERIA AND COORDINATION.—

(1) CRITERIA.—The Secretary, in consultation with appropriate professional and consumer organizations including individuals with knowledge of age appropriate vision services, shall develop criteria—

(A) governing the operation of the grant program under subsection (a); and

(B) for the collection of data related to vision assessment and the utilization of follow up services.

(2) COORDINATION.—The Secretary shall, as appropriate, coordinate the program under subsection (a) with the program under section 330 of the Public Health Service Act (relating to health centers) (42 U.S.C. 254b), the program under title XIX of the Social Security Act (relating to the Medicaid program) (42 U.S.C. 1396 et seq.), the program under title XXI of such Act (relating to the State children's health insurance program) (42 U.S.C. 1397aa et seq.), and with other Federal or State programs that provide services to children.

(c) APPLICATION.—To be eligible to receive a grant under subsection (a), a State shall submit to the Secretary an application in such form, made in such manner, and containing such information as the Secretary may require, including—

(1) information on existing Federal, Federal-State, or State-funded children's vision programs;

(2) a plan for the use of grant funds, including how funds will be used to complement existing State efforts (including possible partnerships with non-profit entities);

(3) a plan to determine if a grant eligible child has been identified as provided for in subsection (a); and

(4) a description of how funds will be used to provide items or services, only as a secondary payer—

(A) for an eligible child, to the extent that the child is not covered for the items or services under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or

(B) for an eligible child, to the extent that the child receives the items or services from an entity that provides health services on a prepaid basis.

(d) EVALUATIONS.—To be eligible to receive a grant under subsection (a), a State shall agree that, not later than 1 year after the date on which amounts under the grant are first received by the State, and annually thereafter while receiving amounts under the grant, the State will submit to the Secretary an evaluation of the operations and activities carried out under the grant, including—

(1) an assessment of the utilization of vision services and the status of children receiving these services as a result of the activities carried out under the grant;

(2) the collection, analysis, and reporting of children's vision data according to guidelines prescribed by the Secretary; and

(3) such other information as the Secretary may require.

(e) LIMITATIONS IN EXPENDITURE OF GRANT.—A grant may be made under subsection (a) only if the State involved agrees that the State will not expend more than 20 percent of the amount received under the grant to carry out the purpose described in paragraph (3) of such subsection.

(f) DEFINITION.—For purposes of this section, the term ''comprehensive eye examination'' includes an assessment of a patient's history, general medical observation, external and ophthalmoscopic examination, visual acuity, ocular alignment and motility, refraction, and as appropriate, binocular vision or gross visual fields, performed by an optometrist or an ophthalmologist.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008 through 2012.

Mr. DODD. Mr. President, today, Senator BOND and I are introducing the Vision Care for Kids Act of 2007. This legislation will provide follow-up vision care services for those children who have visual problems and are not covered under an insurance policy or under any Federal, or State health benefits program.

Why is this legislation needed? Let's look at the facts. According to the 2004 Vision Problems Action Plan, published by Prevent Blindness America, vision problems affect one in 20 preschoolers and 80 percent of children under age six are not screened for vision problems before entering public school.

Perhaps even more startling than the statistics I have just mentioned, is that 20 States do not require children to receive any vision care prior to entry or during their early school years. Thus, millions of children are at risk of having possible vision problems later in life.

I am pleased that my home State of Connecticut provides annual screenings to children in kindergarten through grade six. In addition, during the ninth grade, each student also receives a vision screening. Following the eye tests that are administered in Connecticut's schools, the local superintendent sends a note to the parent or guardian of each student who is found to have a problem.

Although Connecticut provides screenings in the early years, it is important to note that out of the 467,488 children in Connecticut, there are almost 70,000 who have untreated vision disorders, according to the most recent Census data. Nationwide, almost 6 million out of close to 40 million children have untreated vision disorders. The Centers for Disease Control and Prevention said that ''impaired vision can affect a child's cognitive, emotional, neurological, and physical development.''

With the introduction of the Vision Care for Kids Act, Senator BOND and I are seeking to improve the data I have outlined. When this legislation is enacted, the States will have the resources to pay for follow-up vision treatment for children who now do not have the financial means to undergo this much needed care.

Our initiative will enable Federal funding to complement existing State efforts in regard to: providing comprehensive eye examinations for children under age nine; furnishing the necessary treatment or services needed if an eye exam determines additional

care is needed; and developing educational materials for parents, teachers, and health care practitioners that will increase recognition of the signs of visual impairment in children. The Vision Care for Kids Act will serve as an incentive to States to provide eye care to those youngsters who are in need of treatment and are currently unable to access care.

This year, we are working on the reauthorization of the State Children's Health Insurance Program (SCHIP). SCHIP was created to provide health care to millions of children who were previously uninsured. Over the last ten years, we have seen the positive impact of this essential program. Passage of the Vision Care for Kids Act will be a key component of ensuring that we have a comprehensive children's health care delivery system in this country. I look forward to working with Senator BOND and my colleagues to see that this legislation is not only is not only passed by this body soon, but that it is signed into law.

By Mr. DORGAN (for himself and Mr. CRAIG):

S. 1118. A bill to improve the energy security of the United States by raising average fuel economy standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. DORGAN. Mr. President, today I am pleased to be joined by Senator CRAIG to introduce legislation called the Fuel Efficiency Act of 2007. This legislation is an important component of broader legislation that my colleague and I recently introduced on March 14, 2007. That legislation is a balanced plan with the overall goal to improve the energy security of the U.S. through a 50 percent reduction in the oil intensity of the economy by 2030.

This is important to me because the United States remains dangerously dependent on foreign sources of oil. Today we import over 60 percent of our oil from Iraq, Kuwait, Saudi Arabia, Nigeria, Venezuela, and other unstable nations of the world. This is very troubling to me.

Our larger proposal is grounded in four cornerstone principles. The first principle is achievable, stepped increases in fuel efficiency of the transportation fleet. The second principle promotes increased availability of alternative fuel sources and infrastructure. The third principle calls for expanded production and enhanced exploration of domestic and other secure oil and natural gas resources. Finally, the fourth principle improves the management of alliances to better secure global energy supplies.

In the United States, we use about 67 percent of our oil to power our vehicles. This is the area where we are least secure and increasingly dependent. For these reasons and more, we introduced S. 875 as a bi-partisan, balanced approach to securing our future energy through reducing our dependence on foreign oil.

I am also a member of the Senate Commerce, Science and Transportation Committee which has jurisdiction over the fuel economy standards of our Nation's vehicle fleet. I look forward to working with Chairman INOUYE, Ranking Member STEVENS, and other members of the committee who are interested in enacting strong, fair, and forwarding-looking fuel economy standards.

It should be noted that this is the first time that both Senator CRAIG and I have publicly stated our support for increased fuel economy standards beyond the incremental steps that the current administration has made to date. Our Nation's fuel economy standards have not significantly changed since the mid–1980s. We now have lower passenger vehicle fuel efficiency standards than Japan, the European Union, Australia, Canada, and yes, even China.

The bill we have introduced today reforms and strengthens fuel efficiency standards by establishing an annual 4 percent increase in the fuel economy of the entire new vehicle fleet, including automobiles, medium trucks, and heavy trucks from 2012–2030. The National Highway Traffic Safety Administration will have discretion to invoke ''off-ramps'' if it is determined that the increase is not technologically achievable, creates material safety concerns, or is not cost effective.

Senator CRAIG and I came together to develop a new pathway forward because we believe that bolder energy security measures must be taken now to address our long-term security, economic growth and environmental protection. There is no silver bullet to solving our energy dependence. Digging and drilling is a strategy I call yesterday forever. Conservation alone is not the answer. Renewable fuels hold promise, but we need to do much more here. We believe the combination of steps sets the right pathway to U.S. energy security, and we look forward to moving increased fuel economy standards through the Senate Commerce Committee.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 149—EXPRESSING THE CONDOLENCES OF THE SENATE ON THE TRAGIC EVENTS AT VIRGINIA TECH UNIVERSITY

Mr. WARNER (for himself, Mr. WEBB, Mr. REID, Mr. MCCONNELL, Mr. AKAKA, Mr. ALEXANDER, Mr. ALLARD, Mr. BAUCUS, Mr. BAYH, Mr. BENNETT, Mr. BIDEN, Mr. BINGAMAN, Mr. BOND, Mrs. BOXER, Mr. BROWN, Mr. BROWNBACK, Mr. BUNNING, Mr. BURR, Mr. BYRD, Ms. CANTWELL, Mr. CARDIN, Mr. CARPER, Mr. CASEY, Mr. CHAMBLISS, Mrs. CLINTON, Mr. COBURN, Mr. COCHRAN, Mr. COLEMAN, Ms. COLLINS, Mr. CONRAD, Mr. CORKER, Mr. CORNYN, Mr. CRAIG, Mr. CRAPO, Mr. DEMINT, Mr. DODD, Mrs. DOLE, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. ENSIGN, Mr. ENZI, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. GRAHAM, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HARKIN, Mr. HATCH, Mrs. HUTCHISON, Mr. INHOFE, Mr. INOUYE, Mr. ISAKSON, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Ms. KLOBUCHAR, Mr. KOHL, Mr. KYL, Ms. LANDRIEU, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Mr. LOTT, Mr. LUGAR, Mr. MARTINEZ, Mr. MCCAIN, Mrs. MCCASKILL, Mr. MENENDEZ, Ms. MIKULSKI, Ms. MURKOWSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. NELSON of Nebraska, Mr. OBAMA, Mr. PRYOR, Mr. REED, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. SALAZAR, Mr. SANDERS, Mr. SCHUMER, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH, Ms. SNOWE, Mr. SPECTER, Ms. STABENOW, Mr. STEVENS, Mr. SUNUNU, Mr. TESTER, Mr. THOMAS, Mr. THUNE, Mr. VITTER, Mr. VOINOVICH, Mr. WHITEHOUSE, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 149

Resolved, that the Senate—

(1) offers its heartfelt condolences to the victims and their families, and to students, faculty, administration and staff and their families who have been deeply affected by the tragic events that occurred today at Virginia Tech in Blacksburg, Virginia;

(2) expresses its hope that today's losses will lead to a shared national commitment to take steps that will help our communities prevent such tragedies from occurring in the future; and

(3) recognizes that Virginia Tech has served as an exemplary institution of teaching, learning, and research for well over a century; and that the University's historic and proud traditions will carry on.

AMENDMENTS SUBMITTED AND PROPOSED

SA 843. Mr. ROCKEFELLER (for himself and Mr. BOND) proposed an amendment to the bill S. 372, to authorize appropriations for fiscal year 2007 for the intelligence and intelligence-related activities of the United States Government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

SA 844. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 372, supra; which was ordered to lie on the table.

SA 845. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.

SA 846. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.

SA 847. Ms. COLLINS (for herself, Mr. LIEBERMAN, Mr. CARPER, Mr. COLEMAN, and Mr. AKAKA) submitted an amendment intended to be proposed to amendment SA 843 proposed by Mr. ROCKEFELLER (for himself and Mr. BOND) to the bill S. 372, supra.

SA 848. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.

SA 849. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 372, supra; which was ordered to lie on the table.

SA 850. Mr. CORNYN submitted an amendment intended to be proposed by him to the