This Act also creates a new office in the Department of Health and Human Services, the Office of Health Information Privacy, which will oversee investigations of alleged violations and verify compliance with the act. This office will also be responsible for establishing and implementing standards and product certifications for systems and networks that handle protected health information. Until now, many entities have been confused about how to implement health privacy regulations. This new office will help them understand Federal privacy rules, so that they can conduct their business accordingly.

Federal privacy regulations now in place also make it difficult to prosecute illegal activities. The Office of Health Information Privacy will be charged with resolving this problem. It will do so in part by instituting penalties for wrongful sharing or use of private health information by any entity.

Overall, a delicate balance must be struck. On one hand, we must allow the sharing of information necessary for effective health care. At the same time, however, we must protect Americans' right to have their health records and individual health information kept private. For too long, the balance has been tilted too far against patient privacy, and our bill is a needed effort to correct that imbalance.

Americans deserve stronger guarantees of patient privacy, more helpful guidelines for security implementation, and more dependable enforcement and penalties for the misuse of protected health information. I look forward to the early enactment of this legislation to achieve these important goals.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 274—TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL IN THE CASE OF LEWIS V. BAYH

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

S. RES. 274

Whereas, in the case of Lewis v. Bayh, Case No. 07–CV–0939 (D.D.C.), pending in the United States District Court for the District of Columbia, the plaintiff has named as defendant Senator Evan Bayh;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to defend the Senate and Members, officers, and employees of the Senate in civil actions relating to their official responsibilities; Now therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator Evan Bayh in the case of Lewis v. Bayh.

SENATE RESOLUTION 275—MAKING MINORITY PARTY APPOINTMENTS FOR THE 110TH CONGRESS

Mr. MCCONNELL submitted the following resolution; which was considered and agreed to:

S. RES. 275

Resolved, That the following be the minority membership on the Committee on Armed Services for the remainder of the 110th Congress, or until their successors are appointed:

Mr. McCain, Mr. Warner, Mr. Inhofe, Mr. Sessions, Ms. Collins, Mr. Chambliss, Mr. Graham, Mrs. Dole, Mr. Cornyn, Mr. Thune, Mr. Martinez, and Mr. Corker.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2314. Mr. REID submitted an amendment intended to be proposed by him to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008; which was ordered to lie on the table.

SA 2315. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table.

SA 2316. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2317. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2318. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2319. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2320. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2321. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2322. Mr. KYL (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2323. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2324. Mr. HAGEL (for himself and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2325. Mr. BAUCUS (for himself and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2326. Mr. CARDIN (for himself, Mr. BIDEN, Mr. STEVENS, Mr. BAYH, Mrs. CLINTON, Ms. MIKULSKI, Ms. MURKOWSKI, Mr. KERRY, Mr. VITTER, Mr. ISAKSON, Mr. LAUTENBERG, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill H.R. 1585, supra; which was ordered to lie on the table.

SA 2327. Mr. KENNEDY proposed an amendment to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008.

SA 2328. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1642, to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes; which was ordered to lie on the table.

SA 2329. Ms. MURKOWSKI proposed an amendment to amendment SA 2327 proposed by Mr. KENNEDY to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008.

SA 2330. Mr. KENNEDY proposed an amendment to amendment SA 2327 proposed by Mr. KENNEDY to the bill H.R. 2669, supra.

TEXT OF AMENDMENTS

SA 2314. Mr. REID submitted an amendment intended to be proposed by him to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

SEC. 802. CAMPUS-BASED DIGITAL THEFT PREVENTION.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

"SEC. 494. CAMPUS-BASED DIGITAL THEFT PREVENTION.

''(a) IN GENERAL.—Each eligible institution participating in any program under this title which is among those identified during the prior calendar year by the Secretary pursuant to subsection (b)(2), shall—

''(1) provide evidence to the Secretary that the institution has notified students on its policies and procedures related to the illegal downloading and distribution of copyrighted materials by students as required under section 485(a)(1)(P);

''(2) undertake a review, which shall be submitted to the Secretary, of its procedures and plans related to preventing illegal downloading and distribution to determine the program's effectiveness and implement changes to the program if the changes are needed; and

''(3) provide evidence to the Secretary that the institution has developed a plan for implementing a technology-based deterrent to prevent the illegal downloading or peer-to-peer distribution of intellectual property.

''(b) IDENTIFICATION.—For purposes of carrying out the requirements of subsection (a), the Secretary shall, on an annual basis, identify—

''(1) the 25 institutions of higher education participating in programs under this title, which have received during the previous calendar year the highest number of written notices from copyright owners, or persons authorized to act on behalf of copyright owners, alleging infringement of copyright by users of the institution's information technology systems, where such notices identify with specificity the works alleged to be infringed, or a representative list of works alleged to be infringed, the date and time of the alleged infringing conduct together with information sufficient to identify the infringing user, and information sufficient to contact the copyright owner or its authorized representative; and

''(2) from among the 25 institutions described in paragraph (1), those that have received during the previous calendar year not less than 100 notices alleging infringement of

copyright by users of the institution's information technology systems, as described in paragraph (1).''.

SA 2315. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle E of title XXVIII, add the following:

SEC. 2854. LAND CONVEYANCE, LEWIS AND CLARK UNITED STATES ARMY RESERVE CENTER, BISMARCK, NORTH DAKOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the United Tribes Technical College all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 2 acres located at the Lewis and Clark United States Army Reserve Center, 3319 University Drive, Bismarck, North Dakota, for the purpose of supporting Native American education and training.

(b) REVERSIONARY INTEREST.—

(1) IN GENERAL.—Subject to paragraph (2), if the Secretary determines at any time that the real property conveyed under subsection (a) is not being used in accordance with the purposes of the conveyance specified in such subsection, all right, title, and interest in and to the property shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(2) EXPIRATION.—The reversionary interest under paragraph (1) shall expire upon satisfaction of the following conditions:

(A) The real property conveyed under subsection (a) is used in accordance with the purposes of the conveyance specified in such subsection for a period of not less than 30 years following the date of the conveyance.

(B) The United Tribes Technical College applies to the Secretary for the release of the reversionary interest.

(C) The Secretary certifies, in a manner that can be filed with the appropriate land recordation office, that the condition under subparagraph (A) has been satisfied.

(c) PAYMENT OF COSTS OF CONVEYANCE.—

(1) PAYMENT REQUIRED.—The Secretary shall require the United Tribes Technical College to cover costs to be incurred by the Secretary, or to reimburse the Secretary for costs incurred by the Secretary, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. If amounts are collected from the United Tribes Technical College in advance of the Secretary incurring the actual costs, and the amount collected exceeds the costs actually incurred by the Secretary to carry out the conveyance, the Secretary shall refund the excess amount to the United Tribes Technical College.

(2) TREATMENT OF AMOUNTS RECEIVED.—Amounts received as reimbursements under paragraph (1) shall be credited to the fund or account that was used to cover the costs incurred by the Secretary in carrying out the conveyance. Amounts so credited shall be merged with amounts in such fund or account and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SA 2316. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title VIII, add the following:

SEC. 827. PROCUREMENT OF UNCONVENTIONAL FUEL.

(a) PROCUREMENT AUTHORIZED.—Subchapter II of chapter 173 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2922g. Procurement of unconventional fuel

''(a) LONG TERM CONTRACTS FOR UNCONVENTIONAL FUEL.—The Secretary of Defense may enter into contracts for the procurement of unconventional fuel. The term of any contract under this section may be such period as the Secretary considers appropriate, but not more than 25 years.

''(b) WAIVER AUTHORITY.—(1) In procuring unconventional fuel, the Secretary may waive the application of any provision of law prescribing procedures to be followed in the formation of contracts, prescribing terms and conditions to be included in contracts, or regulating the performance of contracts if the Secretary determines that—

''(A) the waiver is necessary to procure such unconventional fuel for Government needs; and

''(B) In case of a contract in excess of 5 years, it would not be possible to procure such unconventional fuel from the source in an economical manner without the use of a contract for a period in excess of five years.

''(2) Any waiver that is applicable to a contract for the procurement of unconventional fuel under this subsection may also, at the election of the Secretary, apply to a subcontract under that contract.

''(c) PRICING AUTHORITY FOR UNCONVENTIONAL FUEL PURCHASED FROM DOMESTIC SOURCES.—(1) The Secretary shall ensure that any purchase of unconventional fuel under a contract under this section is cost effective for the Department of Defense.

''(2) The Secretary may procure unconventional fuel from domestic sources at a price higher than comparable petroleum products, or include a price guarantee for the procurement of unconventional fuel from such sources, if the Secretary determines that—

''(A) such price is necessary to develop or maintain an assured supply of unconventional fuel produced from domestic sources; and

''(B) supplies of unconventional fuel from domestic sources cannot be effectively increased or obtained at lower prices.

''(d) OBLIGATION OF FUNDS.—At the time of award of any contract for the procurement of unconventional fuel under this section in excess of one year, the Secretary may obligate annually funds sufficient to cover the annual costs of the contract. In the event that funds are not available for the continuation of the contract in any subsequent years, the contract shall be cancelled or terminated. The Secretary may fund any cancellation or termination liability out of funds originally available at the time of award, funds currently available at the time termination liability is incurred, or funds specifically appropriated for those payments.

''(e) DEFINITIONS.—In this section:

''(1) The term 'domestic source' means a facility (including feedstock) located physically in the United States that produces or generates unconventional fuel.

''(2) The term 'unconventional fuel' means transportation fuel that is derived from a feedstock other than conventional petroleum and includes transportation services related to the delivery of such fuel.''.

(b) CLERICAL AMENDMENT.—The table of sections for at the beginning of subchapter II of chapter 173 of such title is amended by adding at the end the following new item:

''2922g. Procurement of unconventional fuel.''.

SA 2317. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title V, add the following:

SEC. 518. TEMPORARY NATIONAL GUARD SUPPORT FOR SECURING THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—Until operational control of the border is achieved in accordance with the Secure Fence Act of 2006 (Public Law 109–367), the Governor of any State, upon the approval of the Secretary of Defense, may order any units or personnel of the National Guard of such State—

(1) to perform annual training duty under section 502(a) of title 32, United States Code, to carry out in any State along the southern land border of the United States the activities authorized under subsection (b) for the purpose of securing such border; and

(2) to perform duty under section 502(f) of title 32, United States Code, to provide command, control, and continuity of support for units and personnel performing annual training duty under paragraph (1).

(b) AUTHORIZED ACTIVITIES.—The following activities are authorized under this subsection:

(1) Ground reconnaissance activities.

(2) Airborne reconnaissance activities.

(3) Logistical support.

(4) Provision of translation services and training.

(5) Administrative support services.

(6) Technical training services.

(7) Emergency medical assistance and services.

(8) Communications services.

(9) Rescue of aliens in peril.

(10) Construction of roadways, patrol roads, fences, barriers, and other facilities to secure the southern land border of the United States.

(11) Ground and air transportation.

(12) Identification, interrogation, search, seizure, and detention of any alien entering

or attempting to enter the United States in violation of any law or regulation regarding the admission, exclusion, expulsion, or removal of aliens, until the alien can be transferred into the custody of a Border Patrol agent or an officer of United States Customs and Border Protection.

(c) COOPERATIVE AGREEMENTS.—Units and personnel of the National Guard of a State may only perform activities in another State under subsection (a) pursuant to the terms of an emergency management assistance compact or other cooperative arrangement entered into between the governors of such States for purposes of this section, and only with the approval of the Secretary of Defense.

(d) COORDINATION OF ASSISTANCE.—The Secretary of Homeland Security, in consultation with the Secretary of Defense and the governors of the States concerned, may coordinate the performance of activities under this section by units and personnel of the National Guard.

(e) ANNUAL TRAINING.—Annual training duty performed by members of the National Guard under subsection (a) shall be appropriate for the units and individual members concerned, taking into account the types of units and military occupational specialties of individual members performing such duty. Individual periods of training duty shall not be limited to 3 weeks per year.

(f) RULES OF ENGAGEMENT.—The Secretary of Homeland Security, in consultation with the Secretary of Defense and the governors of the States concerned, shall coordinate the rules of engagement to be followed by units and personnel of the National Guard tasked with authorized activities described in subsection (b)(12). The rules of engagement for the National Guard shall be equivalent to the rules of engagement for Border Patrol agents.

(g) USE OF FORCE.—

(1) IN GENERAL.—Nondeadly force may be used by members of the National Guard stationed at the southern border in the identification, interrogation, search, seizure, and detention of any alien pursuant to subsection (b)(12).

(2) NONDEADLY FORCE DEFINED.—In this subsection, the term ''nondeadly force'' means physical force or restraint that could not reasonably be expected to result in, or be capable of, causing death or serious bodily injury.

(h) DEFINITIONS.—In this section:

(1) GOVERNOR OF A STATE.—The term ''Governor of a State'' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(2) STATE.—The term ''State'' means each of the several States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) STATE ALONG THE SOUTHERN LAND BORDER OF THE UNITED STATES.—The term ''State along the southern land border of the United States'' means each of the following States:

(A) Arizona.

(B) California.

(C) New Mexico.

(D) Texas.

(i) DURATION OF AUTHORITY.—The authority of this section shall expire on the date on which operational control of the border is achieved in accordance with the Secure Fence Act of 2006 (Public Law 109–367).

SA 2318. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle B of title V, add the following:

SEC. 518. TEMPORARY NATIONAL GUARD SUPPORT FOR SECURING THE SOUTHERN LAND BORDER OF THE UNITED STATES.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—Until operational control of the border is achieved in accordance with the Secure Fence Act of 2006 (Public Law 109–367), the Governor of any State, upon the approval of the Secretary of Defense, shall order any units or personnel of the National Guard of such State—

(1) to perform annual training duty under section 502(a) of title 32, United States Code, to carry out in any State along the southern land border of the United States the activities authorized under subsection (b) for the purpose of securing such border; and

(2) to perform duty under section 502(f) of title 32, United States Code, to provide command, control, and continuity of support for units and personnel performing annual training duty under paragraph (1).

(b) AUTHORIZED ACTIVITIES.—The following activities are authorized under this subsection:

(1) Ground reconnaissance activities.

(2) Airborne reconnaissance activities.

(3) Logistical support.

(4) Provision of translation services and training.

(5) Administrative support services.

(6) Technical training services.

(7) Emergency medical assistance and services.

(8) Communications services.

(9) Rescue of aliens in peril.

(10) Construction of roadways, patrol roads, fences, barriers, and other facilities to secure the southern land border of the United States.

(11) Ground and air transportation.

(12) Identification, interrogation, search, seizure, and detention of any alien entering or attempting to enter the United States in violation of any law or regulation regarding the admission, exclusion, expulsion, or removal of aliens, until the alien can be transferred into the custody of a Border Patrol agent or an officer of United States Customs and Border Protection.

(c) COOPERATIVE AGREEMENTS.—Units and personnel of the National Guard of a State may only perform activities in another State under subsection (a) pursuant to the terms of an emergency management assistance compact or other cooperative arrangement entered into between the governors of such States for purposes of this section, and only with the approval of the Secretary of Defense.

(d) COORDINATION OF ASSISTANCE.—The Secretary of Homeland Security, in consultation with the Secretary of Defense and the governors of the States concerned, shall coordinate the performance of activities under this section by units and personnel of the National Guard.

(e) ANNUAL TRAINING.—Annual training duty performed by members of the National Guard under subsection (a) shall be appropriate for the units and individual members concerned, taking into account the types of units and military occupational specialties of individual members performing such duty. Individual periods of training duty shall not be limited to 3 weeks per year.

(f) RULES OF ENGAGEMENT.—The Secretary of Homeland Security, in consultation with the Secretary of Defense and the governors of the States concerned, shall coordinate the rules of engagement to be followed by units and personnel of the National Guard tasked with authorized activities described in subsection (b)(12). The rules of engagement for the National Guard shall be equivalent to the rules of engagement for Border Patrol agents.

(g) USE OF FORCE.—

(1) IN GENERAL.—Nondeadly force may be used by members of the National Guard stationed at the southern border in the identification, interrogation, search, seizure, and detention of any alien pursuant to subsection (b)(12).

(2) NONDEADLY FORCE DEFINED.—In this subsection, the term ''nondeadly force'' means physical force or restraint that could not reasonably be expected to result in, or be capable of, causing death or serious bodily injury.

(h) DEFINITIONS.—In this section:

(1) GOVERNOR OF A STATE.—The term ''Governor of a State'' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

(2) STATE.—The term ''State'' means each of the several States and the District of Columbia, the Commonwealth of Puerto Rico, Guam, and the Virgin Islands.

(3) STATE ALONG THE SOUTHERN LAND BORDER OF THE UNITED STATES.—The term ''State along the southern land border of the United States'' means each of the following States:

(A) Arizona.

(B) California.

(C) New Mexico.

(D) Texas.

(i) DURATION OF AUTHORITY.—The authority of this section shall expire on the date on which operational control of the border is achieved in accordance with the Secure Fence Act of 2006 (Public Law 109–367).

SA 2319. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

Subtitle __—BORDER SECURITY COOPERATION

SEC. ___. RECRUITMENT OF FORMER MILITARY PERSONNEL.

(a) IN GENERAL.—The Commissioner of United States Customs and Border Protection, in conjunction with the Secretary of Defense or a designee of the Secretary of Defense, shall establish a program to actively recruit members of the Army, Navy, Air Force, Marine Corps, and Coast Guard who have elected to separate from active duty.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Commissioner shall submit a report on the implementation of the recruitment program established pursuant to paragraph (1) to—

(1) the Committee on the Judiciary of the Senate; and

(2) the Committee on the Judiciary of the House of Representatives.

SEC. ___. TECHNOLOGICAL ASSETS.

(a) PROCUREMENT.—

(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Homeland Security shall procure additional unmanned aerial vehicles, cameras, poles, sensors, and other technologies necessary to

achieve operational control of the international borders of the United States and to establish a security perimeter to be known as a ''virtual fence'' along such international borders to provide a barrier to illegal immigration.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as may be necessary for each of the fiscal years 2008 through 2012 to carry out this subsection.

(b) INCREASED AVAILABILITY OF EQUIPMENT.—The Secretary of Homeland Security and the Secretary of Defense shall develop and implement a plan to use authorities provided to the Secretary of Defense under chapter 18 of title 10, United States Code, to increase the availability and use of Department of Defense equipment, including unmanned aerial vehicles, tethered aerostat radars, and other surveillance equipment, to assist the Secretary in carrying out surveillance activities conducted at or near the international land borders of the United States to prevent illegal immigration.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Homeland Security, in conjunction with the Secretary of Defense, shall submit a report to Congress that contains—

(1) a description of the current use of Department of Defense equipment to assist the Secretary in carrying out surveillance of the international land borders of the United States and assessment of the risks to citizens of the United States and foreign policy interests associated with the use of such equipment;

(2) the plan developed under subsection (b) to increase the use of Department of Defense equipment to assist such surveillance activities; and

(3) a description of the types of equipment and other support to be provided by the Secretary of Defense under such plan during the 1-year period beginning on the date of the submission of the report.

(d) UNMANNED AERIAL VEHICLE PILOT PROGRAM.—During the 1-year period beginning on the date on which the report is submitted under subsection (c), the Secretary shall conduct a pilot program to test unmanned aerial vehicles for border surveillance along the international border between Canada and the United States.

(e) CONSTRUCTION.—Nothing in this section may be construed as altering or amending the prohibition on the use of any part of the Army or the Air Force as a posse comitatus under section 1385 of title 18, United States Code.

SEC. ___. REPORT ON INCENTIVES TO ENCOURAGE CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES TO SERVE IN UNITED STATES CUSTOMS AND BORDER PROTECTION.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Homeland Security and the Secretary of Defense shall jointly submit to the appropriate committees of Congress a report assessing the desirability and feasibility of offering incentives to covered members and former members of the Armed Forces for the purpose of encouraging such members to serve in United States Customs and Border Protection (referred to in this section as ''CBP'').

(b) DEFINITIONS.—In this section:

(1) COVERED MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES.—The term ''covered members and former members of the Armed Forces'' means—

(A) members of the reserve components of the Armed Forces; and

(B) former members of the Armed Forces who separated from service in the Armed Forces during the previous 2 years.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Armed Services of the Senate;

(B) the Committee on Homeland Security and Governmental Affairs of the Senate;

(C) the Committee on Appropriations of the Senate;

(D) the Committee on Armed Services of the House of Representatives;

(E) the Committee on Homeland Security of the House of Representatives; and

(F) the Committee on Appropriations of the House of Representatives.

(c) REQUIREMENTS AND LIMITATIONS.—

(1) NATURE OF INCENTIVES.—In considering incentives for purposes of the report required under subsection (a), the Secretary of Homeland Security and the Secretary of Defense shall consider such incentives, whether monetary or otherwise and whether or not authorized under existing law, as the Secretaries jointly consider appropriate.

(2) TARGETING OF INCENTIVES.—In assessing any incentive for purposes of such report, the Secretaries shall give particular attention to the utility of such incentive in—

(A) encouraging service in CBP after service in the Armed Forces by covered members and former of the Armed Forces who have provided border patrol or border security assistance to CBP as part of their duties as members of the Armed Forces; and

(B) leveraging military training and experience by accelerating training, or allowing credit to be applied to related areas of training, required for service with CBP.

(3) PAYMENT.—In assessing incentives for purposes of the report, the Secretaries shall assume that any costs of such incentives shall be borne by the Department of Homeland Security.

(d) ELEMENTS.—The report required under subsection (a) shall include—

(1) a description of various monetary and non-monetary incentives considered for purposes of the report;

(2) an assessment of the desirability and feasibility of utilizing any such incentive for the purpose specified in subsection (a), including an assessment of the particular utility of such incentive in encouraging service in the CBP after service in the Armed Forces by covered members and former members of the Armed Forces described in subsection (c)(2); and

(3) any other matters that the Secretaries jointly consider appropriate.

SA 2320. Mr. SMITH (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title III, add the following:

SEC. 325. ESTABLISHMENT OF ADDITIONAL STRYKER BRIGADE COMBAT TEAM.

(a) ADDITIONAL AMOUNT FOR OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD.—The amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard is hereby increased by $317,000,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 301(10) for operation and maintenance for the Army National Guard, as increased by subsection (a), $317,000,000 may be available for the establishment of a Stryker Brigade Combat Team composed of elements of the California National Guard, the Nevada National Guard, and the Oregon National Guard.

SA 2321. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title X, add the following:

SEC. 1070. NOTIFICATION OF CERTAIN RESIDENTS AND CIVILIAN EMPLOYEES AT CAMP LEJEUNE, NORTH CAROLINA, OF EXPOSURE TO DRINKING WATER CONTAMINATION.

(a) NOTIFICATION OF INDIVIDUALS SERVED BY TARAWA TERRACE WATER DISTRIBUTION SYSTEM, INCLUDING KNOX TRAILER PARK.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Navy shall identify and notify directly individuals who were served by the Tarawa Terrace Water Distribution System, including Knox Trailer Park, at Camp Lejeune, North Carolina, during the years 1958 through 1987 that they were exposed to drinking water contaminated with tetrachloroethylene (PCE) at levels well above the maximum safety level established by the Environmental Protection Administration.

(b) NOTIFICATION OF INDIVIDUALS SERVED BY HADNOT POINT WATER DISTRIBUTION SYSTEM.—Not later than 120 days after the Agency for Toxic Substances and Disease Registry (ATSDR) completes its water modeling study of the Hadnot Point water distribution system, the Secretary of the Navy shall identify and notify directly individuals who were served by the system during the period identified in the study of the drinking water contamination to which they were exposed.

(c) NOTIFICATION OF FORMER CIVILIAN EMPLOYEES AT CAMP LEJEUNE.—Not later than 120 days after the date of the enactment of this Act, the Secretary of the Navy shall identify and notify directly civilian employees who worked at Camp Lejeune during the period identified in the ATSDR studies of the Tarawa Terrace and Hadnot Point water distribution systems of the drinking water contamination to which they were exposed.

(d) CIRCULATION OF HEALTH SURVEY.—

(1) FINDING.—Congress finds that notification and survey efforts related to the drinking water contamination described in this section are necessary due to the duration of exposure and negative health impacts of these contaminants.

(2) NATIONAL OPINION AND RESEARCH COUNCIL HEALTH SURVEY.—

(A) DEVELOPMENT.—Not later than 120 days after the date of the enactment of this Act, the National Opinion and Research Council, in conjunction with ATSDR, shall develop a health survey that would voluntarily request of individuals described in subsections (a), (b), and (c) personal health information that may be associated with exposure to TCE, PCE, vinyl chloride, and the other contaminants identified in the ATSDR studies.

(B) INCLUSION WITH NOTIFICATION.—The survey developed under subparagraph (A) shall be distributed by the Secretary of the Navy concurrently with the direct notification required under subsections (a), (b), and (c).

(e) USE OF MEDIA TO SUPPLEMENT NOTIFICATION.—The Secretary of the Navy may use media notification as a supplement to, but

not substitution for, direct notification of individuals described under subsections (a), (b), and (c).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $5,000,000 for fiscal year 2008 to carry out this section.

SA 2322. Mr. KYL (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title III, add the following:

SEC. 325. OPERATION JUMP START.

(a) IN GENERAL.—Of the amount authorized to be appropriated by section 301(5) for operation and maintenance for Defense-wide activities, $400,000,000 may be available for Operation Jump Start in order to maintain a significant durational force of the National Guard on the southern land border of the United States to assist the United States Border Patrol in gaining operational control of that border.

(b) SUPPLEMENT NOT SUPPLANT.—The amount available under subsection (a) for the purpose specified in that subsection is in addition to any other amounts available in this Act for Operation Jump Start.

SA 2323. Mr. KERRY (for himself and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes, which was ordered to lie on the table; as follows:

At the end, add the following:

DIVISION D—VETERAN SMALL BUSINESSES

SEC. 4001. SHORT TITLE.

This division may be cited as the ''Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007''.

SEC. 4002. DEFINITIONS.

In this division—

(1) the term ''activated'' means receiving an order placing a Reservist on active duty;

(2) the term ''active duty'' has the meaning given that term in section 101 of title 10, United States Code;

(3) the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively;

(4) the term ''Reservist'' means a member of a reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code;

(5) the term ''Service Corps of Retired Executives'' means the Service Corps of Retired Executives authorized by section 8(b)(1) of the Small Business Act (15 U.S.C. 637(b)(1));

(6) the terms ''service-disabled veteran'' and ''small business concern'' have the meanings given those terms in section 3 of the Small Business Act (15 U.S.C. 632);

(7) the term ''small business development center'' means a small business development center described in section 21 of the Small Business Act (15 U.S.C. 648); and

(8) the term ''women's business center'' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

TITLE XLI—VETERANS BUSINESS DEVELOPMENT

SEC. 4101. INCREASED FUNDING FOR THE OFFICE OF VETERANS BUSINESS DEVELOPMENT.

(a) IN GENERAL.—There are authorized to be appropriated to the Office of Veterans Business Development of the Administration, to remain available until expended—

(1) $2,100,000 for fiscal year 2008;

(2) $2,300,000 for fiscal year 2009; and

(3) $2,500,000 for fiscal year 2010.

(b) SENSE OF CONGRESS.—It is the sense of Congress that any amounts provided pursuant to this section that are in excess of amounts provided to the Administration for the Office of Veterans Business Development in fiscal year 2007, should be used to support Veterans Business Outreach Centers.

SEC. 4102. INTERAGENCY TASK FORCE.

Section 32 of the Small Business Act (15 U.S.C. 657b) is amended by adding at the end the following:

''(d) INTERAGENCY TASK FORCE.—

''(1) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this subsection, the President shall establish an interagency task force to coordinate the efforts of Federal agencies necessary to increase capital and business development opportunities for, and increase the award of Federal contracting and subcontracting opportunities to, small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans (in this section referred to as the 'task force').

''(2) MEMBERSHIP.—The members of the task force shall include—

''(A) the Administrator, who shall serve as chairperson of the task force;

''(B) a representative from—

''(i) the Department of Veterans Affairs;

''(ii) the Department of Defense;

''(iii) the Administration (in addition to the Administrator);

''(iv) the Department of Labor;

''(v) the General Services Administration; and

''(vi) the Office of Management and Budget; and

''(C) 4 representatives of veterans service organizations, selected by the President.

''(3) DUTIES.—The task force shall coordinate administrative and regulatory activities and develop proposals relating to—

''(A) increasing capital access and capacity of small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through loans, surety bonding, and franchising;

''(B) increasing access to Federal contracting and subcontracting for small business concerns owned and controlled by service-disabled veterans and small business concerns owned and controlled by veterans through increased use of contract reservations, expanded mentor-protégé assistance, and matching such small business concerns with contracting opportunities;

''(C) increasing the integrity of certifications of status as a small business concern owned and controlled by service-disabled veterans or a small business concern owned and controlled by veterans;

''(D) reducing paperwork and administrative burdens on veterans in accessing business development and entrepreneurship opportunities; and

''(E) making other improvements relating to the support for veterans business development by the Federal Government.

''(4) REPORTING.—The task force shall submit an annual report regarding its activities and proposals to—

''(A) the Committee on Small Business and Entrepreneurship and the Committee on Veterans' Affairs of the Senate; and

''(B) the Committee on Small Business and the Committee on Veterans' Affairs of the House of Representatives.''.

SEC. 4103. PERMANENT EXTENSION OF SBA ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.

(a) ASSUMPTION OF DUTIES.—Section 33 of the Small Business Act (15 U.S.C. 657c) is amended—

(1) by striking subsection (h); and

(2) by redesignating subsections (i) through (k) as subsections (h) through (j), respectively.

(b) PERMANENT EXTENSION OF AUTHORITY.—Section 203 of the Veterans Entrepreneurship and Small Business Development Act of 1999 (15 U.S.C. 657b note) is amended by striking subsection (h).

TITLE XLII—NATIONAL RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY

SEC. 4201. SHORT TITLE.

This title may be cited as the ''National Reservist Enterprise Transition and Sustainability Act of 2007''.

SEC. 4202. PURPOSE.

The purpose of this title is to establish a program to—

(1) provide managerial, financial, planning, development, technical, and regulatory assistance to small business concerns owned and operated by Reservists;

(2) provide managerial, financial, planning, development, technical, and regulatory assistance to the temporary heads of small business concerns owned and operated by Reservists;

(3) create a partnership between the Small Business Administration, the Department of Defense, and the Department of Veterans Affairs to assist small business concerns owned and operated by Reservists;

(4) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to expand the access of small business concerns owned and operated by Reservists to programs providing business management, development, financial, procurement, technical, regulatory, and marketing assistance;

(5) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to quickly respond to an activation of Reservists that own and operate small business concerns; and

(6) utilize the service delivery network of small business development centers, women's business centers, Veterans Business Outreach Centers, and centers operated by the National Veterans Business Development Corporation to assist Reservists that own and operate small business concerns in preparing for future military activations.

SEC. 4203. NATIONAL GUARD AND RESERVE BUSINESS ASSISTANCE.

(a) IN GENERAL.—Section 21(a)(1) of the Small Business Act (15 U.S.C. 648(a)(1)) is amended by inserting ''any small business development center, women's business center, Veterans Business Outreach Center, or center operated by the National Veterans Business Development Corporation providing

enterprise transition and sustainability assistance to Reservists under section 37,'' after ''any women's business center operating pursuant to section 29,''.

(b) PROGRAM.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 37 (15 U.S.C. 631 note) as section 38; and

(2) by inserting after section 36 the following:

''SEC. 37. RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY.

''(a) IN GENERAL.—The Administrator shall establish a program to provide business planning assistance to small business concerns owned and operated by Reservists.

''(b) DEFINITIONS.—In this section—

''(1) the terms 'activated' and 'activation' mean having received an order placing a Reservists on active duty, as defined by section 101(1) of title 10, United States Code;

''(2) the term 'Administrator' means the Administrator of the Small Business Administration, acting through the Associate Administrator for Small Business Development Centers;

''(3) the term 'Association' means the association established under section 21(a)(3)(A);

''(4) the term 'eligible applicant' means—

''(A) a small business development center that is accredited under section 21(k);

''(B) a women's business center;

''(C) a Veterans Business Outreach Center that receives funds from the Office of Veterans Business Development; or

''(D) an information and assistance center operated by the National Veterans Business Development Corporation under section 33;

''(5) the term 'enterprise transition and sustainability assistance' means assistance provided by an eligible applicant to a small business concern owned and operated by a Reservist, who has been activated or is likely to be activated in the next 12 months, to develop and implement a business strategy for the period while the owner is on active duty and 6 months after the date of the return of the owner;

''(6) the term 'Reservist' means any person who is—

''(A) a member of a reserve component of the Armed Forces, as defined by section 10101 of title 10, United States Code; and

''(B) on active status, as defined by section 101(d)(4) of title 10, United States Code;

''(7) the term 'small business development center' means a small business development center as described in section 21 of the Small Business Act (15 U.S.C. 648);

''(8) the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam; and

''(9) the term 'women's business center' means a women's business center described in section 29 of the Small Business Act (15 U.S.C. 656).

''(c) AUTHORITY.—The Administrator may award grants, in accordance with the regulations developed under subsection (d), to eligible applicants to assist small business concerns owned and operated by Reservists by—

''(1) providing management, development, financing, procurement, technical, regulatory, and marketing assistance;

''(2) providing access to information and resources, including Federal and State business assistance programs;

''(3) distributing contact information provided by the Department of Defense regarding activated Reservists to corresponding State directors;

''(4) offering free, one-on-one, in-depth counseling regarding management, development, financing, procurement, regulations, and marketing;

''(5) assisting in developing a long-term plan for possible future activation; and

''(6) providing enterprise transition and sustainability assistance.

''(d) RULEMAKING.—

''(1) IN GENERAL.—The Administrator, in consultation with the Association and after notice and an opportunity for comment, shall promulgate regulations to carry out this section.

''(2) DEADLINE.—The Administrator shall promulgate final regulations not later than 180 days of the date of enactment of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007.

''(3) CONTENTS.—The regulations developed by the Administrator under this subsection shall establish—

''(A) procedures for identifying, in consultation with the Secretary of Defense, States that have had a recent activation of Reservists;

''(B) priorities for the types of assistance to be provided under the program authorized by this section;

''(C) standards relating to educational, technical, and support services to be provided by a grantee;

''(D) standards relating to any national service delivery and support function to be provided by a grantee;

''(E) standards relating to any work plan that the Administrator may require a grantee to develop; and

''(F) standards relating to the educational, technical, and professional competency of any expert or other assistance provider to whom a small business concern may be referred for assistance by a grantee.

''(e) APPLICATION.—

''(1) IN GENERAL.—Each eligible applicant desiring a grant under this section shall submit an application to the Administrator at such time, in such manner, and accompanied by such information as the Administrator may reasonably require.

''(2) CONTENTS.—Each application submitted under paragraph (1) shall describe—

''(A) the activities for which the applicant seeks assistance under this section; and

''(B) how the applicant plans to allocate funds within its network.

''(3) MATCHING NOT REQUIRED.—Subparagraphs (A) and (B) of section 21(a)(4), requiring matching funds, shall not apply to grants awarded under this section.

''(f) AWARD OF GRANTS.—

''(1) DEADLINE.—The Administrator shall award grants not later than 60 days after the promulgation of final rules and regulations under subsection (d).

''(2) AMOUNT.—Each eligible applicant awarded a grant under this section shall receive a grant in an amount—

''(A) not less than $75,000 per fiscal year; and

''(B) not greater than $300,000 per fiscal year.

''(g) REPORT.—

''(1) IN GENERAL.—The Comptroller General of the United States shall—

''(A) initiate an evaluation of the program not later than 30 months after the disbursement of the first grant under this section; and

''(B) submit a report not later than 6 months after the initiation of the evaluation under paragraph (1) to—

''(i) the Administrator;

''(ii) the Committee on Small Business and Entrepreneurship of the Senate; and

''(iii) the Committee on Small Business of the House of Representatives.

''(2) CONTENTS.—The report under paragraph (1) shall—

''(A) address the results of the evaluation conducted under paragraph (1); and

''(B) recommend changes to law, if any, that it believes would be necessary or advisable to achieve the goals of this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

''(A) $5,000,000 for the first fiscal year beginning after the date of enactment of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2007; and

''(B) $5,000,000 for each of the 3 fiscal years following the fiscal year described in subparagraph (A).

''(2) LIMITATION ON USE OF OTHER FUNDS.—The Administrator may carry out the program authorized by this section only with amounts appropriated in advance specifically to carry out this section.''.

TITLE XLIII—RESERVIST PROGRAMS

SEC. 4301. RESERVIST PROGRAMS.

(a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the Small Business Act (15 U.S.C. 636(b)(3)(C)) is amended by striking ''90 days'' and inserting ''1 year''.

(b) PRE-CONSIDERATION PROCESS.—

(1) DEFINITION.—In this subsection, the term ''eligible Reservist'' means a Reservist who—

(A) has not been ordered to active duty;

(B) expects to be ordered to active duty during a period of military conflict; and

(C) can reasonably demonstrate that the small business concern for which that Reservist is a key employee will suffer economic injury in the absence of that Reservist.

(2) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Administrator shall establish a preconsideration process, under which the Administrator—

(A) may collect all relevant materials necessary for processing a loan to a small business concern under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) before an eligible Reservist employed by that small business concern is activated; and

(B) shall distribute funds for any loan approved under subparagraph (A) if that eligible Reservist is activated.

(c) OUTREACH AND TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator, in consultation with the Secretary of Veterans Affairs and the Secretary of Defense, shall develop a comprehensive outreach and technical assistance program (in this subsection referred to as the ''program'') to—

(A) market the loans available under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) to Reservists, and family members of Reservists, that are on active duty and that are not on active duty; and

(B) provide technical assistance to a small business concern applying for a loan under that section.

(2) COMPONENTS.—The program shall—

(A) incorporate appropriate websites maintained by the Administration, the Department of Veterans Affairs, and the Department of Defense; and

(B) require that information on the program is made available to small business concerns directly through—

(i) the district offices and resource partners of the Administration, including small business development centers, women's business centers, and the Service Corps of Retired Executives; and

(ii) other Federal agencies, including the Department of Veterans Affairs and the Department of Defense.

(3) REPORT.—

(A) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, and

every 6 months thereafter until the date that is 30 months after such date of enactment, the Administrator shall submit to Congress a report on the status of the program.

(B) CONTENTS.—Each report submitted under subparagraph (A) shall include—

(i) for the 6-month period ending on the date of that report—

(I) the number of loans approved under section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3));

(II) the number of loans disbursed under that section; and

(III) the total amount disbursed under that section; and

(ii) recommendations, if any, to make the program more effective in serving small business concerns that employ Reservists.

SEC. 4302. RESERVIST LOANS.

(a) IN GENERAL.—Section 7(b)(3)(E) of the Small Business Act (15 U.S.C. 636(b)(3)(E)) is amended by striking ''$1,500,000'' each place such term appears and inserting ''$2,000,000''.

(b) LOAN INFORMATION.—

(1) IN GENERAL.—The Administrator and the Secretary of Defense shall develop a joint website and printed materials providing information regarding any program for small business concerns that is available to veterans or Reservists.

(2) MARKETING.—The Administrator is authorized—

(A) to advertise and promote the program under section 7(b)(3) of the Small Business Act jointly with the Secretary of Defense and veterans' service organizations; and

(B) to advertise and promote participation by lenders in such program jointly with trade associations for banks or other lending institutions.

SEC. 4303. NONCOLLATERALIZED LOANS.

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)) is amended by adding at the end the following:

''(G)(i) Notwithstanding any other provision of law, the Administrator may make a loan under this paragraph of not more than $50,000 without collateral.

''(ii) The Administrator may defer payment of principal and interest on a loan described in clause (i) during the longer of—

''(I) the 1-year period beginning on the date of the initial disbursement of the loan; and

''(II) the period during which the relevant essential employee is on active duty.''.

SEC. 4304. LOAN PRIORITY.

Section 7(b)(3) of the Small Business Act (15 U.S.C. 636(b)(3)), as amended by this Act, is amended by adding at the end the following:

''(H) The Administrator shall give priority to any application for a loan under this paragraph and shall process and make a determination regarding such applications prior to processing or making a determination on other loan applications under this subsection, on a rolling basis.''.

SEC. 4305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-OWNED SMALL BUSINESSES.

Section 3(q) of the Small Business Act (15 U.S.C. 632(q)) is amended by adding at the end the following:

''(5) RELIEF FROM TIME LIMITATIONS.—

''(A) IN GENERAL.—Any time limitation on any qualification, certification, or period of participation imposed under this Act on any program available to small business concerns shall be extended for a small business concern that—

''(i) is owned and controlled by—

''(I) a veteran who was called or ordered to active duty under a provision of law specified in section 101(a)(13)(B) of title 10, United States Code, on or after September 11, 2001; or

''(II) a service-disabled veteran who became such a veteran due to an injury or illness incurred or aggravated in the active military, naval, or air service during a period of active duty pursuant to a call or order to active duty under a provision of law referred to in subclause (I) on or after September 11, 2001; and

''(ii) was subject to the time limitation during such period of active duty.

''(B) DURATION.—Upon submission of proper documentation to the Administrator, the extension of a time limitation under subparagraph (A) shall be equal to the period of time that such veteran who owned or controlled such a concern was on active duty as described in that subparagraph.''.

SEC. 4306. SERVICE-DISABLED VETERANS.

Not later than 180 days after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report describing—

(1) the types of assistance needed by service-disabled veterans who wish to become entrepreneurs; and

(2) any resources that would assist such service-disabled veterans.

SEC. 4307. STUDY ON OPTIONS FOR PROMOTING POSITIVE WORKING RELATIONS BETWEEN EMPLOYERS AND THEIR RESERVE COMPONENT EMPLOYEES.

(a) STUDY REQUIRED.—The Secretary of Defense shall conduct a study on options for promoting positive working relations between employers and Reserve component employees of such employers, including assessing options for improving the time in which employers of Reservists are notified of the call or order of such members to active duty other than for training.

(b) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall submit to the appropriate committees of Congress a report on the study conducted under subsection (a).

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) provide a quantitative and qualitative assessment of—

(i) what measures, if any, are being taken to inform Reservists of the obligations and responsibilities of such members to their employers;

(ii) how effective such measures have been; and

(iii) whether there are additional measures that could be taken to promote positive working relations between Reservists and their employers, including any steps that could be taken to ensure that employers are timely notified of a call to active duty; and

(B) assess whether there has been a reduction in the hiring of Reservists by business concerns because of—

(i) any increase in the use of Reservists after September 11, 2001; or

(ii) any change in any policy of the Department of Defense relating to Reservists after September 11, 2001.

(c) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—In this section, the term ''appropriate committees of Congress'' means—

(1) the Committee on Armed Services and the Committee on Small Business and Entrepreneurship of the Senate; and

(2) the Committee on Armed Services and the Committee on Small Business of the House of Representatives.

SA 2324. Mr. HAGEL (for himself and Mr. BYRD) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title X, add the following:

SEC. 1031. SYNTHETIC FUEL TECHNOLOGIES.

(a) FINDINGS.—Congress makes the following findings:

(1) Synthetic fuel technologies are mature, known technologies that are used around the world.

(2) With sizable coal reserves, the United States is ideally suited for the use of synthetic fuel technologies to produce alternatives for petroleum products.

(3) It is in the best interest of the national security of the United States to develop and commercialize a synthetic fuels industry.

(b) DEPARTMENT OF DEFENSE REQUIREMENTS FOR UTILIZATION OF SYNTHETIC FUEL.—

(1) IN GENERAL.—Subchapter II of chapter 134 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2263. Fuel: minimum requirements for utilization of synthetic fuel

''(a) IN GENERAL.—Of the total amount of fuel utilized by the Department of Defense in a calendar year, the percentage of such fuel that is synthetic fuel shall be the percentage as follows:

''(1) In the first applicable utilization year, 5 percent.

''(2) Except as provided in subsection (c), in any year after the first applicable utilization year, a percentage that is 5 greater than the percentage of utilization in the preceding year under this section.

''(b) FIRST APPLICABLE UTILIZATION YEAR.—For purposes of subsection (a)(1), the first applicable utilization year for synthetic fuel shall be the earlier of the following:

''(1) The first calendar year after the Secretary Defense certifies to Congress that at least 50 percent of the aircraft fleet of the Department has the proven capability to utilize synthetic fuel without—

''(A) any adverse effect on the aircraft engines of such fleet;

''(B) any adverse effect on the overall performance of the aircraft; and

''(C) any adverse effect on health and safety of the aircrew, passengers, and maintenance crew.

''(2) 2017.

''(c) EXCEPTION.—If as of December 31 of any year in which subsection (a) is in effect the average price of crude petroleum (as determined by the Secretary of Energy in 2007 constant dollars) is less then $40 per barrel, paragraph (2) of that subsection shall not be operative in the succeeding year.

''(d) MAXIMUM PERCENTAGE.—(1) The maximum percentage of the fuel utilized by the Department that is required by this section to be synthetic fuel is 50 percent.

''(2) Nothing in paragraph (1) shall be construed to limit the percentage of fuel utilized by the Department that is synthetic fuel.

''(e) SYNTHETIC FUEL DEFINED.—In this section, the term 'synthetic fuel' means the following:

''(1) A fuel made using the Fischer-Tropche process.

''(2)(A) Subject to subparagraph (B), a fuel made using any of the following feedstocks:

''(i) Coal.

''(ii) Natural gas.

''(iii) Petcoke.

''(iv) Biomass.

''(B) A fuel made using a feedstock referred to in clauses (ii) through (iv) is a synthetic

fuel only if the British thermal unit (Btu)content per gallon of the fuel so made is equal to or greater than the British thermal unit content per gallon of synthetic fuel made using coal as a feedstock.

''(3) Any other fuel jointly specified by the Secretary of Defense and the Secretary of Energy for purposes of this section but only if the British thermal unit content per gallon of the fuel so specified is equal to or greater than the British thermal unit content per gallon of synthetic fuel made using coal as a feedstock in a Fischer-Tropche process.''.

(2) CLERICAL AMENDMENT.—The table of section at the beginning of subchapter II of such chapter is amended by adding at the end the following new item:

''2263. Fuel: minimum requirements for utilization of synthetic fuel.''.

(c) COMMERCIAL AIRCRAFT STUDY.—

(1) IN GENERAL.—The Secretary of Defense shall, in consultation with the Secretary of Energy and the Administrator of the Federal Aviation Administration, conduct a study on aircraft engines and airframes for non-fighter aircraft, including commercial aircraft, to determine the quantity of fuel produced using synthetic fuel technology that may be used without compromising health, safety, or longevity of such engines and airframes, including an analysis of any environmental benefits from using the fuel.

(2) REPORT.—Not later than 180 days after the date of the completion of the study under paragraph (1), the Secretary of Defense shall submit to Congress a report that describes—

(A) the results of the study; and

(B) any recommendations of the Secretary of Defense.

(d) SYNTHETIC FUEL DEFINED.—In this section, the term ''synthetic fuel'' has the meaning given that term in section 2263(e) of title 10, United States Code (as added by subsection (b)).

SA 2325. Mr. BAUCUS (for himself and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title X, add the following:

SEC. 1031. LIMITATIONS ON REMOVAL OF MISSILES FROM THE 564TH MISSILE SQUADRON.

Not more than 40 missiles may be removed from the 564th Missile Squadron until the later of the following dates:

(1) The date of the submittal to Congress of a report by the Department of Defense that identifies additional missions (including additional missions for any of the Armed Forces) that could be located at Malmstrom Air Force Base, Montana.

(2) December 31, 2008.

SA 2326. Mr. CARDIN (for himself, Mr. BIDEN, Mr. STEVENS, Mr. BAYH, Mrs. CLINTON, Ms. MIKULSKI, Ms. MURKOWSKI, Mr. KERRY, Mr. VITTER, Mr. ISAKSON, Mr. LAUTENBERG, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill H.R. 1585, to authorize appropriations for fiscal year 2008 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle E of title X, add the following:

SEC. 1070. GRANT OF FEDERAL CHARTER TO KOREAN WAR VETERANS ASSOCIATION, INCORPORATED.

(a) GRANT OF CHARTER.—Part B of subtitle II of title 36, United States Code, is amended—

(1) by striking the following:

''CHAPTER 1201—[RESERVED]'';

and

(2) by inserting after chapter 1103 the following new chapter:

''CHAPTER 1201—KOREAN WAR VETERANS ASSOCIATION, INCORPORATED

''§ 120101. Organization

''(a) FEDERAL CHARTER.—Korean War Veterans Association, Incorporated (in this chapter, the 'corporation'), a nonprofit organization that meets the requirements for a veterans service organization under section 501(c)(19) of the Internal Revenue Code of 1986 and that is organized under the laws of the State of New York, is a federally chartered corporation.

''(b) EXPIRATION OF CHARTER.—If the corporation does not comply with the provisions of this chapter, the charter granted by subsection (a) shall expire.

''§ 120102. Purposes

''The purposes of the corporation are those provided in the articles of incorporation of the corporation and shall include the following:

''(1) To organize as a veterans service organization in order to maintain a continuing interest in the welfare of veterans of the Korean War, and rehabilitation of the disabled veterans of the Korean War to include all that served during active hostilities and subsequently in defense of the Republic of Korea, and their families.

''(2) To establish facilities for the assistance of all veterans and to represent them in their claims before the Department of Veterans Affairs and other organizations without charge.

''(3) To perpetuate and preserve the comradeship and friendships born on the field of battle and nurtured by the common experience of service to the United States during the time of war and peace.

''(4) To honor the memory of the men and women who gave their lives so that the United States and the world might be free and live by the creation of living memorial, monuments, and other forms of additional educational, cultural, and recreational facilities.

''(5) To preserve for the people of the United States and posterity of such people the great and basic truths and enduring principles upon which the United States was founded.

''§ 120103. Membership

''Eligibility for membership in the corporation, and the rights and privileges of members of the corporation, are as provided in the bylaws of the corporation.

''§ 120104. Governing body

''(a) BOARD OF DIRECTORS.—The composition of the board of directors of the corporation, and the responsibilities of the board, are as provided in the articles of incorporation of the corporation.

''(b) OFFICERS.—The positions of officers of the corporation, and the election of the officers, are as provided in the articles of incorporation.

''§ 120105. Powers

''The corporation has only those powers provided in its bylaws and articles of incorporation filed in each State in which it is incorporated.

''§ 120106. Restrictions

''(a) STOCK AND DIVIDENDS.—The corporation may not issue stock or declare or pay a dividend.

''(b) POLITICAL ACTIVITIES.—The corporation, or a director or officer of the corporation as such, may not contribute to, support, or participate in any political activity or in any manner attempt to influence legislation.

''(c) LOAN.—The corporation may not make a loan to a director, officer, or employee of the corporation.

''(d) CLAIM OF GOVERNMENTAL APPROVAL OR AUTHORITY.—The corporation may not claim congressional approval, or the authority of the United States, for any activity of the corporation.

''(e) CORPORATE STATUS.—The corporation shall maintain its status as a corporation incorporated under the laws of the State of New York.

''§ 120107. Tax-exempt status required as condition of charter

''If the corporation fails to maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986, the charter granted under this chapter shall terminate.

''§ 120108. Records and inspection

''(a) RECORDS.—The corporation shall keep—

''(1) correct and complete records of account;

''(2) minutes of the proceedings of the members, board of directors, and committees of the corporation having any of the authority of the board of directors of the corporation; and

''(3) at the principal office of the corporation, a record of the names and addresses of the members of the corporation entitled to vote on matters relating to the corporation.

''(b) INSPECTION.—A member entitled to vote on any matter relating to the corporation, or an agent or attorney of the member, may inspect the records of the corporation for any proper purpose, at any reasonable time.

''§ 120109. Service of process

''The corporation shall have a designated agent in the District of Columbia to receive service of process for the corporation. Notice to or service on the agent is notice to or service on the corporation.

''§ 120110. Liability for acts of officers and agents

''The corporation is liable for any act of any officer or agent of the corporation acting within the scope of the authority of the corporation.

''§ 120111. Annual report

''The corporation shall submit to Congress an annual report on the activities of the corporation during the preceding fiscal year.

The report shall be submitted at the same time as the report of the audit required by section 10101(b) of this title. The report may not be printed as a public document.

''§ 120112. Definition

''For purposes of this chapter, the term 'State' includes the District of Columbia and the territories and possessions of the United States.''.

(b) CLERICAL AMENDMENT.—The item relating to chapter 1201 in the table of chapters at the beginning of subtitle II of title 36, United States Code, is amended to read as follows:

''1201. Korean War Veterans Association, Incorporated ..... 120101''.

SA 2327. Mr. KENNEDY proposed an amendment to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''Higher Education Access Act of 2007''.

(b) REFERENCES.—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 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

TITLE I—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SEC. 101. TUITION SENSITIVITY.

(a) AMENDMENT.—Section 401(b) (20 U.S.C. 1070a(b)) is amended by striking paragraph (3).

(b) AUTHORIZATION AND APPROPRIATION OF FUNDS.—There is authorized to be appropriated, and there is appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out the amendment made by subsection (a), $5,000,000 for fiscal year 2008.

SEC. 102. PROMISE GRANTS.

(a) AMENDMENT.—Subpart 1 of part A of title IV (20 U.S.C. 1070a et seq.) is amended by adding at the end the following:

''SEC. 401B. PROMISE GRANTS.

''(a) GRANTS.—

''(1) IN GENERAL.—From amounts appropriated under subsection (e) for a fiscal year and subject to subsection (b), the Secretary shall award grants to students in the same manner as the Secretary awards Federal Pell Grants to students under section 401, except that—

''(A) at the beginning of each award year, the Secretary shall establish a maximum and minimum award level based on amounts made available under subsection (e);

''(B) the Secretary shall only award grants under this section to students eligible for a Federal Pell Grant for the award year; and

''(C) when determining eligibility for the awards under this section, the Secretary shall consider only those students who submitted a Free Application for Federal Student Aid or other common reporting form under section 483 as of July 1 of the award year for which the determination is made.

''(2) STUDENTS WITH THE GREATEST NEED.—The Secretary shall ensure grants are awarded under this section to students with the greatest need as determined in accordance with section 471.

''(b) COST OF ATTENDANCE LIMITATION.—A grant awarded under this section for an award year shall be awarded in an amount that does not exceed—

''(1) the student's cost of attendance for the award year; less

''(2) an amount equal to the sum of—

''(A) the expected family contribution for the student for the award year; and

''(B) any Federal Pell Grant award received by the student for the award year.

''(c) SUPPLEMENT NOT SUPPLANT.—Grants awarded from funds made available under subsection (e) shall be used to supplement, and not supplant, other Federal, State, or institutional grant funds.

''(d) USE OF EXCESS FUNDS.—

''(1) FIFTEEN PERCENT OR LESS.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by 15 percent or less, then all of the excess funds shall remain available for making grant payments under this section during the next succeeding fiscal year.

''(2) MORE THAN FIFTEEN PERCENT.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by more than 15 percent, then all of such funds shall remain available for making such grant payments but grant payments may be made under this paragraph only with respect to awards for that fiscal year.

''(e) AUTHORIZATION AND APPROPRIATION OF FUNDS.—

''(1) IN GENERAL.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section—

''(A) $2,620,000,000 for fiscal year 2008;

''(B) $3,040,000,000 for fiscal year 2009;

''(C) $3,460,000,000 for fiscal year 2010;

''(D) $3,900,000,000 for fiscal year 2011;

''(E) $4,020,000,000 for fiscal year 2012;

''(F) $10,000,000 for fiscal year 2013; and

''(G) $3,200,000,000 for each of the fiscal years 2014 through 2017.

''(2) AVAILABILITY OF FUNDS.—Funds appropriated under paragraph (1) for a fiscal year shall remain available through the last day of the fiscal year immediately succeeding the fiscal year for which the funds are appropriated.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on July 1, 2008.

TITLE II—STUDENT LOAN BENEFITS, TERMS, AND CONDITIONS

SEC. 201. DEFERMENTS.

(a) FISL.—Section 427(a)(2)(C)(iii) (20 U.S.C. 1077(a)(2)(C)(iii)) is amended by striking ''3 years'' and inserting ''6 years''.

(b) INTEREST SUBSIDIES.—Section 428(b)(1)(M)(iv) (20 U.S.C. 1078(b)(1)(M)(iv)) is amended by striking ''3 years'' and inserting ''6 years''.

(c) DIRECT LOANS.—Section 455(f)(2)(D) (20 U.S.C. 1087e(f)(2)(D)) is amended by striking ''3 years'' and inserting ''6 years''.

(d) PERKINS.—Section 464(c)(2)(A)(iv) (20 U.S.C. 1087dd(c)(2)(A)(iv)) is amended by striking ''3 years'' and inserting ''6 years''.

(e) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on July 1, 2008, and shall only apply with respect to the loans made to a borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

SEC. 202. STUDENT LOAN DEFERMENT FOR CERTAIN MEMBERS OF THE ARMED FORCES.

(a) FEDERAL FAMILY EDUCATION LOANS.—Section 428(b)(1)(M)(iii) (20 U.S.C. 1078(b)(1)(M)(iii)) is amended—

(1) in the matter preceding subclause (I), by striking ''not in excess of 3 years'';

(2) in subclause (II), by striking ''; or'' and inserting a comma; and

(3) by adding at the end the following:

''and for the 180-day period following the demobilization date for the service described in subclause (I) or (II); or''.

(b) DIRECT LOANS.—Section 455(f)(2)(C) (20 U.S.C. 1087e(f)(2)(C)) is amended—

(1) in the matter preceding clause (i), by striking ''not in excess of 3 years'';

(2) in clause (ii), by striking ''; or'' and inserting a comma; and

(3) by adding at the end the following:

''and for the 180-day period following the demobilization date for the service described in clause (i) or (ii); or''.

(c) PERKINS LOANS.—Section 464(c)(2)(A)(iii) (20 U.S.C. 1087dd(c)(2)(A)(iii)) is amended—

(1) in the matter preceding subclause (I), by striking ''not in excess of 3 years'';

(2) in subclause (II), by striking the semicolon and inserting a comma; and

(3) by adding at the end the following:

''and for the 180-day period following the demobilization date for the service described in subclause (I) or (II);''.

(d) APPLICABILITY.—Section 8007(f) of the Higher Education Reconciliation Act of 2005 (20 U.S.C. 1078 note) is amended by striking ''loans for which'' and all that follows through the period at the end and inserting ''all loans under title IV of the Higher Education Act of 1965.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2008.

SEC. 203. INCOME-BASED REPAYMENT PLANS.

(a) FFEL.—Section 428 (as amended by sections 201(b) and 202(a)) (20 U.S.C. 1078) is further amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (D), by striking ''income contingent'' and inserting ''income-based''; and

(ii) in subparagraph (E)(i), by striking ''income-sensitive'' and inserting ''income-based''; and

(B) by striking clause (iii) of paragraph (9)(A) and inserting the following:

''(iii) an income-based repayment plan, with parallel terms, conditions, and benefits as the income-based repayment plan described in subsections (e) and (d)(1)(D) of section 455, except that—

''(I) the plan described in this clause shall not be available to a borrower of an excepted PLUS loan (as defined in section 455(e)(10)) or of a loan made under 428C that includes an excepted PLUS loan;

''(II) in lieu of the process of obtaining Federal income tax returns and information from the Internal Revenue Service, as described in section 455(e)(1), the borrower shall provide the lender with a copy of the Federal income tax return and return information for the borrower (and, if applicable, the borrower's spouse) for the purposes described in section 455(e)(1), and the lender shall determine the repayment obligation on the loan, in accordance with the procedures developed by the Secretary;

''(III) in lieu of the requirements of section 455(e)(3), in the case of a borrower who chooses to repay a loan made, insured, or guaranteed under this part pursuant to income-based repayment and for whom the adjusted gross income is unavailable or does not reasonably reflect the borrower's current income, the borrower shall provide the lender with other documentation of income that the Secretary has determined is satisfactory for similar borrowers of loans made under part D;

''(IV) the Secretary shall pay any interest due and not paid for under the repayment schedule described in section 455(e)(4) for a loan made, insured, or guaranteed under this part in the same manner as the Secretary pays any such interest under section 455(e)(6) for a Federal Direct Stafford Loan;

''(V) the Secretary shall assume the obligation to repay an outstanding balance of principal and interest due on all loans made, insured, or guaranteed under this part (other than an excepted PLUS Loan or a loan under section 428C that includes an excepted PLUS loan), for a borrower who satisfies the requirements of subparagraphs (A) and (B) of section 455(e)(7), in the same manner as the Secretary cancels such outstanding balance under section 455(e)(7); and

''(VI) in lieu of the notification requirements under section 455(e)(8), the lender shall notify a borrower of a loan made, insured, or guaranteed under this part who chooses to repay such loan pursuant to income-based repayment of the terms and conditions of such plan, in accordance with the procedures established by the Secretary, including notification that—

''(aa) the borrower shall be responsible for providing the lender with the information necessary for documentation of the borrower's income, including income information for the borrower's spouse (as applicable); and

''(bb) if the borrower considers that special circumstances warrant an adjustment, as described in section 455(e)(8)(B), the borrower may contact the lender, and the lender shall determine whether such adjustment is appropriate, in accordance with the criteria established by the Secretary; and'';

(2) in subsection (e)—

(A) in the subsection heading, by striking ''INCOME-SENSITIVE'' and inserting ''INCOME-BASED'';

(B) in paragraph (1)—

(i) by striking ''income-sensitive repayment'' and inserting ''income-based repayment''; and

(ii) by inserting ''and for the public service loan forgiveness program under section 455(m), in accordance with section 428C(b)(5)'' before the semicolon; and

(C) in paragraphs (2) and (3), by striking ''income-sensitive'' each place the term occurs and inserting ''income-based''; and

(3) in subsection (m)—

(A) in the subsection heading, by striking ''INCOME CONTINGENT'' and inserting ''INCOME-BASED'';

(B) in paragraph (1), by striking ''income contingent repayment plan'' and all that follows through the period at the end and inserting ''income-based repayment plan as described in subsection (b)(9)(A)(iii) and section 455(d)(1)(D).''; and

(C) in the paragraph heading of paragraph (2), by striking ''INCOME CONTINGENT'' and inserting ''INCOME-BASED''.

(b) CONSOLIDATION LOANS.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(B)(i)(V), by striking ''for the purposes of obtaining an income contingent repayment plan,'' and inserting ''for the purpose of using the public service loan forgiveness program under section 455(m),'';

(2) in subsection (b)(5)—

(A) in the first sentence, by striking '', or is unable to obtain a consolidation loan with income-sensitive repayment terms acceptable to the borrower from such a lender,'' and inserting '', or chooses to obtain a consolidation loan for the purposes of using the public service loan forgiveness program offered under section 455(m),''; and

(B) in the second sentence, by striking ''income contingent repayment under part D of this title'' and inserting ''income-based repayment''; and

(3) in subsection (c)—

(A) in paragraph (2)(A)—

(i) in the first sentence, by striking ''of graduated or income-sensitive repayment schedules, established by the lender in accordance with the regulations of the Secretary.'' and inserting ''of graduated repayment schedules, established by the lender in accordance with the regulations of the Secretary, and income-based repayment schedules, established pursuant to regulations by the Secretary.''; and

(ii) in the second sentence, by striking ''Except as required'' and all that follows through ''subsection (b)(5),'' and inserting ''Except as required by such income-based repayment schedules,''; and

(B) in paragraph (3)(B), by striking ''income contingent repayment offered by the Secretary under subsection (b)(5)'' and inserting ''income-based repayment''.

(c) DIRECT LOANS.—Section 455 (as amended by sections 201(c) and 202(b)) (20 U.S.C. 1087e) is further amended—

(1) in subsection (d)—

(A) in paragraph (1)(D)—

(i) by striking ''income contingent repayment plan'' and inserting ''income-based repayment plan''; and

(ii) by striking ''a Federal Direct PLUS loan'' and inserting ''an excepted PLUS loan or any Federal Direct Consolidation Loan that includes an excepted PLUS loan (as defined in subsection (e)(10))''; and

(B) in paragraph (5)(B), by striking ''income contingent'' and inserting ''income-based''; and

(2) in subsection (e)—

(A) in the subsection heading, by striking ''INCOME CONTINGENT'' and inserting ''INCOME-BASED'';

(B) in paragraphs (1), (2), and (3), by striking ''income contingent'' each place the term appears and inserting ''income-based'';

(C) in paragraph (4)—

(i) by striking ''Income contingent'' and inserting ''Income-based''; and

(ii) by striking ''Secretary.'' and inserting ''Secretary, except that the monthly required payment under such schedule shall not exceed 15 percent of the result obtained by calculating the amount by which—

''(A) the borrower's adjusted gross income; exceeds

''(B) 150 percent of the poverty line applicable to the borrower's family size, as determined under section 673(2) of the Community Service Block Grant Act,

divided by 12.'';

(D) in paragraph (5), by striking ''income contingent'' and inserting ''income-based'';

(E) by redesignating paragraph (6) as paragraph (8);

(F) by inserting after paragraph (5) the following:

''(6) TREATMENT OF INTEREST.—In the case of a Federal Direct Stafford Loan, any interest due and not paid for under paragraph (2) shall be paid by the Secretary.

''(7) LOAN FORGIVENESS.—The Secretary shall cancel the obligation to repay an outstanding balance of principal and interest due on all loans made under this part, or assume the obligation to repay an outstanding balance of principal and interest due on all loans made, insured, or guaranteed under part B, (other than an excepted PLUS Loan, or any Federal Direct Consolidation Loan or loan under section 428C that includes an excepted PLUS loan) to a borrower who—

''(A) makes the election under this subsection or under section 428(b)(9)(A)(iii); and

''(B) for a period of time prescribed by the Secretary not to exceed 25 years (including any period during which the borrower is in deferment due to an economic hardship described in section 435(o)), meets 1 of the following requirements with respect to each payment made during such period:

''(i) Has made the payment under this subsection or section 428(b)(9)(A)(iii).

''(ii) Has made the payment under a standard repayment plan under section 428(b)(9)(A)(i) or 455(d)(1)(A).

''(iii) Has made a payment that counted toward the maximum repayment period under income-sensitive repayment under section 428(b)(9)(A)(iii) or income contingent repayment under section 455(d)(1)(D), as each such section was in effect on June 30, 2008.

''(iv) Has made a reduced payment of not less than the amount required under subsection (e), pursuant to a forbearance agreement under section 428(c)(3)(A)(i) for a borrower described in 428(c)(3)(A)(i)(II).'';

(G) in the matter preceding subparagraph (A) of paragraph (8) (as redesignated by subparagraph (E)), by striking ''income contingent'' and inserting ''income-based''; and

(H) by adding at the end the following:

''(9) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income-based repayment may choose, at any time, to terminate repayment pursuant to income-based repayment and repay such loan under the standard repayment plan.

''(10) DEFINITION OF EXCEPTED PLUS LOAN.—In this subsection, the term 'excepted PLUS loan' means a Federal Direct PLUS loan or a loan under section 428B that is made, insured, or guaranteed on behalf of a dependent student.''.

(d) CONFORMING AMENDMENTS AND TECHNICAL CORRECTIONS.—The Act (20 U.S.C. 1001 et seq.) is further amended—

(1) in section 427(a)(2)(H) (20 U.S.C. 1077(a)(2)(H))—

(A) by striking ''or income-sensitive''; and

(B) by inserting ''or income-based repayment schedule established pursuant to regulations by the Secretary'' before the semicolon at the end; and

(2) in section 455(d)(1)(C) (20 U.S.C. 1087e(d)(1)(C)), by striking ''428(b)(9)(A)(v)'' and inserting ''428(b)(9)(A)(iv)''.

(e) TRANSITION PROVISION.—A student who, as of June 30, 2008, elects to repay a loan under part B or part D of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq.) through an income-sensitive repayment plan under section 428(b)(9)(A)(iii) of such Act (20 U.S.C. 1078(b)(9)(A)(iii)) or an income contingent repayment plan under section 455(d)(1)(D) of such Act (20 U.S.C. 1087e(d)(1)(D)) (as each such section was in effect on the day before the date of enactment of this Act) shall have the option to continue repayment under such section (as such section was in effect on such day), or may elect, beginning on July 1, 2008, to use the income-based repayment plan under section 428(b)(9)(A)(iii) or 455(d)(1)(D) (as applicable) of the Higher Education Act of 1965, as amended by this section.

(f) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on July 1, 2008, and shall only apply with respect to a borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

TITLE III—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 301. REDUCTION OF LENDER INSURANCE PERCENTAGE.

(a) AMENDMENT.—Section 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended—

(1) in the matter preceding clause (i), by striking ''insures 98 percent'' and inserting ''insures 97 percent'';

(2) in clause (i), by inserting ''and'' after the semicolon;

(3) by striking clause (ii); and

(4) by redesignating clause (iii) as clause (ii).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to loans made on or after October 1, 2007.

SEC. 302. GUARANTY AGENCY COLLECTION RETENTION.

Clause (ii) of section 428(c)(6)(A) (20 U.S.C. 1078(c)(6)(A)(ii)) is amended to read as follows:

''(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

''(I) beginning October 1, 2003 and ending September 30, 2007, this subparagraph shall be applied by substituting '23 percent' for '24 percent'; and

''(II) beginning October 1, 2007, this subparagraph shall be applied by substituting '16 percent' for '24 percent'.''.

SEC. 303. ELIMINATION OF EXCEPTIONAL PERFORMER STATUS FOR LENDERS.

(a) ELIMINATION OF STATUS.—Part B of title IV (20 U.S.C. 1071 et seq.) is amended by striking section 428I (20 U.S.C. 1078–9).

(b) CONFORMING AMENDMENTS.—Part B of title IV is further amended—

(1) in section 428(c)(1) (20 U.S.C. 1078(c)(1))—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) through (H) as subparagraphs (D) through (G), respectively; and

(2) in section 438(b)(5) (20 U.S.C. 1087–1(b)(5)), by striking the matter following subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2007, except that section 428I of the Higher Education Act of 1965 (as in effect on the day before the date of enactment of this Act) shall apply to eligible lenders that received a designation under subsection (a) of such section prior to October 1, 2007, for the remainder of the year for which the designation was made.

SEC. 304. DEFINITIONS.

(a) AMENDMENTS.—Section 435 (20 U.S.C. 1085) is amended—

(1) in subsection (o)(1)—

(A) in subparagraph (A)(ii), by striking ''100 percent of the poverty line for a family of 2'' and inserting ''150 percent of the poverty line applicable to the borrower's family size''; and

(B) in subparagraph (B)(ii), by striking ''to a family of two'' and inserting ''to the borrower's family size''; and

(2) by adding at the end the following:

''(p) ELIGIBLE NOT-FOR-PROFIT HOLDER.—

''(1) DEFINITION OF ELIGIBLE NOT-FOR-PROFIT HOLDER.—The term 'eligible not-for-profit holder' means an eligible lender under subsection (d) (except for an eligible lender described in subsection (d)(1)(E)) that requests a special allowance payment under section 438(b)(2)(I)(vi)(II) and that is—

''(A) a State of the United States, or a political subdivision thereof, or an authority, agency, or other instrumentality thereof (including such entities that are eligible to issue bonds described in section 1.103–1 of title 26, Code of Federal Regulations, or section 144(b) of the Internal Revenue Code of 1986);

''(B) an entity described in section 150(d)(2) of such Code that has not made the election described in section 150(d)(3) of such Code;

''(C) an entity described in section 501(c)(3) of such Code; or

''(D) a trustee acting as an eligible lender on behalf of an entity described in subparagraph (A), (B), or (C),

except that no entity described in subparagraph (A), (B), or (C) shall be owned or controlled in whole or in part by a for-profit entity.

''(2) PROHIBITION.—In the case of a loan for which the special allowance payment is calculated under section 438(b)(2)(I)(vi)(II) and that is sold by the eligible not-for-profit holder holding the loan to a for-profit entity or to an entity that is not an eligible not-for-profit holder, the special allowance payment for such loan shall, beginning on the date of the sale, no longer be calculated under section 438(b)(2)(I)(vi)(II) and shall be calculated under section 438(b)(2)(I)(vi)(I) instead.

''(3) REGULATIONS.—Not later than 1 year after the date of enactment of the Higher Education Access Act of 2007, the Secretary shall promulgate regulations in accordance with the provisions of this subsection.''.

(b) APPLICABILITY.—The amendment made by subsection (a)(1) shall only apply with respect to any borrower of a loan under title IV of the Higher Education Act of 1965 who obtained the borrower's first loan under such title prior to October 1, 2012.

SEC. 305. SPECIAL ALLOWANCES.

(a) REDUCTION OF LENDER SPECIAL ALLOWANCE PAYMENTS.—Section 438(b)(2)(I) (20 U.S.C. 1087–1(b)(2)(I)) is amended—

(1) in clause (i), by striking ''(iii), and (iv)'' and inserting ''(iii), (iv), and (vi)''; and

(2) by adding at the end the following:

''(vi) REDUCTION FOR LOANS DISBURSED ON OR AFTER OCTOBER 1, 2007.—With respect to a loan on which the applicable interest rate is determined under section 427A(l) and for which the first disbursement of principal is made on or after October 1, 2007, the special allowance payment computed pursuant to this subparagraph shall be computed—

''(I) for loans held by an eligible lender not described in subclause (II)—

''(aa) by substituting '1.24 percent' for '1.74 percent' in clause (ii);

''(bb) by substituting '1.84 percent' for '2.34 percent' each place the term appears in this subparagraph;

''(cc) by substituting '1.84 percent' for '2.64 percent' in clause (iii); and

''(dd) by substituting '2.14 percent' for '2.64 percent' in clause (iv); and

''(II) for loans held by an eligible not-for-profit holder—

''(aa) by substituting '1.99 percent' for '2.34 percent' each place the term appears in this subparagraph;

''(bb) by substituting '1.39 percent' for '1.74 percent' in clause (ii);

''(cc) by substituting '1.99 percent' for '2.64 percent' in clause (iii); and

''(dd) by substituting '2.29 percent' for '2.64 percent' in clause (iv).''.

(b) INCREASED LOAN FEES FROM LENDERS.—Paragraph (2) of section 438(d) (20 U.S.C. 1087–1(d)(2)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—The amount of the loan fee which shall be deducted under paragraph (1), but which may not be collected from the borrower, shall be equal to 1.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 2007.''.

TITLE IV—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

SEC. 401. LOAN FORGIVENESS FOR PUBLIC SERVICE EMPLOYEES.

Section 455 (as amended by sections 201(c), 202(b), and 203(c)) (20 U.S.C. 1087e) is further amended by adding at the end the following:

''(m) REPAYMENT PLAN FOR PUBLIC SERVICE EMPLOYEES.—

''(1) IN GENERAL.—The Secretary shall cancel the balance of interest and principal due, in accordance with paragraph (2), on any eligible Federal Direct Loan not in default for an eligible borrower who—

''(A) has made 120 monthly payments on the Federal Direct Loan after October 1, 2007, pursuant to any combination of—

''(i) payments under an income-based repayment plan under section 455(d)(1)(D);

''(ii) payments under a standard repayment plan under section 455(d)(1)(A); or

''(iii) monthly payments under a repayment plan under section 455(d)(1) of not less than the monthly amount calculated under section 455(d)(1)(A); and

''(B)(i) is employed in a public service job at the time of such forgiveness; and

''(ii) has been employed in a public service job during the period in which the borrower makes each of the 120 payments described in subparagraph (A).

''(2) LOAN CANCELLATION AMOUNT.—After the conclusion of the employment period described in paragraph (1), the Secretary shall cancel the obligation to repay, for each year during such period described in paragraph (1)(B)(ii) for which the eligible borrower submits documentation to the Secretary that the borrower's annual adjusted gross income or annual earnings were less than or equal to $65,000, 1/10 of the amount of the balance of principal and interest due as of the time of such cancellation, on the eligible Federal Direct Loans made to the borrower under this part.

''(3) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE BORROWER.—The term 'eligible borrower' means a borrower who submits documentation to the Secretary that the borrower's annual adjusted gross income or annual earnings is less than or equal to $65,000.

''(B) ELIGIBLE FEDERAL DIRECT LOAN.—The term 'eligible Federal Direct Loan' means a Federal Direct Stafford Loan, Federal Direct PLUS Loan, Federal Direct Unsubsidized Loan, or a Federal Direct Consolidation Loan if such consolidation loan was obtained by the borrower under section 428C(b)(5) or in accordance with section 428C(a)(3)(B)(i)(V).

''(C) PUBLIC SERVICE JOB.—In this paragraph, the term 'public service job' means—

''(i) a full-time job in public emergency management, government, public safety, public law enforcement, public health, public education, public early childhood education, public child care, social work in a public child or family service agency, public services for individuals with disabilities, public services for the elderly, public interest legal services (including prosecution or public defense), public library sciences, public school library sciences, or other public school-based services; or

''(ii) teaching as a full-time faculty member at a Tribal College or University as defined in section 316(b).''.

SEC. 402. UNIT COST CALCULATION FOR GUARANTY AGENCY ACCOUNT MAINTENANCE FEES.

Section 458(b) (20 U.S.C. 1087h(b)) is amended—

(1) by striking ''Account'' and inserting the following:

''(1) FOR FISCAL YEARS 2006 AND 2007.—For each of the fiscal years 2006 and 2007, account''; and

(2) by adding at the end the following:

''(2) FOR FISCAL YEAR 2008 AND SUCCEEDING FISCAL YEARS.—

''(A) IN GENERAL.—For fiscal year 2008 and each succeeding fiscal year, the Secretary shall calculate the account maintenance fees payable to guaranty agencies under subsection (a)(3), on a per-loan cost basis in accordance with subparagraph (B).

''(B) AMOUNT DETERMINATION.—To determine the amount that shall be paid under subsection (a)(3) per outstanding loan guaranteed by a guaranty agency for fiscal year 2008 and succeeding fiscal years, the Secretary shall—

''(i) establish the per-loan cost basis amount by dividing the total amount of account maintenance fees paid under subsection (a)(3) for fiscal year 2006 by the number of loans under part B that were outstanding for that fiscal year; and

''(ii) for subsequent fiscal years, adjust the amount determined under clause (i) as the Secretary determines necessary to account for inflation.''.

TITLE V—FEDERAL PERKINS LOANS

SEC. 501. DISTRIBUTION OF LATE COLLECTIONS.

Section 466(b) (20 U.S.C. 1087ff(b)) is amended by striking ''March 31, 2012'' and inserting ''September 30, 2012''.

TITLE VI—NEED ANALYSIS

SEC. 601. SUPPORT FOR WORKING STUDENTS.

(a) DEPENDENT STUDENTS.—Subparagraph (D) of section 475(g)(2) (20 U.S.C. 1087oo(g)(2)(D)) is amended to read as follows:

''(D) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478):

''(i) for academic year 2009–2010, $3,750;

''(ii) for academic year 2010–2011, $4,500;

''(iii) for academic year 2011–2012, $5,250; and

''(iv) for academic year 2012–2013, $6,000;''.

(b) INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.—Clause (iv) of section 476(b)(1)(A) (20 U.S.C. 1087pp(b)(1)(A)(iv)) is amended to read as follows:

''(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 478):

''(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2)—

''(aa) for academic year 2009–2010, $7,000;

''(bb) for academic year 2010–2011, $7,780;

''(cc) for academic year 2011–2012, $8,550; and

''(dd) for academic year 2012–2013, $9,330; and

''(II) for married students where 1 is enrolled pursuant to subsection (a)(2)—

''(aa) for academic year 2009–2010, $11,220;

''(bb) for academic year 2010–2011, $12,460;

''(cc) for academic year 2011–2012, $13,710; and

''(dd) for academic year 2012–2013, $14,960;''.

(c) INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.—Paragraph (4) of section 477(b) (20 U.S.C. 1087qq(b)(4)) is amended to read as follows:

''(4) INCOME PROTECTION ALLOWANCE.—The income protection allowance is determined by the tables described in subparagraphs (A) through (D) (or a successor table prescribed by the Secretary under section 478).

''(A) ACADEMIC YEAR 2009–2010.—For academic year 2009–2010, the income protection allowance is determined by the following table:

''Income Protection Allowance

Family Size	Number in College				
	1	2	3	4	5
2	$17,720	$14,690			
3	22,060	19,050	$16,020		
4	27,250	24,220	21,210	$18,170	
5	32,150	29,120	26,100	23,070	$20,060
6	37,600	34,570	31,570	28,520	25,520

NOTE: For each additional family member, add $4,240. For each additional college student, subtract $3,020.

''(B) ACADEMIC YEAR 2010–2011.—For academic year 2010–2011, the income protection allowance is determined by the following table:

''Income Protection Allowance

Family Size	Number in College				
	1	2	3	4	5
2	$19,690	$16,330			
3	24,510	21,160	$17,800		
4	30,280	26,910	23,560	$20,190	
5	35,730	32,350	29,000	25,640	$22,290
6	41,780	38,410	35,080	31,690	28,350

NOTE: For each additional family member, add $4,710. For each additional college student, subtract $3,350.

''(C) ACADEMIC YEAR 2011–2012.—For academic year 2011–2012, the income protection allowance is determined by the following table:

''Income Protection Allowance

Family Size	Number in College				
	1	2	3	4	5
2	$21,660	$17,960			
3	26,960	23,280	$19,580		
4	33,300	29,600	25,920	$22,210	
5	39,300	35,590	31,900	28,200	$24,520
6	45,950	42,250	38,580	34,860	31,190

NOTE: For each additional family member, add $5,180. For each additional college student, subtract $3,690.

''(D) ACADEMIC YEAR 2012–2013.—For academic year 2012–2013, the income protection allowance is determined by the following table:

''Income Protection Allowance

Family Size	Number in College				
	1	2	3	4	5
2	$23,630	$19,590			
3	29,420	25,400	$21,360		
4	36,330	32,300	28,280	$24,230	
5	42,870	38,820	34,800	30,770	$26,750
6	50,130	46,100	42,090	38,030	34,020

NOTE: For each additional family member, add $5,660. For each additional college student, subtract $4,020.''.

(d) UPDATED TABLES AND AMOUNTS.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) REVISED TABLES.—

''(A) IN GENERAL.—For each academic year after academic year 2008–2009, the Secretary shall publish in the Federal Register a revised table of income protection allowances for the purpose of such sections, subject to subparagraphs (B) and (C).

''(B) TABLE FOR INDEPENDENT STUDENTS.—

''(i) ACADEMIC YEARS 2009–2010 THROUGH 2012–2013.—For each of the academic years 2009–2010 through 2012–2013, the Secretary shall not develop a revised table of income protection allowances under section 477(b)(4) and

the table specified for such academic year under subparagraphs (A) through (D) of such section shall apply.

''(ii) OTHER ACADEMIC YEARS.—For each academic year after academic year 2012–2013, the Secretary shall develop the revised table of income protection allowances by increasing each of the dollar amounts contained in the table of income protection allowances under section 477(b)(4)(D) by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2011 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.

''(C) TABLE FOR PARENTS.—For each academic year after academic year 2008–2009, the Secretary shall develop the revised table of income protection allowances under section 475(c)(4) by increasing each of the dollar amounts contained in the table by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1992 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.''; and

(2) in paragraph (2), by striking ''shall be developed'' and all that follows through the period at the end and inserting ''shall be developed for each academic year after academic year 2012–2013, by increasing each of the dollar amounts contained in such section for academic year 2012–2013 by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2011 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2009.

SEC. 602. AUTOMATIC ZERO IMPROVEMENTS.

(a) IN GENERAL.—Section 479(c) (20 U.S.C. 1087ss(c)) is amended—

(1) in paragraph (1)(B), by striking ''20,000'' and inserting ''$30,000''; and

(2) in paragraph (2)(B), by striking ''$20,000'' and inserting ''$30,000''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on July 1, 2009.

SEC. 603. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

The third sentence of section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by inserting ''or an independent student'' after ''family member''; and

(2) by inserting ''a change in housing status that results in homelessness (as defined in section 103 of the McKinney-Vento Homeless Assistance Act),'' after ''under section 487,''.

SEC. 604. DEFINITIONS.

(a) IN GENERAL.—Section 480 (20 U.S.C. 1087vv) is amended—

(1) in subsection (a)(2)—

(A) by striking ''and no portion'' and inserting ''no portion''; and

(B) by inserting ''and no distribution from any qualified education benefit described in subsection (f)(3) that is not subject to Federal income tax,'' after ''1986,'';

(2) in subsection (d)—

(A) by redesignating paragraphs (1), (2), (3) through (6), and (7) as subparagraphs (A), (B), (D) through (G), and (I), respectively, and indenting appropriately;

(B) by striking ''INDEPENDENT STUDENT.—The term'' and inserting ''INDEPENDENT STUDENT.—

''(1) DEFINITION.—The term'';

(C) by striking subparagraph (B) (as redesignated by subparagraph (A)) and inserting the following:

''(B) is an orphan, in foster care, or a ward of the court, or was in foster care or a ward of the court until the individual reached the age of 18;

''(C) is an emancipated minor or is in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;'';

(D) in subparagraph (G) (as redesignated by subparagraph (A)), by striking ''or'' after the semicolon;

(E) by inserting after subparagraph (G) (as redesignated by subparagraph (A)) the following:

''(H) has been verified as an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) during the school year in which the application is submitted, by—

''(i) a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;

''(ii) the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director; or

''(iii) the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or''; and

(F) by adding at the end the following:

''(2) SIMPLIFYING THE DEPENDENCY OVERRIDE PROCESS.—A financial aid administrator may make a determination of independence under paragraph (1)(I) based upon a documented determination of independence that was previously made by another financial aid administrator under such paragraph in the same award year.'';

(3) in subsection (e)—

(A) in paragraph (3), by striking ''and'' after the semicolon;

(B) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(5) special combat pay.'';

(4) in subsection (f), by striking paragraph (3) and inserting the following:

''(3) A qualified education benefit shall be considered an asset of—

''(A) the student if the student is an independent student; or

''(B) the parent if the student is a dependent student, regardless of whether the owner of the account is the student or the parent.'';

(5) in subsection (j)—

(A) in paragraph (2), by inserting '', or a distribution that is not includable in gross income under section 529 of such Code, under another prepaid tuition plan offered by a State, or under a Coverdell education savings account under section 530 of such Code,'' after ''1986''; and

(B) by adding at the end the following:

''(4) Notwithstanding paragraph (1), special combat pay shall not be treated as estimated financial assistance for purposes of section 471(3).''; and

(6) by adding at the end the following:

''(n) SPECIAL COMBAT PAY.—The term 'special combat pay' means pay received by a member of the Armed Forces because of exposure to a hazardous situation.''.

SEC. 605. AUTHORIZATION AND APPROPRIATIONS.

There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, $10,000,000 for fiscal year 2008 for the Department of Education to pay the estimated increase in costs in the Federal Pell Grant program under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) resulting from the amendments made by sections 603 and 604 for award year 2007–2008.

TITLE VII—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

SEC. 701. STUDENT ELIGIBILITY.

(a) AMENDMENTS.—Section 484(r) (20 U.S.C. 1091(r)) is amended—

(1) in the table in paragraph (1), by inserting ''while such student is enrolled in an institution of higher education and receiving financial assistance under this title'' after ''of a controlled substance'' each place the term appears;

(2) by redesignating paragraph (3) as paragraph (4); and

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

''(4) INTERACTION WITH FAFSA.—The Secretary shall not require a student to provide information regarding the student's possession or sale of a controlled substance on the Free Application for Federal Student Aid (FAFSA) or any other common financial reporting form described in section 483(a).''.

(b) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, $5,000,000 for fiscal year 2008 for the Department of Education to pay the estimated increase in costs in the Federal Pell Grant program under section 401 of the Higher Education Act of 1965 (20 U.S.C. 1070a) resulting from the amendments made by subsection (a) for award year 2007–2008.

TITLE VIII—MISCELLANEOUS

SEC. 801. COMPETITIVE LOAN AUCTION PILOT PROGRAM.

Title IV (20 U.S.C. 1070 et seq.) is further amended by adding at the end the following:

''PART I—COMPETITIVE LOAN AUCTION PILOT PROGRAM; STATE GRANT PROGRAM

''SEC. 499. COMPETITIVE LOAN AUCTION PILOT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE FEDERAL PLUS LOAN.—The term 'eligible Federal PLUS Loan' means a loan described in section 428B made to a parent of a dependent student.

''(2) ELIGIBLE LENDER.—The term 'eligible lender' has the meaning given the term in section 435.

''(b) PILOT PROGRAM.—The Secretary shall carry out a pilot program under which the Secretary establishes a mechanism for an auction of eligible Federal PLUS Loans in accordance with this subsection. The pilot program shall meet the following requirements:

''(1) PLANNING AND IMPLEMENTATION.—During the period beginning on the date of enactment of this section and ending on June 30, 2009, the Secretary shall plan and implement the pilot program under this subsection.

''(2) ORIGINATION AND DISBURSEMENT; APPLICABILITY OF SECTION 428B.—Beginning on July 1, 2009, the Secretary shall arrange for the origination and disbursement of all eligible Federal PLUS Loans in accordance with the provisions of this subsection and the provisions of section 428B that are not inconsistent with this subsection.

''(3) LOAN ORIGINATION MECHANISM.—The Secretary shall establish a loan origination auction mechanism that meets the following requirements:

''(A) AUCTION.—The Secretary administers an auction under this paragraph for each State under which eligible lenders compete to originate eligible Federal PLUS Loans under this paragraph at all institutions of higher education within the State.

''(B) PREQUALIFICATION PROCESS.—The Secretary establishes a prequalification process for eligible lenders desiring to participate in an auction under this paragraph that contains, at a minimum—

''(i) a set of borrower benefits and servicing requirements each eligible lender shall meet in order to participate in such an auction; and

''(ii) an assessment of each such eligible lender's capacity, including capital capacity, to participate effectively.

''(C) TIMING AND ORIGINATION.—Each State auction takes place every 2 years, and the eligible lenders with the winning bids for the State are the only eligible lenders permitted to originate eligible Federal PLUS Loans made under this paragraph for the cohort of students at the institutions of higher education within the State until the students graduate from or leave the institutions of higher education.

''(D) BIDS.—Each eligible lender's bid consists of the amount of the special allowance payment (including the recapture of excess interest) the eligible lender proposes to accept from the Secretary with respect to the eligible Federal PLUS Loans made under this paragraph in lieu of the amount determined under section 438(b)(2)(I).

''(E) MAXIMUM BID.—The maximum bid allowable under this paragraph shall not exceed the amount of the special allowance payable on eligible Federal PLUS Loans made under this paragraph computed under section 438(b)(2)(I) (other than clauses (ii), (iii), (iv), and (vi) of such section), except that for purposes of the computation under this subparagraph, section 438(b)(2)(I)(i)(III) shall be applied by substituting '1.74 percent' for '2.34 percent'.

''(F) WINNING BIDS.—The winning bids for each State auction shall be the 2 bids containing the lowest and the second lowest proposed special allowance payments, subject to subparagraph (E).

''(G) AGREEMENT WITH SECRETARY.—Each eligible lender having a winning bid under subparagraph (F) enters into an agreement with the Secretary under which the eligible lender—

''(i) agrees to originate eligible Federal PLUS Loans under this paragraph to each borrower who—

''(I) seeks an eligible Federal PLUS Loan under this paragraph to enable a dependent student to attend an institution of higher education within the State;

''(II) is eligible for an eligible Federal PLUS Loan; and

''(III) elects to borrow from the eligible lender; and

''(ii) agrees to accept a special allowance payment (including the recapture of excess interest) from the Secretary with respect to the eligible Federal PLUS Loans originated under clause (i) in the amount proposed in the second lowest winning bid described in subparagraph (F) for the applicable State auction.

''(H) SEALED BIDS; CONFIDENTIALITY.—All bids are sealed and the Secretary keeps the bids confidential, including following the announcement of the winning bids.

''(I) ELIGIBLE LENDER OF LAST RESORT.—

''(i) IN GENERAL.—In the event that there is no winning bid under subparagraph (F), the students at the institutions of higher education within the State that was the subject of the auction shall be served by an eligible lender of last resort, as determined by the Secretary.

''(ii) DETERMINATION OF ELIGIBLE LENDER OF LAST RESORT.—Prior to the start of any auction under this paragraph, eligible lenders that desire to serve as an eligible lender of last resort shall submit an application to the Secretary at such time and in such manner as the Secretary may determine. Such application shall include an assurance that the eligible lender will meet the prequalification requirements described in subparagraph (B).

''(iii) GEOGRAPHIC LOCATION.—The Secretary shall identify an eligible lender of last resort for each State.

''(iv) NOTIFICATION TIMING.—The Secretary shall not identify any eligible lender of last resort until after the announcement of all the winning bids for a State auction for any year.

''(J) GUARANTEE AGAINST LOSSES.—The Secretary guarantees the eligible Federal PLUS Loans made under this paragraph against losses resulting from the default of a parent borrower in an amount equal to 99 percent of the unpaid principal and interest due on the loan.

''(K) LOAN FEES.—The Secretary shall not collect a loan fee under section 438(d) with respect to an eligible Federal Plus Loan originated under this paragraph.

''(L) CONSOLIDATION.—

''(i) IN GENERAL.—An eligible lender who is permitted to originate eligible Federal PLUS Loans for a borrower under this paragraph shall have the option to consolidate such loans into 1 loan.

''(ii) NOTIFICATION.—In the event a borrower with eligible Federal PLUS Loans made under this paragraph wishes to consolidate the loans, the borrower shall notify the eligible lender who originated the loans under this paragraph.

''(iii) LIMITATION ON ELIGIBLE LENDER OPTION TO CONSOLIDATE.—The option described in clause (i) shall not apply if—

''(I) the borrower includes in the notification in clause (ii) verification of consolidation terms and conditions offered by an eligible lender other than the eligible lender described in clause (i); and

''(II) not later than 10 days after receiving such notification from the borrower, the eligible lender described in clause (i) does not agree to match such terms and conditions, or provide more favorable terms and conditions to such borrower than the offered terms and conditions described in subclause (I).

''(iv) CONSOLIDATION OF ADDITIONAL LOANS.—If a borrower has a Federal Direct PLUS Loan or a loan made on behalf of a dependent student under section 428B and seeks to consolidate such loan with an eligible Federal PLUS Loan made under this paragraph, then the eligible lender that originated the borrower's loan under this paragraph may include in the consolidation under this subparagraph a Federal Direct PLUS Loan or a loan made on behalf of a dependent student under section 428B, but only if—

''(I) in the case of a Federal Direct PLUS Loan, the eligible lender agrees, not later than 10 days after the borrower requests such consolidation from the lender, to match the consolidation terms and conditions that would otherwise be available to the borrower if the borrower consolidated such loans in the loan program under part D; or

''(II) in the case of a loan made on behalf of a dependent student under section 428B, the eligible lender agrees, not later than 10 days after the borrower requests such consolidation from the lender, to match the consolidation terms and conditions offered by an eligible lender other than the eligible lender that originated the borrower's loans under this paragraph.

''(v) SPECIAL ALLOWANCE ON CONSOLIDATION LOANS THAT INCLUDE LOANS MADE UNDER THIS PARAGRAPH.—The applicable special allowance payment for loans consolidated under this paragraph shall be equal to the lesser of—

''(I) the weighted average of the special allowance payment on such loans, except that such weighted average shall exclude the special allowance payment for any Federal Direct PLUS Loan included in the consolidation; or

''(II) the result of—

''(aa) the average of the bond equivalent rates of the quotes of the 3-month commercial paper (financial) rates in effect for each of the days in such quarter as reported by the Federal Reserve in Publication H–15 (or its successor) for such 3-month period; plus

''(bb) 1.59 percent.

''(vi) INTEREST PAYMENT REBATE FEE.—Any loan under section 428C consolidated under this paragraph shall not be subject to the interest payment rebate fee under section 428C(f).

''(c) COLLEGE ACCESS PARTNERSHIP GRANT PROGRAM.—

''(1) PURPOSE.—It is the purpose of this subsection to make payments to States to assist the States in carrying out the activities and services described in paragraph (7) in order to increase access to higher education for students in the State.

''(2) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, $25,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.

''(3) PROGRAM AUTHORIZED.—

''(A) GRANTS AUTHORIZED.—From amounts appropriated under paragraph (2), the Secretary shall award grants, from allotments under paragraph (4), to States having applications approved under paragraph (5), to enable the State to pay the Federal share of the costs of carrying out the activities and services described in paragraph (7).

''(B) FEDERAL SHARE; NON-FEDERAL SHARE.—

''(i) FEDERAL SHARE.—The amount of the Federal share under this subsection for a fiscal year shall be equal to ⅔ of the costs of the activities and services described in paragraph (7).

''(ii) NON-FEDERAL SHARE.—The amount of the non-Federal share under this subsection shall be equal to ⅓ of the costs of the activities and services described in paragraph (7). The non-Federal share may be in cash or in-kind, and may be provided from a combination of State resources and contributions from private organizations in the State.

''(C) REDUCTION FOR FAILURE TO PAY NON-FEDERAL SHARE.—If a State fails to provide the full non-Federal share required under this paragraph, the Secretary shall reduce the amount of the grant payment under this subsection proportionately.

''(D) TEMPORARY INELIGIBILITY FOR SUBSEQUENT PAYMENTS.—

''(i) IN GENERAL.—The Secretary shall determine a State to be temporarily ineligible to receive a grant payment under this subsection for a fiscal year if—

''(I) the State fails to submit an annual report pursuant to paragraph (9) for the preceding fiscal year; or

''(II) the Secretary determines, based on information in such annual report, that the State is not effectively meeting the conditions described under paragraph (8) and the goals of the application under paragraph (5).

''(ii) REINSTATEMENT.—If the Secretary determines a State is ineligible under clause (i), the Secretary may enter into an agreement with the State setting forth the terms and conditions under which the State may regain eligibility to receive payments under this subsection.

''(4) DETERMINATION OF ALLOTMENT.—

''(A) AMOUNT OF ALLOTMENT.—Subject to subparagraph (B), in making grant payments to States under this subsection, the allotment to each State for a fiscal year shall be equal to the sum of—

''(i) the amount that bears the same relation to 50 percent of the amount appropriated under paragraph (2) for such fiscal year as the number of residents in the State aged 5 through 17 who are living below the

poverty line applicable to the resident's family size (as determined under section 673(2) of the Community Service Block Grant Act) bears to the total number of such residents in all States; and

''(ii) the amount that bears the same relation to 50 percent of the amount appropriated under paragraph (2) for such fiscal year as the number of residents in the State aged 15 through 44 who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Service Block Grant Act) bears to the total number of such residents in all States.

''(B) MINIMUM AMOUNT.—No State shall receive an allotment under this subsection for a fiscal year in an amount that is less than ½ of 1 percent of the total amount appropriated under paragraph (2) for such fiscal year.

''(5) SUBMISSION AND CONTENTS OF APPLICATION.—

''(A) IN GENERAL.—For each fiscal year for which a State desires a grant payment under paragraph (3), the State agency with jurisdiction over higher education, or another agency designated by the Governor of the State to administer the program under this subsection, shall submit an application to the Secretary at such time, in such manner, and containing the information described in subparagraph (B).

''(B) APPLICATION.—An application submitted under subparagraph (A) shall include the following:

''(i) A description of the State's capacity to administer the grant under this subsection and report annually to the Secretary on the activities and services described in paragraph (7).

''(ii) A description of the State's plan for using the grant funds to meet the requirements of paragraphs (7) and (8), including plans for how the State will make special efforts to provide such benefits to students in the State that are underrepresented in postsecondary education.

''(iii) A description of how the State will provide or coordinate the non-Federal share from State and private funds, if applicable.

''(iv) A description of the existing structure that the State has in place to administer the activities and services under paragraph (7) or the plan to develop such administrative capacity.

''(6) PAYMENT TO ELIGIBLE NONPROFIT ORGANIZATIONS.—A State receiving a payment under this subsection may elect to make a payment to 1 or more eligible nonprofit organizations, including an eligible not-for-profit holder (as defined in section 438(p)), or a partnership of such organizations, in the State in order to carry out activities or services described in paragraph (7), if the eligible nonprofit organization or partnership—

''(A) was in existence on the day before the date of enactment of the Higher Education Access Act of 2007; and

''(B) as of the day of such payment, is participating in activities and services related to increasing access to higher education, such as those activities and services described in paragraph (7).

''(7) ALLOWABLE USES.—

''(A) IN GENERAL.—Subject to subparagraph (C), a State may use a grant payment under this subsection only for the following activities and services, pursuant to the conditions under paragraph (8):

''(i) Information for students and families regarding—

''(I) the benefits of a postsecondary education;

''(II) postsecondary education opportunities;

''(III) planning for postsecondary education; and

''(IV) career preparation.

''(ii) Information on financing options for postsecondary education and activities that promote financial literacy and debt management among students and families.

''(iii) Outreach activities for students who may be at risk of not enrolling in or completing postsecondary education.

''(iv) Assistance in completion of the Free Application for Federal Student Aid or other common financial reporting form under section 483(a).

''(v) Need-based grant aid for students.

''(vi) Professional development for guidance counselors at middle schools and secondary schools, and financial aid administrators and college admissions counselors at institutions of higher education, to improve such individuals' capacity to assist students and parents with—

''(I) understanding—

''(aa) entrance requirements for admission to institutions of higher education; and

''(bb) State eligibility requirements for Academic Competitiveness Grants or National SMART Grants under section 401A, and other financial assistance that is dependent upon a student's coursework;

''(II) applying to institutions of higher education;

''(III) applying for Federal student financial assistance and other State, local, and private student financial assistance and scholarships;

''(IV) activities that increase students' ability to successfully complete the coursework required for a postsecondary degree, including activities such as tutoring or mentoring; and

''(V) activities to improve secondary school students' preparedness for postsecondary entrance examinations.

''(vii) Student loan cancellation or repayment (as applicable), or interest rate reductions, for borrowers who are employed in a high-need geographical area or a high-need profession in the State, as determined by the State.

''(B) PROHIBITED USES.—Funds made available under this subsection shall not be used to promote any lender's loans.

''(C) USE OF FUNDS FOR ADMINISTRATIVE PURPOSES.—A State may use not more than 2 percent of the total amount of the Federal share and non-Federal share provided under this subsection for administrative purposes relating to the grant under this subsection.

''(8) SPECIAL CONDITIONS.—

''(A) AVAILABILITY TO STUDENTS AND FAMILIES.—A State receiving a grant payment under this subsection shall—

''(i) make the activities and services described in clauses (i) through (vi) of paragraph (7)(A) that are funded under the payment available to all qualifying students and families in the State;

''(ii) allow students and families to participate in the activities and services without regard to—

''(I) the postsecondary institution in which the student enrolls;

''(II) the type of student loan the student receives;

''(III) the servicer of such loan; or

''(IV) the student's academic performance;

''(iii) not charge any student or parent a fee or additional charge to participate in the activities or services; and

''(iv) in the case of an activity providing grant aid, not require a student to meet any condition other than eligibility for Federal financial assistance under this title, except as provided for in the loan cancellation or repayment or interest rate reductions described in paragraph (7)(A)(vii).

''(B) PRIORITY.—A State receiving a grant payment under this subsection shall, in carrying out any activity or service described in paragraph (7)(A) with the grant funds, prioritize students and families who are living below the poverty line applicable to the individual's family size (as determined under section 673(2) of the Community Service Block Grant Act).

''(C) DISCLOSURES.—

''(i) ORGANIZATIONAL DISCLOSURES.—In the case of a State that has chosen to make a payment to an eligible not-for-profit holder in the State in accordance with paragraph (6), the holder shall clearly and prominently indicate the name of the holder and the nature of its work in connection with any of the activities carried out, or any information or services provided, with such funds.

''(ii) INFORMATIONAL DISCLOSURES.—Any information about financing options for higher education provided through an activity or service funded under this subsection shall—

''(I) include information to students and the students' parents of the availability of Federal, State, local, institutional, and other grants and loans for postsecondary education; and

''(II) present information on financial assistance for postsecondary education that is not provided under this title in a manner that is clearly distinct from information on student financial assistance under this title.

''(D) COORDINATION.—A State receiving a grant payment under this subsection shall attempt to coordinate the activities carried out with the payment with any existing activities that are similar to such activities, and with any other entities that support the existing activities in the State.

''(9) REPORT.—A State receiving a payment under this subsection shall prepare and submit an annual report to the Secretary on the program under this subsection and on the implementation of the activities and services described in paragraph (7). The report shall include—

''(A) each activity or service that was provided to students and families over the course of the year;

''(B) the cost of providing each activity or service;

''(C) the number, and percentage, if feasible and applicable, of students who received each activity or service; and

''(D) the total contributions from private organizations included in the State's non-Federal share for the fiscal year.

''(10) SUNSET.—The authority provided to carry out this subsection shall expire on September 30, 2009.

''(d) FINANCIAL LITERACY PROGRAM ESTABLISHED.—

''(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means a nonprofit or for-profit organization, or a consortium of such organizations, with a demonstrated record of effectiveness in providing financial literacy services to students at the secondary and postsecondary level.

''(2) PROGRAM ESTABLISHED.—From amounts appropriated under paragraph (6), the Secretary shall award grants to eligible entities to enable the eligible entities to increase the financial literacy of students who are enrolled or will enroll in an institution of higher education, including providing instruction to students on topics such as the understanding of loan terms and conditions, the calculation of interest rates, refinancing of debt, debt management, and future savings for education, health care and long-term care, and retirement.

''(3) GRANT PERIOD; RENEWABILITY.—Each grant under this subsection shall be awarded for one 5-year period, and may not be renewed.

''(4) MATCHING REQUIREMENTS.—Each eligible entity that receives a grant under this subsection shall provide, from non-Federal

sources, an amount (which may be provided in cash or in kind) to carry out the activities supported by the grant equal to 100 percent of the amount received under the grant.

''(5) APPLICATIONS.—An eligible entity desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Such application shall include the following:

''(A) A detailed description of the eligible entity's plans for providing financial literacy activities and the students and schools the grant will target.

''(B) The eligible entity's plan for using the matching grant funds, including how the funds will be used to provide financial literacy programs to students.

''(C) A plan to ensure the viability of the work of the eligible entity beyond the grant period.

''(D) A detailed description of the activities that carry out this subsection and that are conducted by the eligible entity at the time of the application, and how the matching grant funds will assist the eligible entity with expanding and enhancing such activities.

''(E) A description of the strategies that will be used to target activities under the grant to students in secondary school and enrolled in institutions of higher education who are historically underrepresented in institutions of higher education and who may benefit from the activities of the eligible entity.

''(6) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, $10,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.

''(e) SECONDARY SCHOOL GRADUATION AND COLLEGE ENROLLMENT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—

''(i) IN GENERAL.—The term 'eligible local educational agency' means a local educational agency with a secondary school graduation rate of 70 percent or less—

''(I) in the aggregate; or

''(II) applicable to 2 or more subgroups of secondary school students served by the local educational agency that are described in clause (ii).

''(ii) SUBGROUPS.—A subgroup referred to in clause (i)(II) is—

''(I) a subgroup of economically disadvantaged students; or

''(II) a subgroup of students from a major racial or ethnic group.

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means a consortium of a nonprofit organization and an institution of higher education with a demonstrated record of effectiveness in raising secondary school graduation rates and postsecondary enrollment rates.

''(2) PROGRAM ESTABLISHED.—From amounts appropriated under paragraph (7), the Secretary shall award grants to eligible entities to enable the eligible entities to carry out activities that—

''(A) create models of excellence for academically rigorous secondary schools, including early college secondary schools;

''(B) increase secondary school graduation rates;

''(C) raise the rate of students who enroll in an institution of higher education;

''(D) improve instruction and access to supports for struggling secondary school students;

''(E) create, implement, and utilize early warning systems to help identify students at risk of dropping out of secondary school; and

''(F) improve communication between parents, students, and schools concerning requirements for secondary school graduation, postsecondary education enrollment, and financial assistance available for attending postsecondary education.

''(3) USE OF FUNDS.—An eligible entity that receives a grant under this subsection shall use the funds—

''(A) to implement a college-preparatory curriculum for all students in a secondary school served by the eligible local educational agency that is, at a minimum, aligned with a rigorous secondary school program of study;

''(B) to implement accelerated academic catch-up programs, for students who enter secondary school not meeting the proficient levels of student academic achievement on the State academic assessments for mathematics, reading or language arts, or science under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965, that enable such students to meet the proficient levels of achievement and remain on track to graduate from secondary school on time with a regular secondary school diploma;

''(C) to implement an early warning system to quickly identify students at risk of dropping out of secondary school, including systems that track student absenteeism; and

''(D) to implement a comprehensive postsecondary education guidance program that—

''(i) will ensure that all students are regularly notified throughout the students' time in secondary school of secondary school graduation requirements and postsecondary education entrance requirements; and

''(ii) provides guidance and assistance to students in applying to an institution of higher education and in applying for Federal financial assistance and other State, local, and private financial assistance and scholarships.

''(4) GRANT PERIOD; RENEWABILITY.—Each grant under this subsection shall be awarded for one 5-year period, and may not be renewed.

''(5) MATCHING REQUIREMENTS.—Each eligible entity that receives a grant under this subsection shall provide, from non-Federal sources, an amount (which may be provided in cash or in-kind) to carry out the activities supported by the grant equal to 100 percent of the amount received under the grant.

''(6) APPLICATIONS.—An eligible entity desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(7) AUTHORIZATION AND APPROPRIATIONS.—There are authorized to be appropriated, and there are appropriated, $25,000,000 for each of the fiscal years 2008 and 2009 to carry out this subsection.''.

SA 2328. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1642, to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

SEC. 802. CAMPUS-BASED DIGITAL THEFT PREVENTION.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

''SEC. 494. CAMPUS-BASED DIGITAL THEFT PREVENTION.

''(a) IN GENERAL.—Each eligible institution participating in any program under this title which is among those identified during the prior calendar year by the Secretary pursuant to subsection (b)(2), shall—

''(1) provide evidence to the Secretary that the institution has notified students on its policies and procedures related to the illegal downloading and distribution of copyrighted materials by students as required under section 485(a)(1)(P);

''(2) undertake a review, which shall be submitted to the Secretary, of its procedures and plans related to preventing illegal downloading and distribution to determine the program's effectiveness and implement changes to the program if the changes are needed; and

''(3) provide evidence to the Secretary that the institution has developed a plan for implementing a technology-based deterrent to prevent the illegal downloading or peer-to-peer distribution of intellectual property.

''(b) IDENTIFICATION.—For purposes of carrying out the requirements of subsection (a), the Secretary shall, on an annual basis, identify—

''(1) the 25 institutions of higher education participating in programs under this title, which have received during the previous calendar year the highest number of written notices from copyright owners, or persons authorized to act on behalf of copyright owners, alleging infringement of copyright by users of the institution's information technology systems, where such notices identify with specificity the works alleged to be infringed, or a representative list of works alleged to be infringed, the date and time of the alleged infringing conduct together with information sufficient to identify the infringing user, and information sufficient to contact the copyright owner or its authorized representative; and

''(2) from among the 25 institutions described in paragraph (1), those that have received during the previous calendar year not less than 100 notices alleging infringement of copyright by users of the institution's information technology systems, as described in paragraph (1).''.

SA 2329. Ms. MURKOWSKI proposed an amendment to amendment SA 2327 proposed by Mr. KENNEDY to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008; as follows:

On page 55, line 23, strike ''$25,000,000'' and insert ''$113,000,000''.

SA 2330. Mr. KENNEDY proposed an amendment to amendment SA 2327 proposed by Mr. KENNEDY to the bill H.R. 2669, to provide for reconciliation pursuant to section 601 of the concurrent resolution on the budget for fiscal year 2008; as follows:

Strike subparagraph (G) of section 401B(e)(1) of the Higher Education Act of 1965, as added by section 102(a) of the Higher Education Access Act of 2007, and insert the following:

''(G) $3,650,000,000 for fiscal year 2014;

''(H) $3,850,000,000 for fiscal year 2015;

''(I) $4,175,000,000 for fiscal year 2016; and

''(J) $4,180,000,000 for fiscal year 2017.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate in order