

**SENATE RESOLUTION 393—DESIGNATING MARCH 11, 2012 AS “WORLD PLUMBING DAY”**

Mr. BENNET (for himself, Mrs. MURRAY, Mr. BOOZMAN, Mr. MERKLEY, and Mr. HATCH) submitted the following resolution; which was considered and agreed to:

**S. RES. 393**

Whereas the industry of plumbing plays an important role in safeguarding the public health of the people of the United States and the world;

Whereas 884,000,000 people around the world do not have access to safe drinking water;

Whereas 2,600,000,000 people around the world live without adequate sanitation facilities;

Whereas the lack of sanitation is the largest cause of infection in the world;

Whereas in the developing world, 24,000 children under the age of 5 die every day from preventable causes, such as diarrhea contracted from unclean water;

Whereas safe and efficient plumbing helps save money and reduces future water supply costs and infrastructure costs;

Whereas the installation of modern plumbing systems must be accomplished in a specific, safe manner by trained professionals in order to prevent widespread disease, which can be crippling and deadly to the community;

Whereas the people of the United States rely on plumbing professionals to maintain, repair, and rebuild the aging water infrastructure of the United States;

Whereas Congress and plumbing professionals across the United States and the world are committed to safeguarding public health; and

Whereas the founding organization of World Plumbing Day, the World Plumbing Council, is currently being chaired by GP Russ Chaney, a United States citizen: Now, therefore, be it

*Resolved*, That the Senate designates March 11, 2012, as “World Plumbing Day”.

**AMENDMENTS SUBMITTED AND PROPOSED**

SA 1824. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; which was ordered to lie on the table.

SA 1825. Mr. BAUCUS (for himself, Mr. BINGAMAN, Mr. WYDEN, Mr. MERKLEY, Mr. TESTER, Mr. CRAPO, Mr. RISCH, and Ms. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill S. 1813, *supra*.

SA 1826. Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill S. 1813, *supra*.

SA 1827. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1813, *supra*; which was ordered to lie on the table.

SA 1828. Ms. KLOBUCHAR submitted an amendment intended to be proposed by her to the bill S. 1813, *supra*; which was ordered to lie on the table.

SA 1829. Mr. JOHANNIS submitted an amendment intended to be proposed by him to the bill S. 1813, *supra*; which was ordered to lie on the table.

**TEXT OF AMENDMENTS**

SA 1824. Mr. GRAHAM submitted an amendment intended to be proposed by

him to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; which was ordered to lie on the table; as follows:

On page 792, strike line 20 and all that follows through page 793, line 2, and insert the following:

“(2) CLEAN FUEL VEHICLE.—The term ‘clean fuel vehicle’ means—

“(A) a passenger vehicle used to provide public transportation that the Administrator of the Environmental Protection Agency has certified sufficiently reduces energy consumption or reduces harmful emissions, including direct carbon emissions, when compared to a comparable standard vehicle; or

“(B) a zero emission bus used to provide public transportation.

On page 794, between lines 13 and 14, insert the following:

“(7) ZERO EMISSION BUS.—The term ‘zero emission bus’ means a clean fuel vehicle that produces no carbon or particulate matter.

On page 794, between lines 22 and 23, insert the following:

“(3) COMBINATION OF FUNDING SOURCES.—

“(A) COMBINATION PERMITTED.—A project carried out under this section may receive funding under section 5307, or any other provision of law.

“(B) GOVERNMENT SHARE.—Nothing in this paragraph may be construed to alter the Government share required under this section, section 5307, or any other provision of law.

On page 795, line 10, strike “(f)” and insert the following:

“(f) PRIORITY CONSIDERATION.—In making grants under this section, the Secretary shall give priority to projects relating to clean fuel buses that make greater reductions in energy consumption and harmful emissions, including direct carbon emissions, than comparable standard buses or other clean fuel buses.

“(g)

SA 1825. Mr. BAUCUS (for himself, Mr. BINGAMAN, Mr. WYDEN, Mr. MERKLEY, Mr. TESTER, Mr. CRAPO, Mr. RISCH, and Ms. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; as follows:

At the end of division D, insert the following:

**TITLE IV—REAUTHORIZATION OF CERTAIN PROGRAMS**

**Subtitle A—Secure Rural Schools and Community Self-determination Program**

**SEC. 40401. SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION PROGRAM.**

(a) AMENDMENTS.—The Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7101 et seq.) is amended—

(1) in section 3(11)—

(A) in subparagraph (A), by striking “and” after the semicolon at the end;

(B) in subparagraph (B)—

(i) by striking “fiscal year 2009 and each fiscal year thereafter” and inserting “each of fiscal years 2009 through 2011”; and

(ii) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(C) for fiscal year 2012 and each fiscal year thereafter, the amount that is equal to 95 percent of the full funding amount for the preceding fiscal year.”;

(2) in sections 101, 102, 203, 207, 208, 304, and 402, by striking “2011” each place it appears and inserting “2012”;

(3) in section 102—

(A) by striking “2008” each place it appears and inserting “2012”;

(B) in subsection (b)(2)(B), by inserting “in 2012” before “, the election”; and

(C) in subsection (d)—

(i) in paragraph (1)(A), by striking “paragraph (3)(B)” and inserting “subparagraph (D)”;

(ii) in paragraph (3)—

(I) by striking subparagraph (A) and inserting the following:

“(A) NOTIFICATION.—The Governor of each eligible State shall notify the Secretary concerned of an election by an eligible county under this subsection not later than September 30, 2012, and each September 30 thereafter for each succeeding fiscal year.”;

(II) by redesignating subparagraph (B) as subparagraph (D) and moving the subparagraph so as to appear at the end of paragraph (1) of subsection (d); and

(III) by inserting after subparagraph (A) the following:

“(B) FAILURE TO ELECT.—If the Governor of an eligible State fails to notify the Secretary concerned of the election for an eligible county by the date specified in subparagraph (A)—

“(i) the eligible county shall be considered to have elected to expend 80 percent of the funds in accordance with paragraph (1)(A); and

“(ii) the remainder shall be available to the Secretary concerned to carry out projects in the eligible county to further the purpose described in section 202(b).”;

(4) in section 103(d)(2), by striking “fiscal year 2011” and inserting “each of fiscal years 2011 and 2012”;

(5) in section 202, by adding at the end the following:

“(c) ADMINISTRATIVE EXPENSES.—A resource advisory committee may, in accordance with section 203, propose to use not more than 10 percent of the project funds of an eligible county for any fiscal year for administrative expenses associated with operating the resource advisory committee under this title.”;

(6) in section 204(e)(3)(B)(iii), by striking “and 2011” and inserting “through 2012”;

(7) in section 205(a)(4), by striking “2006” each place it appears and inserting “2011”;

(8) in section 208(b), by striking “2012” and inserting “2013”;

(9) in section 302(a)(2)(A), by inserting “and” after the semicolon; and

(10) in section 304(b), by striking “2012” and inserting “2013”.

(b) FAILURE TO MAKE ELECTION.—For each county that failed to make an election for fiscal year 2011 in accordance with section 102(d)(3)(A) of the Secure Rural Schools and Community Self-Determination Act of 2000 (16 U.S.C. 7112(d)(3)(A)), there shall be available to the Secretary of Agriculture to carry out projects to further the purpose described in section 202(b) of that Act (16 U.S.C. 7122(b)), from amounts in the Treasury not otherwise appropriated, the amount that is equal to 15 percent of the total share of the State payment that otherwise would have been made to the county under that Act for fiscal year 2011.

**Subtitle B—Payment in Lieu of Taxes Program**

**SEC. 40411. PAYMENTS IN LIEU OF TAXES.**

Section 6906 of title 31, United States Code, is amended by striking “2012” and inserting “2013”.

**Subtitle C—Offsets****SEC. 40421. TAX REPORTING FOR LIFE SETTLEMENT TRANSACTIONS.**

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

**“SEC. 6050X. RETURNS RELATING TO CERTAIN LIFE INSURANCE CONTRACT TRANSACTIONS.**

“(a) REQUIREMENT OF REPORTING OF CERTAIN PAYMENTS.—

“(1) IN GENERAL.—Every person who acquires a life insurance contract or any interest in a life insurance contract in a reportable policy sale during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

“(A) the name, address, and TIN of such person,

“(B) the name, address, and TIN of each recipient of payment in the reportable policy sale,

“(C) the date of such sale,

“(D) the name of the issuer of the life insurance contract sold and the policy number of such contract, and

“(E) the amount of each payment.

“(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

“(B) the information required to be shown on such return with respect to such person, except that in the case of an issuer of a life insurance contract, such statement is not required to include the information specified in paragraph (1)(E).

“(b) REQUIREMENT OF REPORTING OF SELLER'S BASIS IN LIFE INSURANCE CONTRACTS.—

“(1) IN GENERAL.—Upon receipt of the statement required under subsection (a)(2) or upon notice of a transfer of a life insurance contract to a foreign person, each issuer of a life insurance contract shall make a return (at such time and in such manner as the Secretary shall prescribe) setting forth—

“(A) the name, address, and TIN of the seller who transfers any interest in such contract in such sale,

“(B) the investment in the contract (as defined in section 72(e)(6)) with respect to such seller, and

“(C) the policy number of such contract.

“(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

“(B) the information required to be shown on such return with respect to each seller whose name is required to be set forth in such return.

“(c) REQUIREMENT OF REPORTING WITH RESPECT TO REPORTABLE DEATH BENEFITS.—

“(1) IN GENERAL.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

“(A) the name, address, and TIN of the person making such payment,

“(B) the name, address, and TIN of each recipient of such payment,

“(C) the date of each such payment, and

“(D) the amount of each such payment.

“(2) STATEMENT TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

“(B) the information required to be shown on such return with respect to each recipient of payment whose name is required to be set forth in such return.

“(d) DEFINITIONS.—For purposes of this section:

“(1) PAYMENT.—The term ‘payment’ means the amount of cash and the fair market value of any consideration transferred in a reportable policy sale.

“(2) REPORTABLE POLICY SALE.—The term ‘reportable policy sale’ has the meaning given such term in section 101(a)(3)(B).

“(3) ISSUER.—The term ‘issuer’ means any life insurance company that bears the risk with respect to a life insurance contract on the date any return or statement is required to be made under this section.

“(4) REPORTABLE DEATH BENEFITS.—The term ‘reportable death benefits’ means amounts paid by reason of the death of the insured under a life insurance contract that has been transferred in a reportable policy sale.”.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6050W the following new item:

“Sec. 6050X. Returns relating to certain life insurance contract transactions.”.

(c) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 6724 of the Internal Revenue Code of 1986 is amended—

(A) by striking “or” at the end of clause (xxiv) of paragraph (1)(B), by striking “and” at the end of clause (xxv) of such paragraph and inserting “or”, and by inserting after such clause (xxv) the following new clause:

“(xxvi) section 6050X (relating to returns relating to certain life insurance contract transactions), and”, and

(B) by striking “or” at the end of subparagraph (GG) of paragraph (2), by striking the period at the end of subparagraph (HH) of such paragraph and inserting “, or”, and by inserting after such subparagraph (HH) the following new subparagraph:

“(II) subsection (a)(2), (b)(2), or (c)(2) of section 6050X (relating to returns relating to certain life insurance contract transactions).”.

(2) Section 6047 of such Code is amended—

(A) by redesignating subsection (g) as subsection (h),

(B) by inserting after subsection (f) the following new subsection:

“(g) INFORMATION RELATING TO LIFE INSURANCE CONTRACT TRANSACTIONS.—This section shall not apply to any information which is required to be reported under section 6050X.”, and

(C) by adding at the end of subsection (h), as so redesignated, the following new paragraph:

“(4) For provisions requiring reporting of information relating to certain life insurance contract transactions, see section 6050X.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) reportable policy sales after December 31, 2012, and

(2) reportable death benefits paid after December 31, 2012.

**SEC. 40422. CLARIFICATION OF TAX BASIS OF LIFE INSURANCE CONTRACTS.**

(a) CLARIFICATION WITH RESPECT TO ADJUSTMENTS.—Paragraph (1) of section 1016(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (A) and all that follows and inserting the following:

“(A) for—

“(i) taxes or other carrying charges described in section 266; or

“(ii) expenditures described in section 173 (relating to circulation expenditures), for which deductions have been taken by the taxpayer in determining taxable income for the taxable year or prior taxable years; or

“(B) for mortality, expense, or other reasonable charges incurred under an annuity or life insurance contract.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transactions entered into after August 25, 2009.

**SEC. 40423. EXCEPTION TO TRANSFER FOR VALUABLE CONSIDERATION RULES.**

(a) IN GENERAL.—Subsection (a) of section 101 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(3) EXCEPTION TO VALUABLE CONSIDERATION RULES FOR COMMERCIAL TRANSFERS.—

“(A) IN GENERAL.—The second sentence of paragraph (2) shall not apply in the case of a transfer of a life insurance contract, or any interest therein, which is a reportable policy sale.

“(B) REPORTABLE POLICY SALE.—For purposes of this paragraph, the term ‘reportable policy sale’ means the acquisition of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured apart from the acquirer's interest in such life insurance contract. For purposes of the preceding sentence, the term ‘indirectly’ applies to the acquisition of an interest in a partnership, trust, or other entity that holds an interest in the life insurance contract.”.

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 101(a) of the Internal Revenue Code of 1986 is amended by striking “paragraph (2)” and inserting “paragraphs (2) and (3)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after December 31, 2012.

**SEC. 40424. PHASED RETIREMENT AUTHORITY.**

(a) CSRS.—Chapter 83 of title 5, United States Code, is amended—

(1) in section 8331—

(A) in paragraph (30) by striking “and” at the end;

(B) in paragraph (31) by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(32) ‘Director’ means the Director of the Office of Personnel Management.”;

(2) by inserting after section 8336 the following:

**“§ 8336a. Phased retirement**

“(a) For the purposes of this section—

“(1) the term ‘composite retirement annuity’ means the annuity computed when a phased retiree attains full retirement status;

“(2) the term ‘full retirement status’ means that a phased retiree has ceased employment and is entitled, upon application, to a composite retirement annuity;

“(3) the term ‘phased employment’ means the less-than-full-time employment of a phased retiree;

“(4) the term ‘phased retiree’ means a retirement-eligible employee who—

“(A) makes an election under subsection (b); and

“(B) has not entered full retirement status;

“(5) the term ‘phased retirement annuity’ means the annuity payable under this section before full retirement;

“(6) the term ‘phased retirement percentage’ means the percentage which, when added to the working percentage for a phased retiree, produces a sum of 100 percent;

“(7) the term ‘phased retirement period’ means the period beginning on the date on which an individual becomes entitled to receive a phased retirement annuity and ending on the date on which the individual dies or separates from phased employment;

“(8) the term ‘phased retirement status’ means that a phased retiree is concurrently employed in phased employment and eligible to receive a phased retirement annuity;

“(9) the term ‘retirement-eligible employee’—

“(A) means an individual who, if the individual separated from the service, would meet the requirements for retirement under subsection (a) or (b) of section 8336; and

“(B) does not include—

“(i) an individual who, if the individual separated from the service, would meet the requirements for retirement under subsection (c), (e), (m), or (n) of section 8336; or

“(ii) a law enforcement officer, firefighter, nuclear materials courier, air traffic controller, customs and border protection officer, or member of the Capitol Police or Supreme Court Police; and

“(10) the term ‘working percentage’ means the percentage of full-time employment equal the quotient obtained by dividing—

“(A) the number of hours per pay period to be worked by a phased retiree as scheduled in accordance with subsection (b)(2); by

“(B) the number of hours per pay period to be worked by an employee serving in a comparable position on a full-time basis.

“(b)(1) With the concurrence of the head of the employing agency, and under regulations promulgated by the Director, a retirement-eligible employee who has been employed on a full time basis for not less than the 3-year period ending on the date on which the retiree makes an election under this subsection may elect to enter phased retirement status.

“(2)(A) Subject to subparagraph (B), at the time of entering phased retirement status, a phased retiree shall be appointed to a position for which the working percentage is 50 percent.

“(B) The Director may, by regulation, provide for working percentages different from the percentage specified under subparagraph (A), which shall be not less than 20 percent and not more than 80 percent.

“(C) The working percentage for a phased retiree may not be changed during the phased retiree’s phased retirement period.

“(D)(i) Not less than 20 percent of the hours to be worked by a phased retiree shall consist of mentoring.

“(ii) The Director may, by regulation, provide for exceptions to the requirement under clause (i).

“(3) A phased retiree—

“(A) may not be employed in more than one position at any time; and

“(B) may transfer to another position in the same or a different agency, if the transfer does not result in a change in the working percentage.

“(4) A retirement-eligible employee may make only one election under this subsection during the retirement-eligible employee’s lifetime.

“(5) A retirement-eligible employee who makes an election under this subsection may not make an election under section 8343a.

“(c)(1) Except as otherwise provided under this subsection, the phased retirement annuity for a phased retiree is the product obtained by multiplying—

“(A) the amount of an annuity computed under section 8339 that would have been payable to the phased retiree if, on the date on which the phased retiree enters phased retirement status, the phased retiree had separated from service and retired under section 8336(a) or (b); by

“(B) the phased retirement percentage for the phased retiree.

“(2) A phased retirement annuity shall be paid in addition to the basic pay for the position to which a phased retiree is appointed during phased employment.

“(3) A phased retirement annuity shall be adjusted in accordance with section 8340.

“(4)(A) A phased retirement annuity shall not be subject to reduction for any form of survivor annuity, shall not serve as the basis of the computation of any survivor annuity, and shall not be subject to any court order requiring a survivor annuity to be provided to any individual.

“(B) A phased retirement annuity shall be subject to a court order providing for division, allotment, assignment, execution, levy, attachment, garnishment, or other legal process on the same basis as other annuities.

“(5) Any reduction of a phased retirement annuity based on an election under section 8334(d)(2) shall be applied to the phased retirement annuity after computation under paragraph (1).

“(6)(A) Any deposit, or election of an actuarial annuity reduction in lieu of a deposit, for military service or for creditable civilian service for which retirement deductions were not made or refunded shall be made by a retirement-eligible employee at or before the time the retirement-eligible employee enters phased retirement status. No such deposit may be made, or actuarial adjustment in lieu thereof elected, at the time a phased retiree enters full retirement status.

“(B) Notwithstanding subparagraph (A), if a phased retiree does not make such a deposit and dies in service as a phased retiree, a survivor of the phased retiree shall have the same right to make such deposit as would have been available had the employee not entered phased retirement status and died in service.

“(C) If a phased retiree makes an election for an actuarial annuity reduction under section 8334(d)(2) and dies in service as a phased retiree, the amount of any deposit upon which such actuarial reduction shall have been based shall be deemed to have been fully paid.

“(7) A phased retirement annuity shall commence on the date on which a phased retiree enters phased employment.

“(8) No unused sick leave credit may be used in the computation of the phased retirement annuity.

“(d) All basic pay not in excess of the full-time rate of pay for the position to which a phased retiree is appointed shall be deemed to be basic pay for purposes of section 8334.

“(e) Under such procedures as the Director may prescribe, a phased retiree may elect to enter full retirement status at any time. Upon making such an election, a phased retiree shall be entitled to a composite retirement annuity.

“(f)(1) Except as provided otherwise under this subsection, a composite retirement annuity is a single annuity computed under regulations prescribed by the Director, equal to the sum of—

“(A) the amount of the phased retirement annuity as of the date of full retirement, before any reduction based on an election under section 8334(d)(2), and including any adjustments made under section 8340; and

“(B) the product obtained by multiplying—

“(i) the amount of an annuity computed under section 8339 that would have been payable at the time of full retirement if the in-

dividual had not elected a phased retirement and as if the individual was employed on a full-time basis in the position occupied during the phased retirement period and before any reduction for survivor annuity or reduction based on an election under section 8334(d)(2); by

“(ii) the working percentage.

“(2) After computing a composite retirement annuity under paragraph (1), the Director shall adjust the amount of the annuity for any applicable reductions for a survivor annuity and any previously elected actuarial reduction under section 8334(d)(2).

“(3) A composite retirement annuity shall be adjusted in accordance with section 8340, except that subsection (c)(1) of that section shall not apply.

“(4) In computing a composite retirement annuity under paragraph (1)(B)(i), the unused sick leave to the credit of a phased retiree at the time of entry into full retirement status shall be adjusted by dividing the number of hours of unused sick leave by the working percentage.

“(g)(1) Under such procedures and conditions as the Director may provide, and with the concurrence of the head of the employing agency, a phased retiree may elect to terminate phased retirement status and return to a full-time work schedule.

“(2) Upon entering a full-time work schedule based upon an election under paragraph (1), the phased retirement annuity of a phased retiree shall terminate.

“(3) After the termination of a phased retirement annuity under this subsection, the individual’s rights under this subchapter shall be determined based on the law in effect at the time of any subsequent separation from service. For purposes of this subchapter or chapter 84, at time of the subsequent separation from service, the phased retirement period shall be treated as if it had been a period of part-time employment with the work schedule described in subsection (b)(2).

“(h) For purposes of section 8341—

“(1) the death of a phased retiree shall be deemed to be the death in service of an employee; and

“(2) the phased retirement period shall be deemed to have been a period of part-time employment with the work schedule described in subsection (b)(2).

“(i) Employment of a phased retiree shall not be deemed to be part-time career employment, as defined in section 3401(2).

“(j) A phased retiree is not eligible to apply for an annuity under section 8337.

“(k) For purposes of section 8341(h)(4), retirement shall be deemed to occur on the date on which a phased retiree enters into full retirement status.

“(l) For purposes of sections 8343 and 8351, and subchapter III of chapter 84, a phased retiree shall be deemed to be an employee.

“(m) A phased retiree is not subject to section 8344.

“(n) For purposes of chapter 87, a phased retiree shall be deemed to be receiving basic pay at the rate of a full-time employee in the position to which the phased retiree is appointed.”; and

(3) in the table of sections by inserting after the item relating to section 8336 the following:

“8336a. Phased retirement.”.

(b) FERS.—Chapter 84 of title 5, United States Code, is amended—

(1) by inserting after section 8412 the following new section:

#### “§ 8412a. Phased retirement

“(a) For the purposes of this section—

“(1) the term ‘composite retirement annuity’ means the annuity computed when a phased retiree attains full retirement status;

“(2) the term ‘full retirement status’ means that a phased retiree has ceased employment and is entitled, upon application, to a composite retirement annuity;

“(3) the term ‘phased employment’ means the less-than-full-time employment of a phased retiree;

“(4) the term ‘phased retiree’ means a retirement-eligible employee who—

“(A) makes an election under subsection (b); and

“(B) has not entered full retirement status;

“(5) the term ‘phased retirement annuity’ means the annuity payable under this section before full retirement;

“(6) the term ‘phased retirement percentage’ means the percentage which, when added to the working percentage for a phased retiree, produces a sum of 100 percent;

“(7) the term ‘phased retirement period’ means the period beginning on the date on which an individual becomes entitled to receive a phased retirement annuity and ending on the date on which the individual dies or separates from phased employment;

“(8) the term ‘phased retirement status’ means that a phased retiree is concurrently employed in phased employment and eligible to receive a phased retirement annuity;

“(9) the term ‘retirement-eligible employee’—

“(A) means an individual who, if the individual separated from the service, would meet the requirements for retirement under subsection (a) or (b) of section 8412; and

“(B) does not include—

“(i) an individual who, if the individual separated from the service, would meet the requirements for retirement under subsection (d) or (e) of section 8412; or

“(ii) a law enforcement officer, firefighter, nuclear materials courier, air traffic controller, customs and border protection officer, or member of the Capitol Police or Supreme Court Police; and

“(10) the term ‘working percentage’ means the percentage of full-time employment equal to the quotient obtained by dividing—

“(A) the number of hours per pay period to be worked by a phased retiree as scheduled in accordance with subsection (b)(2); by

“(B) the number of hours per pay period to be worked by an employee serving in a comparable position on a full-time basis.

“(b)(1) With the concurrence of the head of the employing agency, and under regulations promulgated by the Director, a retirement-eligible employee who has been employed on a full time basis for not less than the 3-year period ending on the date on which the retirement-eligible employee makes an election under this subsection may elect to enter phased retirement status.

“(2)(A) Subject to subparagraph (B), at the time of entering phased retirement status, a phased retiree shall be appointed to a position for which the working percentage is 50 percent.

“(B) The Director may, by regulation, provide for working percentages different from the percentage specified under subparagraph (A), which shall be not less than 20 percent and not more than 80 percent.

“(C) The working percentage for a phased retiree may not be changed during the phased retiree’s phased retirement period.

“(D)(i) Not less than 20 percent of the hours to be worked by a phased retiree shall consist of mentoring.

“(ii) The Director may, by regulation, provide for exceptions to the requirement under clause (i).

“(3) A phased retiree—

“(A) may not be employed in more than one position at any time; and

“(B) may transfer to another position in the same or a different agency, if the transfer does not result in a change in the work percentage.

“(4) A retirement-eligible employee may make only one election under this subsection during the retirement-eligible employee’s lifetime.

“(5) A retirement-eligible employee who makes an election under this subsection may not make an election under section 8420a.

“(c)(1) Except as otherwise provided under this subsection, the phased retirement annuity for a phased retiree is the product obtained by multiplying—

“(A) the amount of an annuity computed under section 8415 that would have been payable to the phased retiree if, on the date on which the phased retiree enters phased retirement status, the phased retiree had separated from service and retired under section 8412 (a) or (b); by

“(B) the phased retirement percentage for the phased retiree.

“(2) A phased retirement annuity shall be paid in addition to the basic pay for the position to which a phased retiree is appointed during the phased employment.

“(3) A phased retirement annuity shall be adjusted in accordance with section 8462.

“(4)(A) A phased retirement annuity shall not be subject to reduction for any form of survivor annuity, shall not serve as the basis of the computation of any survivor annuity, and shall not be subject to any court order requiring a survivor annuity to be provided to any individual.

“(B) A phased retirement annuity shall be subject to a court order providing for division, allotment, assignment, execution, levy, attachment, garnishment, or other legal process on the same basis as other annuities.

“(5)(A) Any deposit, or election of an actuarial annuity reduction in lieu of a deposit, for military service or for creditable civilian service for which retirement deductions were not made or refunded, shall be made by a retirement-eligible employee at or before the time the retirement-eligible employee enters phased retirement status. No such deposit may be made, or actuarial adjustment in lieu thereof elected, at the time a phased retiree enters full retirement status.

“(B) Notwithstanding subparagraph (A), if a phased retiree does not make such a deposit and dies in service as a phased retiree, a survivor of the phased retiree shall have the same right to make such deposit as would have been available had the employee not entered phased retirement status and died in service.

“(6) A phased retirement annuity shall commence on the date on which a phased retiree enters phased employment.

“(7) No unused sick leave credit may be used in the computation of the phased retirement annuity.

“(d) All basic pay not in excess of the full-time rate of pay for the position to which a phased retiree is appointed shall be deemed to be basic pay for purposes of section 8422 and 8423.

“(e) Under such procedures as the Director may prescribe, a phased retiree may elect to enter full retirement status at any time. Upon making such an election, a phased retiree shall be entitled to a composite retirement annuity.

“(f)(1) Except as provided otherwise under this subsection, a composite retirement annuity is a single annuity computed under regulations prescribed by the Director, equal to the sum of—

“(A) the amount of the phased retirement annuity as of the date of full retirement, including any adjustments made under section 8462; and

“(B) the product obtained by multiplying—

“(i) the amount of an annuity computed under section 8412 that would have been payable at the time of full retirement if the individual had not elected a phased retirement

and as if the individual was employed on a full-time basis in the position occupied during the phased retirement period and before any adjustment to provide for a survivor annuity; by

“(ii) the working percentage;

“(2) After computing a composite retirement annuity under paragraph (1), the Director shall adjust the amount of the annuity for any applicable reductions for a survivor annuity.

“(3) A composite retirement annuity shall be adjusted in accordance with section 8462, except that subsection (c)(1) of that section shall not apply.

“(4) In computing a composite retirement annuity under paragraph (1)(B)(i), the unused sick leave to the credit of a phased retiree at the time of entry into full retirement status shall be adjusted by dividing the number of hours of unused sick leave by the working percentage.

“(g)(1) Under such procedures and conditions as the Director may provide, and with the concurrence of the head of employing agency, a phased retiree may elect to terminate phased retirement status and return to a full-time work schedule.

“(2) Upon entering a full-time work schedule based on an election under paragraph (1), the phased retirement annuity of a phased retiree shall terminate.

“(3) After termination of the phased retirement annuity under this subsection, the individual’s rights under this chapter shall be determined based on the law in effect at the time of any subsequent separation from service. For purposes of this chapter, at the time of the subsequent separation from service, the phased retirement period shall be treated as if it had been a period of part-time employment with the work schedule described in subsection (b)(2).

“(h) For purposes of subchapter IV—

“(1) the death of a phased retiree shall be deemed to be the death in service of an employee;

“(2) except for purposes of section 8442(b)(1)(A)(i), the phased retirement period shall be deemed to have been a period of part-time employment with the work schedule described in subsection (b)(2) of this section; and

“(3) for purposes of section 8442(b)(1)(A)(i), the phased retiree shall be deemed to have been at the full-time rate of pay for the position occupied.

“(i) Employment of a phased retiree shall not be deemed to be part-time career employment, as defined in section 3401(2).

“(j) A phased retiree is not eligible to receive an annuity supplement under section 8421.

“(k) For purposes of subchapter III, a phased retiree shall be deemed to be an employee.

“(l) For purposes of section 8445(d), retirement shall be deemed to occur on the date on which a phased retiree enters into full retirement status.

“(m) A phased retiree is not eligible to apply for an annuity under subchapter V.

“(n) A phased retiree is not subject to section 8468.

“(o) For purposes of chapter 87, a phased retiree shall be deemed to be receiving basic pay at the rate of a full-time employee in the position to which the phased retiree is appointed.”; and

(2) in the table of sections by inserting after the item relating to section 8412 the following:

“8412a. Phased retirement.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the effective date of the implementing regulations issued by the Director of the Office of Personnel Management.

**SEC. 40425. ROLL-YOUR-OWN CIGARETTE MACHINES.**

(a) IN GENERAL.—Subsection (d) of section 5702 of the Internal Revenue Code of 1986 is amended by adding at the end the following new flush sentence:

“Such term shall include any person who for commercial purposes makes available for consumer use (including such consumer’s personal consumption or use under paragraph (1)) a machine capable of making cigarettes, cigars, or other tobacco products. A person making such a machine available for consumer use shall be deemed the person making the removal as defined by subsection (j) with respect to any tobacco products manufactured by such machine.”.

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

**SA 1826.** Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; as follows:

At the end, insert the following:

**DIVISION E—ENERGY PROVISIONS AND TAX EXTENDERS**

**TITLE I—ENERGY INCENTIVES**

**Subtitle A—Keystone XL Pipeline Project**

**SEC. 50001. APPROVAL OF KEYSTONE XL PIPELINE PROJECT.**

(a) APPROVAL OF CROSS-BORDER FACILITIES.—

(1) IN GENERAL.—In accordance with section 8 of article 1 of the Constitution (delegating to Congress the power to regulate commerce with foreign nations), TransCanada Keystone Pipeline, L.P. is authorized to construct, connect, operate, and maintain pipeline facilities, subject to subsection (c), for the import of crude oil and other hydrocarbons at the United States-Canada Border at Phillips County, Montana, in accordance with the application filed with the Department of State on September 19, 2008 (as supplemented and amended).

(2) PERMIT.—Notwithstanding any other provision of law, no permit pursuant to Executive Order 13337 (3 U.S.C. 301 note) or any other similar Executive Order regulating construction, connection, operation, or maintenance of facilities at the borders of the United States, and no additional environmental impact statement, shall be required for TransCanada Keystone Pipeline, L.P. to construct, connect, operate, and maintain the facilities described in paragraph (1).

(b) CONSTRUCTION AND OPERATION OF KEYSTONE XL PIPELINE IN UNITED STATES.—

(1) IN GENERAL.—The final environmental impact statement issued by the Department of State on August 26, 2011, shall be considered to satisfy all requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and any other provision of law that requires Federal agency consultation or review with respect to the cross-border facilities described in subsection (a)(1) and the related facilities in the United States described in the application filed with the Department of State on September 19, 2008 (as supplemented and amended).

(2) PERMITS.—Any Federal permit or authorization issued before the date of enactment of this Act for the cross-border facilities described in subsection (a)(1), and the related facilities in the United States described in the application filed with the Department of State on September 19, 2008 (as supplemented and amended), shall remain in effect.

(c) CONDITIONS.—In constructing, connecting, operating, and maintaining the cross-border facilities described in subsection (a)(1) and related facilities in the United States described in the application filed with the Department of State on September 19, 2008 (as supplemented and amended), TransCanada Keystone Pipeline, L.P. shall comply with the following conditions:

(1) TransCanada Keystone Pipeline, L.P. shall comply with all applicable Federal and State laws (including regulations) and all applicable industrial codes regarding the construction, connection, operation, and maintenance of the facilities.

(2) Except as provided in subsection (a)(2), TransCanada Keystone Pipeline, L.P. shall comply with all requisite permits from Canadian authorities and applicable Federal, State, and local government agencies in the United States.

(3) TransCanada Keystone Pipeline, L.P. shall take all appropriate measures to prevent or mitigate any adverse environmental impact or disruption of historic properties in connection with the construction, connection, operation, and maintenance of the facilities.

(4) The construction, connection, operation, and maintenance of the facilities shall be—

(A) in all material respects, similar to that described in—

(i) the application filed with the Department of State on September 19, 2008 (as supplemented and amended); and

(ii) the final environmental impact statement described in subsection (b)(1); and

(B) carried out in accordance with—

(i) the construction, mitigation, and reclamation measures agreed to for the project in the construction mitigation and reclamation plan contained in appendix B of the final environmental impact statement described in subsection (b)(1);

(ii) the special conditions agreed to between the owners and operators of the project and the Administrator of the Pipeline and Hazardous Materials Safety Administration of the Department of Transportation, as contained in appendix U of the final environmental impact statement;

(iii) the measures identified in appendix H of the final environmental impact statement, if the modified route submitted by the State of Nebraska to the Secretary of State crosses the Sand Hills region; and

(iv) the stipulations identified in appendix S of the final environmental impact statement.

(d) ROUTE IN NEBRASKA.—

(1) IN GENERAL.—Any route and construction, mitigation, and reclamation measures for the project in the State of Nebraska that is identified by the State of Nebraska and submitted to the Secretary of State under this section is considered sufficient for the purposes of this section.

(2) PROHIBITION.—Construction of the facilities in the United States described in the application filed with the Department of State on September 19, 2008 (as supplemented and amended), shall not commence in the State of Nebraska until the date on which the Secretary of State receives a route for the project in the State of Nebraska that is identified by the State of Nebraska.

(3) RECEIPT.—On the date of receipt of the route described in paragraph (1) by the Secretary of State, the route for the project within the State of Nebraska under this section shall supersede the route for the project in the State specified in the application filed with the Department of State on September 19, 2008 (including supplements and amendments).

(4) COOPERATION.—Not later than 30 days after the date on which the State of Ne-

braska submits a request to the Secretary of State or any appropriate Federal official, the Secretary of State or Federal official shall provide assistance that is consistent with the law of the State of Nebraska.

(e) ADMINISTRATION.—

(1) IN GENERAL.—Any action taken to carry out this section (including the modification of any route under subsection (d)) shall not constitute a major Federal action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) STATE SITING AUTHORITY.—Nothing in this section alters any provision of State law relating to the siting of pipelines.

(3) PRIVATE PROPERTY.—Nothing in this section alters any Federal, State, or local process or condition in effect on the date of enactment of this Act that is necessary to secure access from an owner of private property to construct the project.

(f) FEDERAL JUDICIAL REVIEW.—The cross-border facilities described in subsection (a)(1), and the related facilities in the United States described in the application filed with the Department of State on September 19, 2008 (as supplemented and amended), that are approved by this section, and any permit, right-of-way, or other action taken to construct or complete the project pursuant to Federal law, shall only be subject to judicial review on direct appeal to the United States Court of Appeals for the District of Columbia Circuit.

**Subtitle B—Expanding Offshore Energy Development**

**SEC. 50101. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

Section 18(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(a)) is amended by adding at the end the following:

“(5)(A) In each oil and gas leasing program under this section, the Secretary shall make available for leasing and conduct lease sales including—

“(i) at least 50 percent of the available unleased acreage within each outer Continental Shelf planning area considered to have the largest undiscovered, technically recoverable oil and gas resources (on a total btu basis) based upon the most recent national geologic assessment of the outer Continental Shelf, with an emphasis on offering the most geologically prospective parts of the planning area; and

“(ii) any State subdivision of an outer Continental Shelf planning area that the Governor of the State that represents that subdivision requests be made available for leasing.

“(B) In this paragraph the term ‘available unleased acreage’ means that portion of the outer Continental Shelf that is not under lease at the time of a proposed lease sale, and that has not otherwise been made unavailable for leasing by law.

“(6)(A) In the 2012–2017 5-year oil and gas leasing program, the Secretary shall make available for leasing any outer Continental Shelf planning areas that—

“(i) are estimated to contain more than 2,500,000,000 barrels of oil; or

“(ii) are estimated to contain more than 7,500,000,000 cubic feet of natural gas.

“(B) To determine the planning areas described in subparagraph (A), the Secretary shall use the document entitled ‘Minerals Management Service Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation’s Outer Continental Shelf, 2006’.”.

**SEC. 50102. DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.**

Section 18(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1344(b)) is amended to read as follows:

“(b) DOMESTIC OIL AND NATURAL GAS PRODUCTION GOAL.—

“(1) IN GENERAL.—In developing a 5-year oil and gas leasing program, and subject to paragraph (2), the Secretary shall determine a domestic strategic production goal for the development of oil and natural gas as a result of that program. Such goal shall be—

“(A) the best estimate of the possible increase in domestic production of oil and natural gas from the outer Continental Shelf;

“(B) focused on meeting domestic demand for oil and natural gas and reducing the dependence of the United States on foreign energy; and

“(C) focused on the production increases achieved by the leasing program at the end of the 15-year period beginning on the effective date of the program.

“(2) 2012–2017 PROGRAM GOAL.—For purposes of the 2012–2017 5-year oil and gas leasing program, the production goal referred to in paragraph (1) shall be an increase by 2027 of—

“(A) no less than 3,000,000 barrels in the amount of oil produced per day; and

“(B) no less than 10,000,000,000 cubic feet in the amount of natural gas produced per day.

“(3) REPORTING.—The Secretary shall report annually, beginning at the end of the 5-year period for which the program applies, to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the progress of the program in meeting the production goal. The Secretary shall identify in the report projections for production and any problems with leasing, permitting, or production that will prevent meeting the goal.”

#### **Subtitle C—Conducting Prompt Offshore Lease Sales**

#### **SEC. 50201. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 216 IN THE CENTRAL GULF OF MEXICO.**

(a) IN GENERAL.—The Secretary of the Interior shall conduct offshore oil and gas Lease Sale 216 under section 8 of the Outer Continental Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than 4 months after the date of enactment of this Act.

(b) ENVIRONMENTAL REVIEW.—For the purposes of that lease sale, the Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan and the Multi-Sale Environmental Impact Statement are deemed to satisfy the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

#### **SEC. 50202. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 220 ON THE OUTER CONTINENTAL SHELF OFFSHORE VIRGINIA.**

(a) IN GENERAL.—Notwithstanding the inclusion of Lease Sale 220 in the fiscal years 2012 through fiscal year 2017 5 Year Outer Continental Shelf Oil and Gas Leasing Program, the Secretary shall conduct offshore oil and gas Lease Sale 220 under section 8 of the Outer Continental Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than one year after the date of enactment of this Act.

(b) PROHIBITION ON CONFLICTS WITH MILITARY OPERATIONS.—No person may engage in any exploration, development, or production of oil or natural gas off the coast of Virginia that would conflict with any military operation, as determined in accordance with the Memorandum of Agreement between the Department of Defense and the Department of the Interior on Mutual Concerns on the Outer Continental Shelf signed July 20, 1983, and any revision or replacement for that agreement that is agreed to by the Secretary of Defense and the Secretary of the Interior after that date but before the date of issuance of the lease under which such exploration, development, or production is conducted.

#### **SEC. 50203. REQUIREMENT TO CONDUCT PROPOSED OIL AND GAS LEASE SALE 222 IN THE CENTRAL GULF OF MEXICO.**

(a) IN GENERAL.—The Secretary shall conduct offshore oil and gas Lease Sale 222 under section 8 of the Outer Continental Shelf Lands Act (33 U.S.C. 1337) as soon as practicable, but not later than September 1, 2012.

(b) ENVIRONMENTAL REVIEW.—For the purposes of that lease sale, the Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan and the Multi-Sale Environmental Impact Statement are deemed to satisfy the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

#### **SEC. 50204. ADDITIONAL LEASES.**

Section 18 of the Outer Continental Shelf Lands Act (43 U.S.C. 1344) is amended by adding at the end the following:

“(i) ADDITIONAL LEASE SALES.—In addition to lease sales in accordance with a leasing program in effect under this section, the Secretary may hold lease sales for areas identified by the Secretary to have the greatest potential for new oil and gas development as a result of local support, new seismic findings, or nomination by interested persons.”

#### **SEC. 50205. DEFINITIONS.**

In this title:

(1) The term “Environmental Impact Statement for the 2007–2012 5 Year OUTER CONTINENTAL SHELF Plan” means the Final Environmental Impact Statement for Outer Continental Shelf Oil and Gas Leasing Program: 2007–2012 (April 2007) prepared by the Secretary.

(2) The term “Multi-Sale Environmental Impact Statement” means the Environmental Impact Statement for Proposed Western Gulf of Mexico OUTER CONTINENTAL SHELF Oil and Gas Lease Sales 204, 207, 210, 215, and 218, and Proposed Central Gulf of Mexico OUTER CONTINENTAL SHELF Oil and Gas Lease Sales 205, 206, 208, 213, 216, and 222 (September 2008) prepared by the Secretary.

(3) The term “Secretary” means the Secretary of the Interior.

#### **Subtitle D—Leasing in New Offshore Areas**

#### **SEC. 50301. LEASING IN THE EASTERN GULF OF MEXICO.**

Section 104 of division C of the Tax Relief and Health Care Act of 2006 (Public Law 109–432; 120 Stat. 3003) is repealed.

#### **SEC. 50302. LEASING OFFSHORE OF TERRITORIES OF THE UNITED STATES.**

Section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331) is amended, by inserting after “control” the following: “or lying within the United States’ exclusive economic zone and the Continental Shelf adjacent to the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, Guam, or the other territories of the United States”.

#### **Subtitle E—Outer Continental Shelf Revenue Sharing**

#### **SEC. 50401. DISPOSITION OF OUTER CONTINENTAL SHELF REVENUES.**

Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended—

(1) in the existing text—

(A) in the first sentence, by striking “All rentals,” and inserting the following:

“(c) DISPOSITION OF REVENUE UNDER OLD LEASES.—All rentals,”; and

(B) in subsection (c) (as designated by the amendment made by subparagraph (A) of this paragraph), by striking “for the period from June 5, 1950, to date, and thereafter” and inserting “in the period beginning June 5, 1950, and ending on the date of enactment of the Moving Ahead for Progress in the 21st Century Act”;

(2) by adding after subsection (c) (as so designated) the following:

“(d) NEW LEASING REVENUES DEFINED.—In this section the term ‘new leasing revenues’ means amounts received by the United States as bonuses, rents, and royalties under leases for oil and gas, wind, tidal, or other energy exploration, development, and production that are awarded under this Act after the date of enactment of the Moving Ahead for Progress in the 21st Century Act.”; and

(3) by inserting before subsection (c) (as so designated) the following:

“(a) PAYMENT OF NEW LEASING REVENUES TO COASTAL STATES, GENERALLY.—

“(1) IN GENERAL.—Of the amount of new leasing revenues received by the United States each fiscal year that is described in paragraph (2), 37.5 percent shall be allocated and paid in accordance with subsection (b) to coastal States that are affected States with respect to the leases under which those revenues are received by the United States.

“(2) PHASE-IN.—The amount of new leasing revenues referred to in paragraph (1) is the sum determined by adding—

“(A) 35 percent of new leasing revenues received by the United States in the fiscal year under—

“(i) leases awarded under the first leasing program under section 18(a) that takes effect after the date of enactment of the Moving Ahead for Progress in the 21st Century Act; and

“(ii) other leases issued as a result of the enactment of that Act;

“(B) 70 percent of new leasing revenues received by the United States in the fiscal year under leases awarded under the second such leasing program; and

“(C) 100 percent of new leasing revenues received by the United States under leases awarded under the third such leasing program or any such leasing program taking effect thereafter.

“(b) ALLOCATION OF PAYMENTS TO COASTAL STATES.—

“(1) IN GENERAL.—The amount of new leasing revenues received by the United States with respect to a leased tract that are required to be paid to coastal States in accordance with this subsection each fiscal year shall be allocated among and paid to such States that are within 200 miles of the leased tract, in amounts that are inversely proportional to the respective distances between the point on the coastline of each such State that is closest to the geographic center of the lease tract, as determined by the Secretary.

“(2) MINIMUM AND MAXIMUM ALLOCATION.—The amount allocated to a coastal State under paragraph (1) each fiscal year with respect to a leased tract shall be—

“(A) in the case of a coastal State that is the nearest State to the geographic center of the leased tract, not less than 25 percent of the total amounts allocated with respect to the leased tract; and

“(B) in the case of any other coastal State, not less than 10 percent, and not more than 15 percent, of the total amounts allocated with respect to the leased tract.

“(3) ADMINISTRATION.—Amounts allocated to a coastal State under this subsection—

“(A) shall be available to the State without further appropriation;

“(B) shall remain available until expended; and

“(C) shall be in addition to any other amounts available to the State under this Act.

“(4) USE OF FUNDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), a coastal State may use



funds allocated and paid to it under this subsection for any purpose as determined by State law.

“(B) RESTRICTION ON USE FOR MATCHING.—Funds allocated and paid to a coastal State under this subsection may not be used as matching funds for any other Federal program.”.

#### Subtitle F—Coastal Plain

##### SEC. 50501. DEFINITIONS.

In this title:

(1) COASTAL PLAIN.—The term “Coastal Plain” means that area described in appendix I to part 37 of title 50, Code of Federal Regulations.

(2) PEER REVIEWED.—The term “peer reviewed” means reviewed—

(A) by individuals chosen by the National Academy of Sciences with no contractual relationship with or those who have an application for a grant or other funding pending with the Federal agency with leasing jurisdiction; or

(B) if individuals described in subparagraph (A) are not available, by the top individuals in the specified biological fields, as determined by the National Academy of Sciences.

(3) SECRETARY.—The term “Secretary”, except as otherwise provided, means the Secretary of the Interior or the Secretary’s designee.

##### SEC. 50502. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

(a) IN GENERAL.—The Secretary shall take such actions as are necessary—

(1) to establish and implement, in accordance with this title and acting through the Director of the Bureau of Land Management in consultation with the Director of the United States Fish and Wildlife Service, a competitive oil and gas leasing program that will result in the exploration, development, and production of the oil and gas resources of the Coastal Plain; and

(2) to administer the provisions of this title through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, including, in furtherance of this goal, by requiring the application of the best commercially available technology for oil and gas exploration, development, and production to all exploration, development, and production operations under this title in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased.

(b) REPEAL OF EXISTING RESTRICTION.—

(1) REPEAL.—Section 1003 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.

(2) CONFORMING AMENDMENT.—The table of contents in section 1 of such Act is amended by striking the item relating to section 1003.

(c) COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN OTHER LAWS.—

(1) COMPATIBILITY.—For purposes of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and no further findings or decisions are required to implement this determination.

(2) ADEQUACY OF THE DEPARTMENT OF THE INTERIOR’S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT.—The “Final Legislative Environmental Impact Statement” (April 1987) on the Coastal Plain prepared pursuant to section 1002 of the Alaska National Inter-

est Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to prelease activities under this title, including actions authorized to be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this title before the conduct of the first lease sale.

(3) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.—Before conducting the first lease sale under this title, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this title that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify non-leasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall only identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for those two alternatives. The identification of the preferred action and related analysis for the first lease sale under this title shall be completed within 18 months after the date of enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary’s preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph is deemed to satisfy all requirements for the analysis and consideration of the environmental effects of proposed leasing under this title.

(d) RELATIONSHIP TO STATE AND LOCAL AUTHORITY.—Nothing in this title shall be considered to expand or limit State and local regulatory authority.

(e) SPECIAL AREAS.—

(1) IN GENERAL.—The Secretary, after consultation with the State of Alaska, the city of Kaktovik, and the North Slope Borough, may designate up to a total of 45,000 acres of the Coastal Plain as a Special Area if the Secretary determines that the Special Area is of such unique character and interest so as to require special management and regulatory protection. The Secretary shall designate as such a Special Area the Sadlerochit Spring area, comprising approximately 4,000 acres.

(2) MANAGEMENT.—Each such Special Area shall be managed so as to protect and preserve the area’s unique and diverse character including its fish, wildlife, and subsistence resource values.

(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY.—The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of oil and gas exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(4) DIRECTIONAL DRILLING.—Notwithstanding the other provisions of this subsection, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases tracts located outside the Special Area.

(f) LIMITATION ON CLOSED AREAS.—The Secretary’s sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is that set forth in this title.

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall prescribe such regulations as may be necessary to carry out this title, including regulations

relating to protection of the fish and wildlife, their habitat, subsistence resources, and environment of the Coastal Plain, by no later than 15 months after the date of enactment of this Act.

(2) REVISION OF REGULATIONS.—The Secretary shall, through a rule making conducted in accordance with section 553 of title 5, United States Code, periodically review and, if appropriate, revise the regulations issued under subsection (a) to reflect a preponderance of the best available scientific evidence that has been peer reviewed and obtained by following appropriate, documented scientific procedures, the results of which can be repeated using those same procedures.

##### SEC. 50503. LEASE SALES.

(a) IN GENERAL.—Lands may be leased under this title to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) PROCEDURES.—The Secretary shall, by regulation and no later than 180 days after the date of enactment of this title, establish procedures for—

(1) receipt and consideration of sealed nominations for any area of the Coastal Plain for inclusion in, or exclusion (as provided in subsection (c)) from, a lease sale;

(2) the holding of lease sales after such nomination process; and

(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

(c) LEASE SALE BIDS.—Lease sales under this title may be conducted through an Internet leasing program, if the Secretary determines that such a system will result in savings to the taxpayer, an increase in the number of bidders participating, and higher returns than oral bidding or a sealed bidding system.

(d) SALE ACREAGES AND SCHEDULE.—

(1) The Secretary shall offer for lease under this title those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1).

(2) The Secretary shall offer for lease under this title no less than 50,000 acres for lease within 22 months after the date of the enactment of this Act.

(3) The Secretary shall offer for lease under this title no less than an additional 50,000 acres at 6-, 12-, and 18-month intervals following offering under paragraph (2).

(4) The Secretary shall conduct four additional sales under the same terms and schedule no later than two years after the date of the last sale under paragraph (3), if sufficient interest in leasing exists to warrant, in the Secretary’s judgment, the conduct of such sales.

(5) The Secretary shall evaluate the bids in each sale and issue leases resulting from such sales, within 90 days after the date of the completion of such sale.

##### SEC. 50504. GRANT OF LEASES BY THE SECRETARY.

(a) IN GENERAL.—The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted under section 55003 any lands to be leased on the Coastal Plain upon payment by the such bidder of such bonus as may be accepted by the Secretary.

(b) SUBSEQUENT TRANSFERS.—No lease issued under this title may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consult with, and give due consideration to the views of, the Attorney General.

##### SEC. 50505. LEASE TERMS AND CONDITIONS.

(a) IN GENERAL.—An oil or gas lease issued under this title shall—

(1) provide for the payment of a royalty of not less than 12½ percent in amount or value of the production removed or sold under the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and other species of fish and wildlife based on a preponderance of the best available scientific evidence that has been peer reviewed and obtained by following appropriate, documented scientific procedures, the results of which can be repeated using those same procedures;

(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted under the lease and within the Coastal Plain by the lessee or by any of the subcontractors or agents of the lessee;

(4) provide that the lessee may not delegate or convey, by contract or otherwise, the reclamation responsibility and liability to another person without the express written approval of the Secretary;

(5) provide that the standard of reclamation for lands required to be reclaimed under this title shall be, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as certified by the Secretary;

(6) contain terms and conditions relating to protection of fish and wildlife, their habitat, subsistence resources, and the environment as required pursuant to section 55002(a)(2);

(7) provide that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obligation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for the Operation of the Trans-Alaska Pipeline, of employment and contracting for Alaska Natives and Alaska Native corporations from throughout the State;

(8) prohibit the export of oil produced under the lease; and

(9) contain such other provisions as the Secretary determines necessary to ensure compliance with this title and the regulations issued under this title.

#### SEC. 50506. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) NO SIGNIFICANT ADVERSE EFFECT STANDARD TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—The Secretary shall, consistent with the requirements of section 55002, administer this title through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that—

(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

(2) require the application of the best commercially available technology for oil and gas exploration, development, and production on all new exploration, development, and production operations; and

(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for support of pipelines, does not exceed

10,000 acres on the Coastal Plain for each 100,000 acres of area leased.

(b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—The Secretary shall also require, with respect to any proposed drilling and related activities, that—

(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, subsistence resources, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect identified under paragraph (1); and

(3) the development of the plan shall occur after consultation with the agency or agencies having jurisdiction over matters mitigated by the plan.

(c) REGULATIONS TO PROTECT COASTAL PLAIN FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS, AND THE ENVIRONMENT.—Before implementing the leasing program authorized by this title, the Secretary shall prepare and promulgate regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other measures designed to ensure that the activities undertaken on the Coastal Plain under this title are conducted in a manner consistent with the purposes and environmental requirements of this title.

(d) COMPLIANCE WITH FEDERAL AND STATE ENVIRONMENTAL LAWS AND OTHER REQUIREMENTS.—The proposed regulations, lease terms, conditions, restrictions, prohibitions, and stipulations for the leasing program under this title shall require compliance with all applicable provisions of Federal and State environmental law, and shall also require the following:

(1) Standards at least as effective as the safety and environmental mitigation measures set forth in items 1 through 29 at pages 167 through 169 of the "Final Legislative Environmental Impact Statement" (April 1987) on the Coastal Plain.

(2) Seasonal limitations on exploration, development, and related activities, where necessary, to avoid significant adverse effects during periods of concentrated fish and wildlife breeding, denning, nesting, spawning, and migration based on a preponderance of the best available scientific evidence that has been peer reviewed and obtained by following appropriate, documented scientific procedures, the results of which can be repeated using those same procedures.

(3) That exploration activities, except for surface geological studies, be limited to the period between approximately November 1 and May 1 each year and that exploration activities shall be supported, if necessary, by ice roads, winter trails with adequate snow cover, ice pads, ice airstrips, and air transport methods, except that such exploration activities may occur at other times if the Secretary finds that such exploration will have no significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

(4) Design safety and construction standards for all pipelines and any access and service roads, that—

(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species such as caribou; and

(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

(5) Prohibitions on general public access and use on all pipeline access and service roads.

(6) Stringent reclamation and rehabilitation requirements, consistent with the standards set forth in this title, requiring the removal from the Coastal Plain of all oil and gas development and production facilities,

structures, and equipment upon completion of oil and gas production operations, except that the Secretary may exempt from the requirements of this paragraph those facilities, structures, or equipment that the Secretary determines would assist in the management of the Arctic National Wildlife Refuge and that are donated to the United States for that purpose.

(7) Appropriate prohibitions or restrictions on access by all modes of transportation.

(8) Appropriate prohibitions or restrictions on sand and gravel extraction.

(9) Consolidation of facility siting.

(10) Appropriate prohibitions or restrictions on use of explosives.

(11) Avoidance, to the extent practicable, of springs, streams, and river systems; the protection of natural surface drainage patterns, wetlands, and riparian habitats; and the regulation of methods or techniques for developing or transporting adequate supplies of water for exploratory drilling.

(12) Avoidance or minimization of air traffic-related disturbance to fish and wildlife.

(13) Treatment and disposal of hazardous and toxic wastes, solid wastes, reserve pit fluids, drilling muds and cuttings, and domestic wastewater, including an annual waste management report, a hazardous materials tracking system, and a prohibition on chlorinated solvents, in accordance with applicable Federal and State environmental law.

(14) Fuel storage and oil spill contingency planning.

(15) Research, monitoring, and reporting requirements.

(16) Field crew environmental briefings.

(17) Avoidance of significant adverse effects upon subsistence hunting, fishing, and trapping by subsistence users.

(18) Compliance with applicable air and water quality standards.

(19) Appropriate seasonal and safety zone designations around well sites, within which subsistence hunting and trapping shall be limited.

(20) Reasonable stipulations for protection of cultural and archeological resources.

(21) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

(e) CONSIDERATIONS.—In preparing and promulgating regulations, lease terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consider the following:

(1) The stipulations and conditions that govern the National Petroleum Reserve-Alaska leasing program, as set forth in the 1999 Northeast National Petroleum Reserve-Alaska Final Integrated Activity Plan/Environmental Impact Statement.

(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

(3) The land use stipulations for exploratory drilling on the KIC-ASRC private lands that are set forth in appendix 2 of the August 9, 1983, agreement between Arctic Slope Regional Corporation and the United States.

(f) FACILITY CONSOLIDATION PLANNING.—

(1) IN GENERAL.—The Secretary shall, after providing for public notice and comment, prepare and update periodically a plan to govern, guide, and direct the siting and construction of facilities for the exploration, development, production, and transportation of Coastal Plain oil and gas resources.

(2) OBJECTIVES.—The plan shall have the following objectives:

(A) Avoiding unnecessary duplication of facilities and activities.



(B) Encouraging consolidation of common facilities and activities.

(C) Locating or confining facilities and activities to areas that will minimize impact on fish and wildlife, their habitat, and the environment.

(D) Utilizing existing facilities wherever practicable.

(E) Enhancing compatibility between wildlife values and development activities.

(g) ACCESS TO PUBLIC LANDS.—The Secretary shall—

(1) manage public lands in the Coastal Plain subject to of section 811 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3121); and

(2) ensure that local residents shall have reasonable access to public lands in the Coastal Plain for traditional uses.

#### SEC. 50507. EXPEDITED JUDICIAL REVIEW.

(a) FILING OF COMPLAINT.—

(1) DEADLINE.—Subject to paragraph (2), any complaint seeking judicial review—

(A) of any provision of this title shall be filed by not later than 1 year after the date of enactment of this Act; or

(B) of any action of the Secretary under this title shall be filed—

(i) except as provided in clause (ii), within the 90-day period beginning on the date of the action being challenged; or

(ii) in the case of a complaint based solely on grounds arising after such period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(2) VENUE.—Any complaint seeking judicial review of any provision of this title or any action of the Secretary under this title may be filed only in the United States Court of Appeals for the District of Columbia.

(3) LIMITATION ON SCOPE OF CERTAIN REVIEW.—Judicial review of a Secretarial decision to conduct a lease sale under this title, including the environmental analysis thereof, shall be limited to whether the Secretary has complied with this title and shall be based upon the administrative record of that decision. The Secretary's identification of a preferred course of action to enable leasing to proceed and the Secretary's analysis of environmental effects under this title shall be presumed to be correct unless shown otherwise by clear and convincing evidence to the contrary.

(b) LIMITATION ON OTHER REVIEW.—Actions of the Secretary with respect to which review could have been obtained under this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.

(c) LIMITATION ON ATTORNEYS' FEES AND COURT COSTS.—No person seeking judicial review of any action under this title shall receive payment from the Federal Government for their attorneys' fees and other court costs, including under any provision of law enacted by the Equal Access to Justice Act (5 U.S.C. 504 note).

#### SEC. 50508. TREATMENT OF REVENUES.

Notwithstanding any other provision of law, 50 percent of the amount of bonus, rental, and royalty revenues from Federal oil and gas leasing and operations authorized under this title shall be deposited in the Treasury.

#### SEC. 50509. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

(a) IN GENERAL.—The Secretary shall issue rights-of-way and easements across the Coastal Plain for the transportation of oil and gas produced under leases under this title—

(1) except as provided in paragraph (2), under section 28 of the Mineral Leasing Act (30 U.S.C. 185), without regard to title XI of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3161 et seq.); and

(2) under title XI of the Alaska National Interest Lands Conservation Act (30 U.S.C. 3161 et seq.), for access authorized by sections 1110 and 1111 of that Act (16 U.S.C. 3170 and 3171).

(b) TERMS AND CONDITIONS.—The Secretary shall include in any right-of-way or easement issued under subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does not result in a significant adverse effect on the fish and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

(c) REGULATIONS.—The Secretary shall include in regulations under section 55002(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

#### SEC. 50510. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding section 1302(h)(2) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey—

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 1 of Public Land Order 6959, to the extent necessary to fulfill the Corporation's entitlement under sections 12 and 14 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611 and 1613) in accordance with the terms and conditions of the Agreement between the Department of the Interior, the United States Fish and Wildlife Service, the Bureau of Land Management, and the Kaktovik Inupiat Corporation dated January 22, 1993; and

(2) to the Arctic Slope Regional Corporation the remaining subsurface estate to which it is entitled pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

#### Subtitle G—Oil Shale and Tar Sands Leasing

#### SEC. 50601. EFFECTIVENESS OF OIL SHALE REGULATIONS, AMENDMENTS TO RESOURCE MANAGEMENT PLANS, AND RECORD OF DECISION.

(a) REGULATIONS.—Notwithstanding any other law or regulation to the contrary, the final regulations regarding oil shale management published by the Bureau of Land Management on November 18, 2008 (73 Fed. Reg. 69,414) are deemed to satisfy all legal and procedural requirements under any law, including the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and the Energy Policy Act of 2005 (Public Law 109-58), and the Secretary of the Interior shall implement those regulations, including the oil shale and tar sands leasing program authorized by the regulations, without any other administrative action necessary.

(b) AMENDMENTS TO RESOURCE MANAGEMENT PLANS AND RECORD OF DECISION.—Notwithstanding any other law or regulation to the contrary, the November 17, 2008 U.S. Bureau of Land Management Approved Resource Management Plan Amendments/Record of Decision for Oil Shale and Tar Sands Resources to Address Land Use Allocations in Colorado, Utah, and Wyoming and Final Programmatic Environmental Impact Statement are deemed to satisfy all legal and procedural requirements under any law, including the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), the Endangered Species Act of 1973 (16 U.S.C.

1531 et seq.), the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), and the Energy Policy Act of 2005 (Public Law 109-58), and the Secretary of the Interior shall implement the oil shale and tar sands leasing program authorized by the regulations referred to in subsection (a) in those areas covered by the resource management plans amended by such amendments, and covered by such record of decision, without any other administrative action necessary.

#### SEC. 50602. OIL SHALE AND TAR SANDS LEASING.

(a) ADDITIONAL RESEARCH AND DEVELOPMENT LEASE SALES.—The Secretary of the Interior shall hold a lease sale within 180 days after the date of enactment of this Act offering an additional 10 parcels for lease for research, development, and demonstration of oil shale or tar sands resources, under the terms offered in the solicitation of bids for such leases published on January 15, 2009 (74 Fed. Reg. 10).

(b) COMMERCIAL LEASE SALES.—No later than January 1, 2016, the Secretary of the Interior shall hold no less than 5 separate commercial lease sales in areas considered to have the most potential for oil shale or tar sands development, as determined by the Secretary, in areas nominated through public comment. Each lease sale shall be for an area of not less than 25,000 acres, and in multiple lease blocs.

(c) REDUCED PAYMENTS TO ENSURE PRODUCTION.—The Secretary of the Interior may temporarily reduce royalties, fees, rentals, bonus, or other payments for leases of Federal lands for the development and production of oil shale resources as necessary to incentivize and encourage development of such resources, if the Secretary determines that the royalties, fees, rentals, bonus bids, and other payments otherwise authorized by law are hindering production of such resources.

#### TITLE II—ENERGY TAX INCENTIVES

#### SEC. 51001. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT EXISTING HOMES.

(a) IN GENERAL.—Paragraph (2) of section 25C(g) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

#### SEC. 51002. EXTENSION OF CREDIT FOR ALTERNATIVE FUEL VEHICLE REFUELING PROPERTY.

(a) EXTENSION.—Paragraph (2) of section 30C(g) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2011.

#### SEC. 51003. EXTENSION OF INCENTIVES FOR BIODIESEL AND RENEWABLE DIESEL.

(a) CREDITS FOR BIODIESEL AND RENEWABLE DIESEL USED AS FUEL.—Subsection (g) of section 40A of the Internal Revenue Code of 1986 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) EXCISE TAX CREDITS AND OUTLAY PAYMENTS FOR BIODIESEL AND RENEWABLE DIESEL FUEL MIXTURES.—

(1) Paragraph (6) of section 6426(c) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(2) Subparagraph (B) of section 6427(e)(6) of such Code is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold or used after December 31, 2011.

#### SEC. 51004. EXTENSION OF CREDIT FOR ENERGY-EFFICIENT APPLIANCES.

(a) IN GENERAL.—Section 45M(b) of the Internal Revenue Code of 1986 is amended by

striking “2011” each place it appears other than in the provisions specified in subsection (b), and inserting “2011 or 2012”.

(b) **PROVISIONS SPECIFIED.**—The provisions of section 45M(b) of the Internal Revenue Code of 1986 specified in this subsection are subparagraph (C) of paragraph (1) and subparagraph (E) of paragraph (2).

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to appliances produced after December 31, 2011.

**SEC. 51005. EXTENSION OF SPECIAL RULE FOR SALES OR DISPOSITIONS TO IMPLEMENT FERC OR STATE ELECTRIC RESTRUCTURING POLICY FOR QUALIFIED ELECTRIC UTILITIES.**

(a) **IN GENERAL.**—Paragraph (3) of section 451(i) of the Internal Revenue Code of 1986 is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to dispositions after December 31, 2011.

**SEC. 51006. EXTENSION OF SUSPENSION OF LIMITATION ON PERCENTAGE DEPLETION FOR OIL AND GAS FROM MARGINAL WELLS.**

(a) **IN GENERAL.**—Clause (ii) of section 613A(c)(6)(H) of the Internal Revenue Code of 1986 is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 51007. EXTENSION OF ALTERNATIVE FUELS EXCISE TAX CREDITS.**

(a) **IN GENERAL.**—Sections 6426(d)(5), 6426(e)(3), and 6427(e)(6)(C) of the Internal Revenue Code of 1986 are each amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to fuel sold or used after December 31, 2011.

**TITLE III—TAX EXTENDER PROVISIONS**

**SEC. 52000. AMENDMENTS TO 1986 CODE.**

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

**Subtitle A—Individual Tax Relief**

**SEC. 52001. EXTENSION OF DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.**

(a) **IN GENERAL.**—Subparagraph (D) of section 62(a)(2) is amended by striking “or 2011” and inserting “2011, or 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52002. EXTENSION OF DEDUCTION OF STATE AND LOCAL SALES TAXES.**

(a) **IN GENERAL.**—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52003. EXTENSION OF SPECIAL RULE FOR CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.**

(a) **IN GENERAL.**—Clause (vi) of section 170(b)(1)(E) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.**—Clause (iii) of section 170(b)(2)(B) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to contribu-

tions made in taxable years beginning after December 31, 2011.

**SEC. 52004. EXTENSION OF ABOVE-THE-LINE DEDUCTION FOR QUALIFIED TUITION AND RELATED EXPENSES.**

(a) **IN GENERAL.**—Subsection (e) of section 222 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52005. EXTENSION OF TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.**

(a) **IN GENERAL.**—Subparagraph (F) of section 408(d)(8) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2011.

**SEC. 52006. EXTENSION OF LOOK-THRU OF CERTAIN REGULATED INVESTMENT COMPANY STOCK IN DETERMINING GROSS ESTATE OF NONRESIDENTS.**

(a) **IN GENERAL.**—Paragraph (3) of section 2105(d) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to estates of decedents dying after December 31, 2011.

**SEC. 52007. EXTENSION OF EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.**

(a) **IN GENERAL.**—Subsection (c) of section 10909 of the Patient Protection and Affordable Care Act, as amended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**Subtitle B—Business Tax Relief**

**SEC. 52101. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.**

(a) **SIMPLIFIED CREDIT FOR QUALIFIED RESEARCH EXPENSES.**—Subsection (a) of section 41 is amended to read as follows:

“(a) **GENERAL RULE.**—For purposes of section 38, the research credit determined under this section for the taxable year shall be an amount equal to 20 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.”

(b) **SPECIAL RULES AND TERMINATION OF BASE AMOUNT CALCULATION.**—

(1) **IN GENERAL.**—Subsection (c) of section 41 is amended to read as follows:

“(c) **SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENSES IN ANY OF 3 PRECEDING TAXABLE YEARS.**—

“(1) **TAXPAYERS TO WHICH SUBSECTION APPLIES.**—The credit under this section shall be determined under this subsection, and not under subsection (a), if, in any one of the 3 taxable years preceding the taxable year for which the credit is being determined, the taxpayer has no qualified research expenses.

“(2) **CREDIT RATE.**—The credit determined under this subsection shall be equal to 10 percent of the qualified research expenses for the taxable year.”

(2) **CONSISTENT TREATMENT OF EXPENSES.**—Subsection (b) of section 41 is amended by adding at the end the following new paragraph:

“(5) **CONSISTENT TREATMENT OF EXPENSES REQUIRED.**—

“(A) **IN GENERAL.**—Notwithstanding whether the period for filing a claim for credit or

refund has expired for any taxable year in the 3-taxable-year period taken into account under subsection (a), the qualified research expenses taken into account for such year shall be determined on a basis consistent with the determination of qualified research expenses for the credit year.

“(B) **PREVENTION OF DISTORTIONS.**—The Secretary may prescribe regulations to prevent distortions in calculating a taxpayer's qualified research expenses caused by a change in accounting methods used by such taxpayer between the credit year and a year in such 3-taxable-year period.”

(c) **INCLUSION OF QUALIFIED RESEARCH EXPENSES OF AN ACQUIRED PERSON.**—

(1) **PARTIAL INCLUSION OF PRE-ACQUISITION QUALIFIED RESEARCH EXPENSES.**—Subparagraph (A) of section 41(f)(3) is amended to read as follows:

“(A) **ACQUISITIONS.**—

“(i) **IN GENERAL.**—If a person acquires the major portion of a trade or business of another person (hereinafter in this paragraph referred to as the “predecessor”) or the major portion of a separate unit of a trade or business of a predecessor, then the amount of qualified research expenses paid or incurred by the acquiring person during the 3 taxable years preceding the taxable year in which the credit under this section is determined shall be increased by—

“(I) for purposes of applying this section for the taxable year in which such acquisition is made, the amount determined under clause (ii), and

“(II) for purposes of applying this section for any taxable year after the taxable year in which such acquisition is made, so much of the qualified research expenses paid or incurred by the predecessor with respect to the acquired trade or business during the portion of the measurement period that is part of the 3-taxable-year period preceding the taxable year for which the credit is determined as is attributable to the portion of such trade or business or separate unit acquired by such person.

“(ii) **AMOUNT DETERMINED.**—The amount determined under this clause is the amount equal to the product of—

“(I) so much of the qualified research expenses paid or incurred by the predecessor with respect to the acquired trade or business during the 3 taxable years before the taxable year in which the acquisition is made as is attributable to the portion of such trade or business or separate unit acquired by the acquiring person, and

“(II) the number of months in the period beginning on the date of the acquisition and ending on the last day of the taxable year in which the acquisition is made, divided by 12.

“(iii) **SPECIAL RULES FOR COORDINATING TAXABLE YEARS.**—In the case of an acquiring person and a predecessor whose taxable years do not begin on the same date—

“(I) each reference to a taxable year in clauses (i) and (ii) shall refer to the appropriate taxable year of the acquiring person,

“(II) the qualified research expenses paid or incurred by the predecessor during each taxable year of the predecessor any portion of which is part of the measurement period shall be allocated equally among the months of such taxable year, and

“(III) the amount of such qualified research expenses taken into account under clauses (i) and (ii) with respect to a taxable year of the acquiring person shall be equal to the total of the expenses attributable under subclause (II) to the months occurring during such taxable year.

“(iv) **MEASUREMENT PERIOD.**—For purposes of this subparagraph, the term “measurement period” means the taxable year of the acquiring person in which the acquisition is made

and the 3 taxable years of the acquiring person preceding such taxable year.”.

(2) **EXPENSES OF A DISPOSING PERSON.**—Subparagraph (B) of section 41(f)(3) is amended to read as follows:

“(B) **DISPOSITIONS.**—If a person disposes of the major portion of any trade or business or the major portion of a separate unit of a trade or business in a transaction to which subparagraph (A) applies, and the disposing person furnished to the acquiring person such information as is necessary for the application of subparagraph (A), then, for purposes of applying this section for any taxable year ending after such disposition, the amount of qualified research expenses paid or incurred by the disposing person during the 3 taxable years preceding such taxable year shall be decreased by the amount of the increase determined under subparagraph (A) with respect to the acquiring person for such taxable year.”.

(d) **AGGREGATION OF EXPENDITURES.**—Paragraph (1) of section 41(f) is amended—

(1) by striking “shall be its proportionate shares of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, giving rise to the credit” in subparagraph (A)(ii) and inserting “shall be determined on a proportionate basis to its share of the aggregate qualified research expenses taken into account by such controlled group for purposes of this section”, and

(2) by striking “shall be its proportionate shares of the qualified research expenses, basic research payments, and amounts paid or incurred to energy research consortiums, giving rise to the credit” in subparagraph (B)(ii) and inserting “shall be determined on a proportionate basis to its share of the aggregate qualified research expenses taken into account by all such persons under common control for purposes of this section”.

(e) **EXTENSION.**—

(1) Subsection (h) of section 41 is amended—

(A) by striking paragraph (2) (relating to termination of alternative incremental credit), and

(B) by striking “paid or incurred” and all that follows in paragraph (1) and inserting “paid or incurred after December 31, 2012”.

(2) Subparagraph (D) of section 45C(b)(1) is amended by striking “June 30, 1995” and all that follows and inserting “December 31, 2012”.

(f) **CONFORMING AMENDMENTS.**—

(1) **TERMINATION OF BASIC RESEARCH PAYMENT CALCULATION.**—Section 41 is amended—

(A) by striking subsection (e),

(B) by redesignating subsection (g) as subsection (e), and

(C) by relocating subsection (e), as so redesignated, immediately after subsection (d).

(2) **SPECIAL RULES.**—

(A) Paragraph (4) of section 41(f) is amended by striking “and gross receipts”.

(B) Subsection (f) of section 41 is amended by striking paragraph (6).

(3) **CROSS-REFERENCES.**—

(A) Paragraph (2) of section 45C(c) is amended by striking “base period research expenses” and inserting “average qualified research expenses”.

(B) Subparagraph (A) of section 54(l)(3) is amended by striking “section 41(g)” and inserting “section 41(e)”.

(C) Clause (i) of section 170(e)(4)(B) is amended to read as follows:

“(i) the contribution is to a qualified organization.”.

(D) Paragraph (4) of section 170(e) is amended by adding at the end the following new subparagraph:

“(E) **QUALIFIED ORGANIZATION.**—For purposes of this paragraph, the term ‘qualified organization’ means—

“(i) any educational organization which—

“(I) is an institution of higher education (within the meaning of section 3304(f)), and

“(II) is described in subsection (b)(1)(A)(ii), or

“(ii) any organization not described in clause (i) which—

“(I) is described in section 501(c)(3) and is exempt from tax under section 501(a),

“(II) is organized and operated primarily to conduct scientific research, and

“(III) is not a private foundation.”.

(E) Section 280C is amended—

(i) by striking “or basic research expenses (as defined in section 41(e)(2))” in subsection (c)(1),

(ii) by striking “section 41(a)(1)” in subsection (c)(2)(A) and inserting “section 41(a)”, and

(iii) by striking “or basic research expenses” in subsection (c)(2)(B).

(F) Clause (i) of section 1400N(1)(7)(B) is amended by striking “section 41(g)” and inserting “section 41(e)”.

(g) **TECHNICAL CORRECTIONS.**—Section 409 is amended—

(1) by inserting “, as in effect before the enactment of the Tax Reform Act of 1984” after “section 41(c)(1)(B)” in subsection (b)(1)(A),

(2) by inserting “, as in effect before the enactment of the Tax Reform Act of 1984” after “relating to the employee stock ownership credit” in subsection (b)(4),

(3) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41(c)(1)(B)” in subsection (i)(1)(A),

(4) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41(c)(1)(B)” in subsection (m),

(5) by inserting “(as so in effect)” after “section 48(n)(1)” in subsection (m),

(6) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 48(n)” in subsection (q)(1), and

(7) by inserting “(as in effect before the enactment of the Tax Reform Act of 1984)” after “section 41” in subsection (q)(3).

(h) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to taxable years beginning after December 31, 2011.

(2) **EXTENSION.**—The amendments made by subsection (e) shall apply to amounts paid or incurred after December 31, 2011.

(3) **TECHNICAL CORRECTIONS.**—The amendments made by subsection (g) shall take effect on the date of the enactment of this Act.

**SEC. 52102. EXTENSION OF INDIAN EMPLOYMENT TAX CREDIT.**

(a) **IN GENERAL.**—Subsection (f) of section 45A is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52103. EXTENSION OF NEW MARKETS TAX CREDIT.**

(a) **IN GENERAL.**—Subparagraph (G) of section 45D(f)(1) is amended by striking “2010 and 2011” and inserting “2010, 2011, and 2012”.

(b) **CARRYOVER OF UNUSED LIMITATION.**—Paragraph (3) of section 45D(f) is amended by striking “2016” and inserting “2017”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to calendar years beginning after December 31, 2011.

**SEC. 52104. EXTENSION OF RAILROAD TRACK MAINTENANCE CREDIT.**

(a) **IN GENERAL.**—Subsection (f) of section 45G is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to expenditures paid or incurred in taxable years beginning after December 31, 2011.

**SEC. 52105. EXTENSION OF MINE RESCUE TEAM TRAINING CREDIT.**

(a) **IN GENERAL.**—Subsection (e) of section 45N is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52106. EXTENSION OF EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.**

(a) **IN GENERAL.**—Subsection (f) of section 45P is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to payments made after December 31, 2011.

**SEC. 52107. EXTENSION OF WORK OPPORTUNITY TAX CREDIT.**

(a) **IN GENERAL.**—Subparagraph (B) of section 51(c)(4), as amended by the VOW to Hire Heroes Act of 2011, is amended by striking “after” and all that follows and inserting “after December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to individuals who begin work for the employer after December 31, 2011.

**SEC. 52108. EXTENSION OF QUALIFIED ZONE ACADEMY BONDS.**

(a) **IN GENERAL.**—Paragraph (1) of section 54E(c) is amended by inserting “and 2012” after “for 2011”.

(b) **REPEAL OF REFUNDABLE CREDIT FOR QZABS.**—Clause (iii) of section 6431(f)(3)(A) is amended by inserting “or 2012” after “for 2011”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to obligations issued after December 31, 2011.

**SEC. 52109. EXTENSION OF 15-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS, QUALIFIED RESTAURANT BUILDINGS AND IMPROVEMENTS, AND QUALIFIED RETAIL IMPROVEMENTS.**

(a) **IN GENERAL.**—Clauses (iv), (v), and (ix) of section 168(e)(3)(E) are each amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to property placed in service after December 31, 2011.

**SEC. 52110. EXTENSION OF 7-YEAR RECOVERY PERIOD FOR MOTORSPORTS ENTERTAINMENT COMPLEXES.**

(a) **IN GENERAL.**—Subparagraph (D) of section 168(i)(15) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2011.

**SEC. 52111. EXTENSION OF ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON AN INDIAN RESERVATION.**

(a) **IN GENERAL.**—Paragraph (8) of section 168(j) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2011.

**SEC. 52112. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.**

(a) **IN GENERAL.**—Clause (iv) of section 170(e)(3)(C) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made after December 31, 2011.

**SEC. 52113. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORIES TO PUBLIC SCHOOLS.**

(a) **IN GENERAL.**—Clause (iv) of section 170(e)(3)(D) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made after December 31, 2011.

**SEC. 52114. EXTENSION OF ENHANCED CHARITABLE DEDUCTION FOR CORPORATE CONTRIBUTIONS OF COMPUTER INVENTORY FOR EDUCATIONAL PURPOSES.**

(a) **IN GENERAL.**—Subparagraph (G) of section 170(e)(6) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2011.

**SEC. 52115. EXTENSION OF INCREASED EXPENSING LIMITATIONS AND TREATMENT OF CERTAIN REAL PROPERTY AS SECTION 179 PROPERTY.**

(a) **IN GENERAL.**—Section 179(b) is amended—

(1) by striking “2010 or 2011” each place it appears in paragraph (1)(B) and (2)(B) and inserting “2010, 2011, or 2012”;

(2) by striking “2012” each place it appears in paragraph (1)(C) and (2)(C) and inserting “2013”; and

(3) by striking “2012” each place it appears in paragraph (1)(D) and (2)(D) and inserting “2013”.

(b) **INFLATION ADJUSTMENT.**—Subparagraph (A) of section 179(b)(6) is amended by striking “2012” and inserting “2013”.

(c) **COMPUTER SOFTWARE.**—Section 179(d)(1)(A)(ii) is amended by striking “2013” and inserting “2014”.

(d) **ELECTION.**—Section 179(c)(2) is amended by striking “2013” and inserting “2014”.

(e) **SPECIAL RULES FOR TREATMENT OF QUALIFIED REAL PROPERTY.**—Section 179(f)(1) is amended by striking “2010 or 2011” and inserting “2010, 2011, or 2012”.

(f) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52116. EXTENSION OF ELECTION TO EXPENSE MINE SAFETY EQUIPMENT.**

(a) **IN GENERAL.**—Subsection (g) of section 179E is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to property placed in service after December 31, 2011.

**SEC. 52117. EXTENSION OF EXPENSING OF BROWNFIELDS ENVIRONMENTAL REMEDIATION COSTS.**

(a) **IN GENERAL.**—Subsection (h) of section 198 is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2011.

**SEC. 52118. EXTENSION OF MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.**

(a) **IN GENERAL.**—Clause (iv) of section 512(b)(13)(E) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to payments received or accrued after December 31, 2011.

**SEC. 52119. EXTENSION OF TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.**

(a) **IN GENERAL.**—Paragraphs (1)(C) and (2)(C) of section 871(k) are each amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

**SEC. 52120. EXTENSION OF RIC QUALIFIED INVESTMENT ENTITY TREATMENT UNDER FIRPTA.**

(a) **IN GENERAL.**—Clause (ii) of section 897(h)(4)(A) is amended by striking “Decem-

ber 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—The amendment made by subsection (a) shall take effect on January 1, 2012. Notwithstanding the preceding sentence, such amendment shall not apply with respect to the withholding requirement under section 1445 of the Internal Revenue Code of 1986 for any payment made before the date of the enactment of this Act.

(2) **AMOUNTS WITHHELD ON OR BEFORE DATE OF ENACTMENT.**—In the case of a regulated investment company—

(A) which makes a distribution after December 31, 2011, and before the date of the enactment of this Act; and

(B) which would (but for the second sentence of paragraph (1)) have been required to withhold with respect to such distribution under section 1445 of such Code,

such investment company shall not be liable to any person to whom such distribution was made for any amount so withheld and paid over to the Secretary of the Treasury.

**SEC. 52121. EXTENSION OF SUBPART F EXCEPTION FOR ACTIVE FINANCING INCOME.**

(a) **EXEMPT INSURANCE INCOME.**—Paragraph (10) of section 953(e) is amended—

(1) by striking “January 1, 2012” and inserting “January 1, 2013”; and

(2) by striking “December 31, 2011” and inserting “December 31, 2012”;

(b) **SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.**—Paragraph (9) of section 954(h) is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2011, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

**SEC. 52122. EXTENSION OF LOOK-THRU TREATMENT OF PAYMENTS BETWEEN RELATED CONTROLLED FOREIGN CORPORATIONS UNDER FOREIGN PERSONAL HOLDING COMPANY RULES.**

(a) **IN GENERAL.**—Subparagraph (C) of section 954(c)(6) is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2011, and to taxable years of United States shareholders with or within which any such taxable year of such foreign corporation ends.

**SEC. 52123. EXTENSION OF 100 PERCENT EXCLUSION FOR QUALIFIED SMALL BUSINESS STOCK.**

(a) **IN GENERAL.**—Paragraph (4) of section 1202(a) is amended—

(1) by striking “January 1, 2012” and inserting “January 1, 2013”; and

(2) by striking “2010 AND 2011” in the heading and inserting “2010, 2011, AND 2012”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to stock acquired after December 31, 2011.

**SEC. 52124. EXTENSION OF BASIS ADJUSTMENT TO STOCK OF S CORPS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.**

(a) **IN GENERAL.**—Paragraph (2) of section 1367(a) is amended by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2011.

**SEC. 52125. EXTENSION OF TEMPORARY INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAXES TO PUERTO RICO AND THE VIRGIN ISLANDS.**

(a) **IN GENERAL.**—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2012” and inserting “January 1, 2013”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2011.

**TITLE IV—OFFSETS**

**SEC. 53001. DEFICIT REDUCTION TRUST FUND.**

(a) **IN GENERAL.**—Subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end the following new section:

**“§ 3114. Trust fund to reduce public debt**

“(a) There is established in the Treasury of the United States a trust fund to be known as the ‘Deficit Reduction Trust Fund’ (in this section referred to as the ‘Trust Fund’).

“(b) There is appropriated to the Trust Fund the following amounts:

“(1) Amounts equivalent to the net increase in amounts received in the Treasury attributable to the provisions of, and the amendments made by, subtitles B, C, D, E, F, and G of title I of division E of the Moving Ahead for Progress in the 21st Century Act.

“(2) The net increase in taxes received in the Treasury attributable to the amendments made by section 53002 of the Moving Ahead for Progress in the 21st Century Act.

“(3) Amounts equivalent to the reduction in spending attributable to the amendment made by section 53003 of the Moving Ahead for Progress in the 21st Century Act.

“(c) The Secretary of the Treasury shall use the moneys in the Trust Fund solely to pay at maturity, or to redeem or buy before maturity, an obligation of the Government included in the public debt.

“(d) Any obligation of the Government which is paid, redeemed, or bought with money from the Trust Fund shall be canceled and retired and may not be reissued.”.

(b) **CONFORMING AMENDMENT.**—The table of sections for subchapter I of chapter 31 of title 31, United States Code, is amended by adding at the end the following new item:

“3114. Trust fund to reduce public debt.”.

**SEC. 53002. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM THE REFUNDABLE PORTION OF THE CHILD TAX CREDIT.**

(a) **IN GENERAL.**—Subsection (d) of section 24 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(5) **IDENTIFICATION REQUIREMENT WITH RESPECT TO TAXPAYER.**—

“(A) **IN GENERAL.**—Paragraph (1) shall not apply to any taxpayer for any taxable year unless the taxpayer includes the taxpayer’s Social Security number on the return of tax for such taxable year.

“(B) **JOINT RETURNS.**—In the case of a joint return, the requirement of subparagraph (A) shall be treated as met if the Social Security number of either spouse is included on such return.”.

(b) **OMISSION TREATED AS MATHEMATICAL OR CLERICAL ERROR.**—Subparagraph (I) of section 6213(g)(2) of the Internal Revenue Code of 1986 is amended to read as follows:

“(I) an omission of a correct Social Security number required under section 24(d)(5) (relating to refundable portion of child tax credit), or a correct TIN under section 24(e) (relating to child tax credit), to be included on a return.”.

(c) **CONFORMING AMENDMENT.**—Subsection (e) of section 24 of the Internal Revenue Code of 1986 is amended by inserting “WITH RESPECT TO QUALIFYING CHILDREN” after “IDENTIFICATION REQUIREMENT” in the heading thereof.

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

**SEC. 53003. EXTENSION OF PAY LIMITATION FOR FEDERAL EMPLOYEES.**

(a) **EXTENSION.**—

(1) **IN GENERAL.**—Section 147 of the Continuing Appropriations Act, 2011 (Public Law 111–242; 5 U.S.C. 5303 note) is amended—

(A) in subsection (b)(1), by striking “December 31, 2012” and inserting “December 31, 2013”; and

(B) in subsection (c), by striking “December 31, 2012” and inserting “December 31, 2013”.

(2) **APPLICATION TO LEGISLATIVE BRANCH.**—

(A) **MEMBERS OF CONGRESS.**—The extension of the pay limit for Federal employees through December 31, 2013, as established pursuant to the amendments made by paragraph (1), shall apply to Members of Congress in accordance with section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31).

(B) **OTHER LEGISLATIVE BRANCH EMPLOYEES.**—

(1) **LIMIT IN PAY.**—Notwithstanding any other provision of law, no cost of living adjustment required by statute with respect to a legislative branch employee which (but for this clause) would otherwise take effect during the period beginning on the date of enactment of this Act and ending on December 31, 2013, shall be made.

(ii) **DEFINITION.**—In this subparagraph, the term “legislative branch employee” means—

(I) an employee of the Federal Government whose pay is disbursed by the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives; and

(II) an employee of any office of the legislative branch who is not described in subclause (I).

(b) **REDUCTION OF REVISED DISCRETIONARY SPENDING LIMITS TO ACHIEVE SAVINGS FROM FEDERAL EMPLOYEE PROVISIONS.**—Paragraph (2) of section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended to read as follows:

“(2) **REVISED DISCRETIONARY SPENDING LIMITS.**—The discretionary spending limits for fiscal years 2013 through 2021 under section 251(c) shall be replaced with the following:

“(A) For fiscal year 2013—

“(i) for the revised security category, \$546,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$499,000,000,000 in budget authority.

“(B) For fiscal year 2014—

“(i) for the revised security category, \$556,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$507,000,000,000 in budget authority.

“(C) For fiscal year 2015—

“(i) for the revised security category, \$566,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$517,000,000,000 in budget authority.

“(D) For fiscal year 2016—

“(i) for the revised security category, \$577,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$527,000,000,000 in budget authority.

“(E) For fiscal year 2017—

“(i) for the revised security category, \$590,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$538,000,000,000 in budget authority.

“(F) For fiscal year 2018—

“(i) for the revised security category, \$603,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$550,000,000,000 in budget authority.

“(G) For fiscal year 2019—

“(i) for the revised security category, \$616,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$562,000,000,000 in budget authority.

“(H) For fiscal year 2020—

“(i) for the revised security category, \$630,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$574,000,000,000 in budget authority.

“(I) For fiscal year 2021—

“(i) for the revised security category, \$644,000,000,000 in budget authority; and

“(ii) for the revised nonsecurity category, \$586,000,000,000 in budget authority.”.

**SA 1827.** Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; which was ordered to lie on the table; as follows:

At the end of division B, add the following:

**SEC. \_\_\_\_ . ATTRIBUTION OF FIXED GUIDEWAY VEHICLE REVENUE MILES AND FIXED GUIDEWAY DIRECTIONAL ROUTE MILES.**

(a) **DEFINITION.**—In this section the term “covered miles of a recipient” means the fixed guideway vehicle revenue miles or fixed guideway directional route miles in the public transportation system for which the recipient receives funds.

(b) **ATTRIBUTION.**—For purposes of section 5336(b)(2)(A) and section 5337(c)(3) of title 49, United States Code, as amended by this Act, the Secretary shall deem to be attributable to an urbanized area not less than 50 percent of the covered miles of a recipient that are located outside the urbanized area for which the recipient receives funds, in addition to the covered miles of the recipient that are located inside the urbanized area.

**SA 1828.** Ms. KLOBUCHAR submitted an amendment intended to be proposed by her to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; which was ordered to lie on the table; as follows:

On page 469, after line 22, add the following:

**SEC. 1521. TRUCKING WEIGHT LIMITATIONS.**

Section 127(a) of title 23, United States Code, is amended by adding at the end the following:

“(13) **HEAVY TRUCK PILOT PROGRAM.**—

“(A) **IN GENERAL.**—The Secretary may carry out a pilot program under which the Secretary may authorize up to 3 States to allow, by special permit, the operation of vehicles with a gross vehicle weight of up to 126,000 pounds on segments on the Interstate System in the State.

“(B) **REQUIREMENTS.**—A State authorized under the pilot program under subparagraph (A) shall—

“(i) identify, and submit to the Secretary for approval—

“(I) the segments on the Interstate System that will be subject to the pilot program; and

“(II) the configurations of vehicles to be allowed to operate under a special permit;

“(ii) allow vehicles subject to the program to operate on not more than 3 segments, which may be contiguous, of up to 25 miles each;

“(iii) require the loads of vehicles operating under a special permit to conform to such single axle, tandem axle, tridem axle, and bridge formula limits applicable in the State; and

“(iv) establish and collect a fee for vehicles operating under a special permit.

“(C) **PROHIBITIONS.**—The Secretary may prohibit the operation of a vehicle under a special permit if the Secretary determines

that the operation poses an unreasonable safety risk based on an analysis of engineering data, safety data, or other applicable data.

“(D) **DURATION.**—The Secretary may authorize a State to participate in the pilot program under this paragraph for a period not to exceed 4 years.”.

**SA 1829.** Mr. JOHANNIS submitted an amendment intended to be proposed by him to the bill S. 1813, to reauthorize Federal-aid highway and highway safety construction programs, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ . EXCEPTION TO GENERAL PROPERTY-CARRYING UNIT LIMITATION.**

Section 3112(d)(4) of title 49, United States Code, is amended to read as follows:

“(4) Subject to an appropriate permit from each State in which they will be operated, property-carrying units that were not in actual operation on June 1, 1991, may be operated within 1 or more adjacent States to transport sugar beets from the field where such sugar beets are harvested to storage, market, factory, or stockpile or from stockpile to storage, market, or factory if such vehicles—

“(A) are not more than 25 percent longer or 15 percent heavier than the maximum length and weight, respectively, otherwise permitted for similar property-carrying units;

“(B) are operated not more than 200 days per year; and

“(C) are operated within a range of not more than 90 aeronautical miles.”.

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON ARMED SERVICES**

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on March 8, 2012, at 9:30 a.m.

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

**COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS**

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on March 8, 2012, at 10 a.m., to conduct a hearing entitled “Addressing the Housing Crisis in Indian Country: Leveraging Resources and Coordinating Efforts.”

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

**COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS**

Mrs. SHAHEEN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet during the session of the Senate, to conduct a hearing entitled “The Key to America’s Global Competitiveness: A Quality Education” on March 8, 2012, at 10 a.m., in room 430 of the Dirksen Senate Office Building.

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