

(4) Tax reform shall be enacted with due care through transition provisions to avoid insofar as possible retroactive tax increases or decreases arising from the accrued tax consequences of decisions made under current tax law.

SEC. 505. POLICY STATEMENT ON GOVERNMENT ASSET SALES.

(a) FINDINGS.—The Senate finds the following:

(1) The Federal Government owns and controls vast assets, including huge swaths of commercial land, especially in the West; power generation facilities; valuable portions of the electromagnetic spectrum; underutilized buildings; and financial assets.

(2) Control of these numerous and varied assets is 1 key expression of a government much too large and intrusive.

(3) Given the Federal Government's excessive spending, which has driven trillion-dollar-plus deficits for 4 straight years, and generated debt burdens that are stifling present-day economic growth and threatening the Nation's future prosperity.

(4) Divesting itself of these assets would make an important contribution to reducing Government's debt and interest costs.

(b) POLICY ON ASSET SALES.—It is the policy of this budget resolution that the House and Senate shall each develop a package of asset sales and transfers of government activities to the private sector. These proposals, which are to yield revenues or savings of at least \$260,000,000,000 through fiscal year 2028, shall be submitted to the respective chambers for enactment in fiscal year 2013.

(c) ASSUMPTIONS REGARDING ASSET SALES.—The assets in the package must include, though not be limited to, the following:

(1) Land administered by the Bureau of Land Management and the Department of Agriculture.

(2) Federal buildings and other real estate.

(3) Mineral rights.

(4) Electromagnetic spectrum.

(5) Facilities administered by the Power Marketing Administrations and by the Tennessee Valley Authority.

(6) Federal loans and other financial assets.

(7) Amtrak.

(d) ASSUMPTIONS REGARDING TRANSFER OF GOVERNMENT ACTIVITIES.—Transfers of government activities to the private must include, though not be limited to, the following:

(1) The Neighborhood Reinvestment Corporation.

(2) The Government Printing Office.

(3) The Architect of the Capitol.

(4) The Bureau of Reclamation.

SEC. 506. POLICY ON REPEALING OBAMACARE.

(a) FINDINGS.—The Senate finds the following:

(1) The quality of United States health care, as well as the stability of the nation's economy and the Federal budget, depend on solving the genuine cost and delivery challenges in the health sector.

(2) But the pervasive government intrusiveness and \$1,390,000,000,000 cost of Obamacare are precisely the wrong prescription for problems that have developed grown from faulty government policy, particularly on the part of the Federal Government.

(3) Obamacare will generate fewer choices, less access, and greater dependence on the Government for health care, while increasing taxes, regulation and mandates on individuals and businesses.

(4) A majority of Americans continue to oppose this one-size-fits-all "remedy," a Government takeover of one sixth of the economy that was rammed through Congress despite a clear lack of consensus.

(b) POLICY ON OBAMACARE.—It is the policy of this budget resolution that Congress should repeal Obamacare and develop a fresh strategy built on a patient-centered, market-based solution.

TITLE VI—SENSE OF CONGRESS

SEC. 601. REGULATORY REFORM.

It is the policy of this concurrent resolution that Congress and the relevant committees of jurisdiction enact legislation to ensure a regulatory reform as follows:

(1) APPLY REGULATORY ANALYSIS REQUIREMENTS TO INDEPENDENT AGENCIES.—It shall be the policy of Congress to pass into law a requirement for independent agencies to abide by the same regulatory analysis requirement as those required by executive branch agencies.

(2) ADOPT THE REGULATIONS FROM THE EXECUTIVE IN NEED OF SCRUTINY ACT (REINS).—It shall be the policy of Congress to vote on the Regulations From the Executive in Need of Scrutiny Act of 2011, legislation that would require all regulations that impose a burden greater than \$100 million in economic aggregate may not be implemented as law unless Congress gives their consent by voting on the rule.

(3) SUNSET ALL REGULATIONS.—It shall be the policy of Congress that regulations imposed by the Federal Government shall automatically sunset every 2 years unless re promulgated by Congress.

(4) PROCESS REFORM.—It shall be the policy of Congress to implement regulatory process reform by instituting statutorily required regulatory impact analysis for all agencies, require the publication of regulatory impact analysis before the regulation is finalized, and ensure that not only are regulatory impact analysis conducted, but applied to the issued regulation or rulemaking.

(5) INCORPORATION OF FORMAL RULEMAKING FOR MAJOR RULES.—It shall be the policy of Congress to apply formal rulemaking procedures to all major regulations or those regulations that exceed \$100,000,000 in aggregate economic costs.

SEC. 602. RESCIND UNSPENT OR UNOBLIGATED BALANCES AFTER 36 MONTHS.

It is the sense of Congress that—

(1) any adjustments of allocations and aggregates made pursuant to this resolution shall require that any unobligated or unspent allocations be rescinded after 36 months;

(2) revised allocations and aggregates resulting from these adjustments resulting from the required rescissions shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution; and

(3) for purposes of this resolution the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2561. Mrs. SHAHEEN (for herself and Mr. PORTMAN) submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table.

SA 2562. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2563. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2564. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2565. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 3364, supra; which was ordered to lie on the table.

SA 2566. Mr. MCCAIN (for himself and Mrs. HAGAN) submitted an amendment intended to be proposed by him to the bill S. 3364, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2561. Mrs. SHAHEEN (for herself and Mr. PORTMAN) submitted an amendment intended to be proposed by her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end of the bill, add the following:

TITLE II—ENERGY SAVINGS AND INDUSTRIAL COMPETITIVENESS

SEC. 201. SHORT TITLE.

This title may be cited as the "Energy Savings and Industrial Competitiveness Act of 2012".

Subtitle A—Buildings

PART I—BUILDING ENERGY CODES

SEC. 211. GREATER ENERGY EFFICIENCY IN BUILDING CODES.

(a) DEFINITIONS.—Section 303 of the Energy Conservation and Production Act (42 U.S.C. 6832) is amended—

(1) by striking paragraph (14) and inserting the following:

"(14) MODEL BUILDING ENERGY CODE.—The term 'model building energy code' means a voluntary building energy code and standards developed and updated through a consensus process among interested persons, such as the IECC or the code used by—

"(A) the Council of American Building Officials;

"(B) the American Society of Heating, Refrigerating, and Air-Conditioning Engineers; or

"(C) other appropriate organizations."; and

(2) by adding at the end the following:

"(17) IECC.—The term 'IECC' means the International Energy Conservation Code.

"(18) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103)."

(b) STATE BUILDING ENERGY EFFICIENCY CODES.—Section 304 of the Energy Conservation and Production Act (42 U.S.C. 6833) is amended to read as follows:

"SEC. 304. UPDATING STATE BUILDING ENERGY EFFICIENCY CODES.

"(a) IN GENERAL.—The Secretary shall—

"(1) encourage and support the adoption of building energy codes by States, Indian tribes, and, as appropriate, by local governments that meet or exceed the model building energy codes, or achieve equivalent or greater energy savings; and

"(2) support full compliance with the State and local codes.

"(b) STATE AND INDIAN TRIBE CERTIFICATION OF BUILDING ENERGY CODE UPDATES.—

"(1) REVIEW AND UPDATING OF CODES BY EACH STATE AND INDIAN TRIBE.—

"(A) IN GENERAL.—Not later than 2 years after the date on which a model building energy code is updated, each State or Indian tribe shall certify whether or not the State or Indian tribe, respectively, has reviewed and updated the energy provisions of the building code of the State or Indian tribe, respectively.

“(B) DEMONSTRATION.—The certification shall include a demonstration of whether or not the energy savings for the code provisions that are in effect throughout the State or Indian tribal territory meet or exceed—

“(i) the energy savings of the updated model building energy code; or

“(ii) the targets established under section 307(b)(2).

“(C) NO MODEL BUILDING ENERGY CODE UPDATE.—If a model building energy code is not updated by a target date established under section 307(b)(2)(D), each State or Indian tribe shall, not later than 2 years after the specified date, certify whether or not the State or Indian tribe, respectively, has reviewed and updated the energy provisions of the building code of the State or Indian tribe, respectively, to meet or exceed the target in section 307(b)(2).

“(2) VALIDATION BY SECRETARY.—Not later than 90 days after a State or Indian tribe certification under paragraph (1), the Secretary shall—

“(A) determine whether the code provisions of the State or Indian tribe, respectively, meet the criteria specified in paragraph (1); and

“(B) if the determination is positive, validate the certification.

“(c) IMPROVEMENTS IN COMPLIANCE WITH BUILDING ENERGY CODES.—

“(1) REQUIREMENT.—

“(A) IN GENERAL.—Not later than 3 years after the date of a certification under subsection (b), each State and Indian tribe shall certify whether or not the State and Indian tribe, respectively, has—

“(i) achieved full compliance under paragraph (3) with the applicable certified State and Indian tribe building energy code or with the associated model building energy code; or

“(ii) made significant progress under paragraph (4) toward achieving compliance with the applicable certified State and Indian tribe building energy code or with the associated model building energy code.

“(B) REPEAT CERTIFICATIONS.—If the State or Indian tribe certifies progress toward achieving compliance, the State or Indian tribe shall repeat the certification until the State or Indian tribe certifies that the State or Indian tribe has achieved full compliance, respectively.

“(2) MEASUREMENT OF COMPLIANCE.—A certification under paragraph (1) shall include documentation of the rate of compliance based on—

“(A) independent inspections of a random sample of the buildings covered by the code in the preceding year; or

“(B) an alternative method that yields an accurate measure of compliance.

“(3) ACHIEVEMENT OF COMPLIANCE.—A State or Indian tribe shall be considered to achieve full compliance under paragraph (1) if—

“(A) at least 90 percent of building space covered by the code in the preceding year substantially meets all the requirements of the applicable code specified in paragraph (1), or achieves equivalent or greater energy savings level; or

“(B) the estimated excess energy use of buildings that did not meet the applicable code specified in paragraph (1) in the preceding year, compared to a baseline of comparable buildings that meet this code, is not more than 5 percent of the estimated energy use of all buildings covered by this code during the preceding year.

“(4) SIGNIFICANT PROGRESS TOWARD ACHIEVEMENT OF COMPLIANCE.—A State or Indian tribe shall be considered to have made significant progress toward achieving compliance for purposes of paragraph (1) if the State or Indian tribe—

“(A) has developed and is implementing a plan for achieving compliance during the 8-year-period beginning on the date of enactment of this paragraph, including annual targets for compliance and active training and enforcement programs; and

“(B) has met the most recent target under subparagraph (A).

“(5) VALIDATION BY SECRETARY.—Not later than 90 days after a State or Indian tribe certification under paragraph (1), the Secretary shall—

“(A) determine whether the State or Indian tribe has demonstrated meeting the criteria of this subsection, including accurate measurement of compliance; and

“(B) if the determination is positive, validate the certification.

“(d) STATES OR INDIAN TRIBES THAT DO NOT ACHIEVE COMPLIANCE.—

“(1) REPORTING.—A State or Indian tribe that has not made a certification required under subsection (b) or (c) by the applicable deadline shall submit to the Secretary a report on—

“(A) the status of the State or Indian tribe with respect to meeting the requirements and submitting the certification; and

“(B) a plan for meeting the requirements and submitting the certification.

“(2) FEDERAL SUPPORT.—For any State or Indian tribe for which the Secretary has not validated a certification by a deadline under subsection (b) or (c), the lack of the certification may be a consideration for Federal support authorized under this section for code adoption and compliance activities.

“(3) LOCAL GOVERNMENT.—In any State or Indian tribe for which the Secretary has not validated a certification under subsection (b) or (c), a local government may be eligible for Federal support by meeting the certification requirements of subsections (b) and (c).

“(4) ANNUAL REPORTS BY SECRETARY.—

“(A) IN GENERAL.—The Secretary shall annually submit to Congress, and publish in the Federal Register, a report on—

“(i) the status of model building energy codes;

“(ii) the status of code adoption and compliance in the States and Indian tribes;

“(iii) implementation of this section; and

“(iv) improvements in energy savings over time as result of the targets established under section 307(b)(2).

“(B) IMPACTS.—The report shall include estimates of impacts of past action under this section, and potential impacts of further action, on—

“(i) upfront financial and construction costs, cost benefits and returns (using investment analysis), and lifetime energy use for buildings;

“(ii) resulting energy costs to individuals and businesses; and

“(iii) resulting overall annual building ownership and operating costs.

“(e) TECHNICAL ASSISTANCE TO STATES AND INDIAN TRIBES.—The Secretary shall provide technical assistance to States and Indian tribes to implement the goals and requirements of this section, including procedures and technical analysis for States and Indian tribes—

“(1) to improve and implement State residential and commercial building energy codes;

“(2) to demonstrate that the code provisions of the States and Indian tribes achieve equivalent or greater energy savings than the model building energy codes and targets;

“(3) to document the rate of compliance with a building energy code; and

“(4) to otherwise promote the design and construction of energy efficient buildings.

“(f) AVAILABILITY OF INCENTIVE FUNDING.—

“(1) IN GENERAL.—The Secretary shall provide incentive funding to States and Indian tribes—

“(A) to implement the requirements of this section;

“(B) to improve and implement residential and commercial building energy codes, including increasing and verifying compliance with the codes and training of State, tribal, and local building code officials to implement and enforce the codes; and

“(C) to promote building energy efficiency through the use of the codes.

“(2) ADDITIONAL FUNDING.—Additional funding shall be provided under this subsection for implementation of a plan to achieve and document full compliance with residential and commercial building energy codes under subsection (c)—

“(A) to a State or Indian tribe for which the Secretary has validated a certification under subsection (b) or (c); and

“(B) in a State or Indian tribe that is not eligible under subparagraph (A), to a local government that is eligible under this section.

“(3) TRAINING.—Of the amounts made available under this subsection, the State may use amounts required, but not to exceed \$750,000 for a State, to train State and local building code officials to implement and enforce codes described in paragraph (2).

“(4) LOCAL GOVERNMENTS.—States may share grants under this subsection with local governments that implement and enforce the codes.

“(g) STRETCH CODES AND ADVANCED STANDARDS.—

“(1) IN GENERAL.—The Secretary shall provide technical and financial support for the development of stretch codes and advanced standards for residential and commercial buildings for use as—

“(A) an option for adoption as a building energy code by local, tribal, or State governments; and

“(B) guidelines for energy-efficient building design.

“(2) TARGETS.—The stretch codes and advanced standards shall be designed—

“(A) to achieve substantial energy savings compared to the model building energy codes; and

“(B) to meet targets under section 307(b), if available, at least 3 to 6 years in advance of the target years.

“(h) STUDIES.—The Secretary, in consultation with building science experts from the National Laboratories and institutions of higher education, designers and builders of energy-efficient residential and commercial buildings, code officials, and other stakeholders, shall undertake a study of the feasibility, impact, economics, and merit of—

“(1) code improvements that would require that buildings be designed, sited, and constructed in a manner that makes the buildings more adaptable in the future to become zero-net-energy after initial construction, as advances are achieved in energy-saving technologies;

“(2) code procedures to incorporate measured lifetimes, not just first-year energy use, in trade-offs and performance calculations; and

“(3) legislative options for increasing energy savings from building energy codes, including additional incentives for effective State and local action, and verification of compliance with and enforcement of a code other than by a State or local government.

“(i) EFFECT ON OTHER LAWS.—Nothing in this section or section 307 supersedes or modifies the application of sections 321 through 346 of the Energy Policy and Conservation Act (42 U.S.C. 6291 et seq.).

“(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to

carry out this section and section 307 \$200,000,000, to remain available until expended.”.

(C) **FEDERAL BUILDING ENERGY EFFICIENCY STANDARDS.**—Section 305 of the Energy Conservation and Production Act (42 U.S.C. 6834) is amended by striking “voluntary building energy code” each place it appears in subsections (a)(2)(B) and (b) and inserting “model building energy code”.

(d) **MODEL BUILDING ENERGY CODES.**—Section 307 of the Energy Conservation and Production Act (42 U.S.C. 6836) is amended to read as follows:

“SEC. 307. SUPPORT FOR MODEL BUILDING ENERGY CODES.

“(a) **IN GENERAL.**—The Secretary shall support the updating of model building energy codes.

“(b) **TARGETS.**—

“(1) **IN GENERAL.**—The Secretary shall support the updating of the model building energy codes to enable the achievement of aggregate energy savings targets established under paragraph (2).

“(2) **TARGETS.**—

“(A) **IN GENERAL.**—The Secretary shall work with State, Indian tribes, local governments, nationally recognized code and standards developers, and other interested parties to support the updating of model building energy codes by establishing 1 or more aggregate energy savings targets to achieve the purposes of this section.

“(B) **SEPARATE TARGETS.**—The Secretary may establish separate targets for commercial and residential buildings.

“(C) **BASELINES.**—The baseline for updating model building energy codes shall be the 2009 IECC for residential buildings and ASHRAE Standard 90.1-2010 for commercial buildings.

“(D) **SPECIFIC YEARS.**—

“(i) **IN GENERAL.**—Targets for specific years shall be established and revised by the Secretary through rulemaking and coordinated with nationally recognized code and standards developers at a level that—

“(I) is at the maximum level of energy efficiency that is technologically feasible and life-cycle cost effective, while accounting for the economic considerations under paragraph (4);

“(II) is higher than the preceding target; and

“(III) promotes the achievement of commercial and residential high-performance buildings through high performance energy efficiency (within the meaning of section 401 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17061)).

“(ii) **INITIAL TARGETS.**—Not later than 1 year after the date of enactment of this clause, the Secretary shall establish initial targets under this subparagraph.

“(iii) **DIFFERENT TARGET YEARS.**—Subject to clause (i), prior to the applicable year, the Secretary may set a later target year for any of the model building energy codes described in subparagraph (A) if the Secretary determines that a target cannot be met.

“(iv) **SMALL BUSINESS.**—When establishing targets under this paragraph through rulemaking, the Secretary shall ensure compliance with the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 601 note; Public Law 104-121).

“(3) **APPLIANCE STANDARDS AND OTHER FACTORS AFFECTING BUILDING ENERGY USE.**—In establishing building code targets under paragraph (2), the Secretary shall develop and adjust the targets in recognition of potential savings and costs relating to—

“(A) efficiency gains made in appliances, lighting, windows, insulation, and building envelope sealing;

“(B) advancement of distributed generation and on-site renewable power generation technologies;

“(C) equipment improvements for heating, cooling, and ventilation systems;

“(D) building management systems and SmartGrid technologies to reduce energy use; and

“(E) other technologies, practices, and building systems that the Secretary considers appropriate regarding building plug load and other energy uses.

“(4) **ECONOMIC CONSIDERATIONS.**—In establishing and revising building code targets under paragraph (2), the Secretary shall consider the economic feasibility of achieving the proposed targets established under this section and the potential costs and savings for consumers and building owners, including a return on investment analysis.

“(c) **TECHNICAL ASSISTANCE TO MODEL BUILDING ENERGY CODE-SETTING AND STANDARD DEVELOPMENT ORGANIZATIONS.**—

“(1) **IN GENERAL.**—The Secretary shall, on a timely basis, provide technical assistance to model building energy code-setting and standard development organizations consistent with the goals of this section.

“(2) **ASSISTANCE.**—The assistance shall include, as requested by the organizations, technical assistance in—

“(A) evaluating code or standards proposals or revisions;

“(B) building energy analysis and design tools;

“(C) building demonstrations;

“(D) developing definitions of energy use intensity and building types for use in model building energy codes to evaluate the efficiency impacts of the model building energy codes;

“(E) performance-based standards;

“(F) evaluating economic considerations under subsection (b)(4); and

“(G) developing model building energy codes by Indian tribes in accordance with tribal law.

“(3) **AMENDMENT PROPOSALS.**—The Secretary may submit timely model building energy code amendment proposals to the model building energy code-setting and standard development organizations, with supporting evidence, sufficient to enable the model building energy codes to meet the targets established under subsection (b)(2).

“(4) **ANALYSIS METHODOLOGY.**—The Secretary shall make publicly available the entire calculation methodology (including input assumptions and data) used by the Secretary to estimate the energy savings of code or standard proposals and revisions.

“(d) **DETERMINATION.**—

“(1) **REVISION OF MODEL BUILDING ENERGY CODES.**—If the provisions of the IECC or ASHRAE Standard 90.1 regarding building energy use are revised, the Secretary shall make a preliminary determination not later than 90 days after the date of the revision, and a final determination not later than 15 months after the date of the revision, on whether or not the revision will—

“(A) improve energy efficiency in buildings compared to the existing model building energy code; and

“(B) meet the applicable targets under subsection (b)(2).

“(2) **CODES OR STANDARDS NOT MEETING TARGETS.**—

“(A) **IN GENERAL.**—If the Secretary makes a preliminary determination under paragraph (1)(B) that a code or standard does not meet the targets established under subsection (b)(2), the Secretary may at the same time provide the model building energy code or standard developer with proposed changes that would result in a model building energy code that meets the targets and with supporting evidence, taking into consideration—

“(i) whether the modified code is technically feasible and life-cycle cost effective;

“(ii) available appliances, technologies, materials, and construction practices; and

“(iii) the economic considerations under subsection (b)(4).

“(B) **INCORPORATION OF CHANGES.**—

“(i) **IN GENERAL.**—On receipt of the proposed changes, the model building energy code or standard developer shall have an additional 270 days to accept or reject the proposed changes of the Secretary to the model building energy code or standard for the Secretary to make a final determination.

“(ii) **FINAL DETERMINATION.**—A final determination under paragraph (1) shall be on the modified model building energy code or standard.

“(e) **ADMINISTRATION.**—In carrying out this section, the Secretary shall—

“(1) publish notice of targets and supporting analysis and determinations under this section in the Federal Register to provide an explanation of and the basis for such actions, including any supporting modeling, data, assumptions, protocols, and cost-benefit analysis, including return on investment; and

“(2) provide an opportunity for public comment on targets and supporting analysis and determinations under this section.

“(f) **VOLUNTARY CODES AND STANDARDS.**—Notwithstanding any other provision of this section, any model building code or standard established under this section shall not be binding on a State, local government, or Indian tribe as a matter of Federal law.”.

PART II—WORKER TRAINING AND CAPACITY BUILDING

SEC. 221. BUILDING TRAINING AND ASSESSMENT CENTERS.

(a) **IN GENERAL.**—The Secretary of Energy shall provide grants to institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) and Tribal Colleges or Universities (as defined in section 316(b) of that Act (20 U.S.C. 1059c(b))) to establish building training and assessment centers—

(1) to identify opportunities for optimizing energy efficiency and environmental performance in buildings;

(2) to promote the application of emerging concepts and technologies in commercial and institutional buildings;

(3) to train engineers, architects, building scientists, building energy permitting and enforcement officials, and building technicians in energy-efficient design and operation;

(4) to assist institutions of higher education and Tribal Colleges or Universities in training building technicians;

(5) to promote research and development for the use of alternative energy sources and distributed generation to supply heat and power for buildings, particularly energy-intensive buildings; and

(6) to coordinate with and assist State-accredited technical training centers, community colleges, Tribal Colleges or Universities, and local offices of the National Institute of Food and Agriculture and ensure appropriate services are provided under this section to each region of the United States.

(b) **COORDINATION AND NONDUPLICATION.**—

(1) **IN GENERAL.**—The Secretary shall coordinate the program with the Industrial Assessment Centers program and with other Federal programs to avoid duplication of effort.

(2) **COLLOCATION.**—To the maximum extent practicable, building, training, and assessment centers established under this section shall be collocated with Industrial Assessment Centers.

Subtitle B—Building Efficiency Finance**SEC. 231. LOAN PROGRAM FOR ENERGY EFFICIENCY UPGRADES TO EXISTING BUILDINGS.**

Title XVII of the Energy Policy Act of 2005 (42 U.S.C. 16511 et seq.) is amended by adding at the end the following:

“SEC. 1706. BUILDING RETROFIT FINANCING PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) CREDIT SUPPORT.—The term ‘credit support’ means a guarantee or commitment to issue a guarantee or other forms of credit enhancement to ameliorate risks for efficiency obligations.

“(2) EFFICIENCY OBLIGATION.—The term ‘efficiency obligation’ means a debt or repayment obligation incurred in connection with financing a project, or a portfolio of such debt or payment obligations.

“(3) PROJECT.—The term ‘project’ means the installation and implementation of efficiency, advanced metering, distributed generation, or renewable energy technologies and measures in a building (or in multiple buildings on a given property) that are expected to increase the energy efficiency of the building (including fixtures) in accordance with criteria established by the Secretary.

“(b) ELIGIBLE PROJECTS.—

“(1) IN GENERAL.—Notwithstanding sections 1703 and 1705, the Secretary may provide credit support under this section, in accordance with section 1702.

“(2) INCLUSIONS.—Buildings eligible for credit support under this section include commercial, multifamily residential, industrial, municipal, government, institution of higher education, school, and hospital facilities that satisfy criteria established by the Secretary.

“(c) GUIDELINES.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary shall—

“(A) establish guidelines for credit support provided under this section; and

“(B) publish the guidelines in the Federal Register; and

“(C) provide for an opportunity for public comment on the guidelines.

“(2) REQUIREMENTS.—The guidelines established by the Secretary under this subsection shall include—

“(A) standards for assessing the energy savings that could reasonably be expected to result from a project;

“(B) examples of financing mechanisms (and portfolios of such financing mechanisms) that qualify as efficiency obligations;

“(C) the threshold levels of energy savings that a project, at the time of issuance of credit support, shall be reasonably expected to achieve to be eligible for credit support;

“(D) the eligibility criteria the Secretary determines to be necessary for making credit support available under this section; and

“(E) notwithstanding subsections (d)(3) and (g)(2)(B) of section 1702, any lien priority requirements that the Secretary determines to be necessary, in consultation with the Director of the Office of Management and Budget, which may include—

“(i) requirements to preserve priority lien status of secured lenders and creditors in buildings eligible for credit support;

“(ii) remedies available to the Secretary under chapter 176 of title 28, United States Code, in the event of default on the efficiency obligation by the borrower; and

“(iii) measures to limit the exposure of the Secretary to financial risk in the event of default, such as—

“(I) the collection of a credit subsidy fee from the borrower as a loan loss reserve, taking into account the limitation on credit support under subsection (d);

“(II) minimum debt-to-income levels of the borrower;

“(III) minimum levels of value relative to outstanding mortgage or other debt on a building eligible for credit support;

“(IV) allowable thresholds for the percent of the efficiency obligation relative to the amount of any mortgage or other debt on an eligible building;

“(V) analysis of historic and anticipated occupancy levels and rental income of an eligible building;

“(VI) requirements of third-party contractors to guarantee energy savings that will result from a retrofit project, and whether financing on the efficiency obligation will amortize from the energy savings;

“(VII) requirements that the retrofit project incorporate protocols to measure and verify energy savings; and

“(VIII) recovery of payments equally by the Secretary and the retrofit.

“(3) EFFICIENCY OBLIGATIONS.—The financing mechanisms qualified by the Secretary under paragraph (2)(B) may include—

“(A) loans, including loans made by the Federal Financing Bank;

“(B) power purchase agreements, including energy efficiency power purchase agreements;

“(C) energy services agreements, including energy performance contracts;

“(D) property assessed clean energy bonds and other tax assessment-based financing mechanisms;

“(E) aggregate on-meter agreements that finance retrofit projects; and

“(F) any other efficiency obligations the Secretary determines to be appropriate.

“(4) PRIORITIES.—In carrying out this section, the Secretary shall prioritize—

“(A) the maximization of energy savings with the available credit support funding;

“(B) the establishment of a clear application and approval process that allows private building owners, lenders, and investors to reasonably expect to receive credit support for projects that conform to guidelines;

“(C) the distribution of projects receiving credit support under this section across States or geographical regions of the United States; and

“(D) projects designed to achieve whole-building retrofits.

“(d) LIMITATION.—Notwithstanding section 1702(c), the Secretary shall not issue credit support under this section in an amount that exceeds—

“(1) 90 percent of the principal amount of the efficiency obligation that is the subject of the credit support; or

“(2) \$10,000,000 for any single project.

“(e) AGGREGATION OF PROJECTS.—To the extent provided in the guidelines developed in accordance with subsection (c), the Secretary may issue credit support on a portfolio, or pool of projects, that are not required to be geographically contiguous, if each efficiency obligation in the pool fulfills the requirements described in this section.

“(f) APPLICATION.—

“(1) IN GENERAL.—To be eligible to receive credit support under this section, the applicant shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary determines to be necessary.

“(2) CONTENTS.—An application submitted under this section shall include assurances by the applicant that—

“(A) each contractor carrying out the project meets minimum experience level criteria, including local retrofit experience, as determined by the Secretary;

“(B) the project is reasonably expected to achieve energy savings, as set forth in the application using any methodology that

meets the standards described in the program guidelines;

“(C) the project meets any technical criteria described in the program guidelines;

“(D) the recipient of the credit support and the parties to the efficiency obligation will provide the Secretary with—

“(i) any information the Secretary requests to assess the energy savings that result from the project, including historical energy usage data, a simulation-based benchmark, and detailed descriptions of the building work, as described in the program guidelines; and

“(ii) permission to access information relating to building operations and usage for the period described in the program guidelines; and

“(E) any other assurances that the Secretary determines to be necessary.

“(3) DETERMINATION.—Not later than 90 days after receiving an application, the Secretary shall make a final determination on the application, which may include requests for additional information.

“(g) FEES.—

“(1) IN GENERAL.—In addition to the fees required by section 1702(h)(1), the Secretary may charge reasonable fees for credit support provided under this section.

“(2) AVAILABILITY.—Fees collected under this section shall be subject to section 1702(h)(2).

“(h) UNDERWRITING.—The Secretary may delegate the underwriting activities under this section to 1 or more entities that the Secretary determines to be qualified.

“(i) REPORT.—Not later than 1 year after commencement of the program, the Secretary shall submit to the appropriate committees of Congress a report that describes in reasonable detail—

“(1) the manner in which this section is being carried out;

“(2) the number and type of projects supported;

“(3) the types of funding mechanisms used to provide credit support to projects;

“(4) the energy savings expected to result from projects supported by this section;

“(5) any tracking efforts the Secretary is using to calculate the actual energy savings produced by the projects; and

“(6) any plans to improve the tracking efforts described in paragraph (5).

“(j) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$400,000,000 for the period of fiscal years 2012 through 2021, to remain available until expended.

“(2) ADMINISTRATIVE COSTS.—Not more than 1 percent of any amounts made available to the Secretary under paragraph (1) may be used by the Secretary for administrative costs incurred in carrying out this section.”.

Subtitle C—Industrial Efficiency and Competitiveness**PART I—MANUFACTURING ENERGY EFFICIENCY****SEC. 241. STATE PARTNERSHIP INDUSTRIAL ENERGY EFFICIENCY REVOLVING LOAN PROGRAM.**

Section 399A of the Energy Policy and Conservation Act (42 U.S.C. 6371h–1) is amended—

(1) in the section heading, by inserting “AND INDUSTRY” before the period at the end;

(2) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(3) by inserting after subsection (g) the following:

“(h) STATE PARTNERSHIP INDUSTRIAL ENERGY EFFICIENCY REVOLVING LOAN PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out a program under which the Secretary shall provide grants to eligible lenders to pay the Federal share of creating a revolving loan program under which loans are provided to commercial and industrial manufacturers to implement commercially available technologies or processes that significantly—

“(A) reduce systems energy intensity, including the use of energy-intensive feedstocks; and

“(B) improve the industrial competitiveness of the United States.

“(2) ELIGIBLE LENDERS.—To be eligible to receive cost-matched Federal funds under this subsection, a lender shall—

“(A) be a community and economic development lender that the Secretary certifies meets the requirements of this subsection;

“(B) lead a partnership that includes participation by, at a minimum—

“(i) a State government agency; and

“(ii) a private financial institution or other provider of loan capital;

“(C) submit an application to the Secretary, and receive the approval of the Secretary, for cost-matched Federal funds to carry out a loan program described in paragraph (1); and

“(D) ensure that non-Federal funds are provided to match, on at least a dollar-for-dollar basis, the amount of Federal funds that are provided to carry out a revolving loan program described in paragraph (1).

“(3) AWARD.—The amount of cost-matched Federal funds provided to an eligible lender shall not exceed \$100,000,000 for any fiscal year.

“(4) RECAPTURE OF AWARDS.—

“(A) IN GENERAL.—An eligible lender that receives an award under paragraph (1) shall be required to repay to the Secretary an amount of cost-match Federal funds, as determined by the Secretary under subparagraph (B), if the eligible lender is unable or unwilling to operate a program described in this subsection for a period of not less than 10 years beginning on the date on which the eligible lender first receives funds made available through the award.

“(B) DETERMINATION BY SECRETARY.—The Secretary shall determine the amount of cost-match Federal funds that an eligible lender shall be required to repay to the Secretary under subparagraph (A) based on the consideration by the Secretary of—

“(i) the amount of non-Federal funds matched by the eligible lender;

“(ii) the amount of loan losses incurred by the revolving loan program described in paragraph (1); and

“(iii) any other appropriate factor, as determined by the Secretary.

“(C) USE OF RECAPTURED COST-MATCH FEDERAL FUNDS.—The Secretary may distribute to eligible lenders under this subsection each amount received by the Secretary under this paragraph.

“(5) ELIGIBLE PROJECTS.—A program for which cost-matched Federal funds are provided under this subsection shall be designed to accelerate the implementation of industrial and commercial applications of technologies or processes (including distributed generation, applications or technologies that use sensors, meters, software, and information networks, controls, and drives or that have been installed pursuant to an energy savings performance contract, project, or strategy) that—

“(A) improve energy efficiency, including improvements in efficiency and use of water, power factor, or load management;

“(B) enhance the industrial competitiveness of the United States; and

“(C) achieve such other goals as the Secretary determines to be appropriate.

“(6) EVALUATION.—The Secretary shall evaluate applications for cost-matched Federal funds under this subsection on the basis of—

“(A) the description of the program to be carried out with the cost-matched Federal funds;

“(B) the commitment to provide non-Federal funds in accordance with paragraph (2)(D);

“(C) program sustainability over a 10-year period;

“(D) the capability of the applicant;

“(E) the quantity of energy savings or energy feedstock minimization;

“(F) the advancement of the goal under this Act of 25-percent energy avoidance;

“(G) the ability to fund energy efficient projects not later than 120 days after the date of the grant award; and

“(H) such other factors as the Secretary determines appropriate.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, \$400,000,000 for the period of fiscal years 2012 through 2021.”

SEC. 242. COORDINATION OF RESEARCH AND DEVELOPMENT OF ENERGY EFFICIENT TECHNOLOGIES FOR INDUSTRY.

(a) IN GENERAL.—As part of the research and development activities of the Industrial Technologies Program of the Department of Energy, the Secretary shall establish, as appropriate, collaborative research and development partnerships with other programs within the Office of Energy Efficiency and Renewable Energy (including the Building Technologies Program), the Office of Electricity Delivery and Energy Reliability, and the Office of Science that—

(1) leverage the research and development expertise of those programs to promote early stage energy efficiency technology development;

(2) support the use of innovative manufacturing processes and applied research for development, demonstration, and commercialization of new technologies and processes to improve efficiency (including improvements in efficient use of water), reduce emissions, reduce industrial waste, and improve industrial cost-competitiveness; and

(3) apply the knowledge and expertise of the Industrial Technologies Program to help achieve the program goals of the other programs.

(b) REPORTS.—Not later than 2 years after the date of enactment of this Act and biennially thereafter, the Secretary shall submit to Congress a report that describes actions taken to carry out subsection (a) and the results of those actions.

SEC. 243. REDUCING BARRIERS TO THE DEPLOYMENT OF INDUSTRIAL ENERGY EFFICIENCY.

(a) DEFINITIONS.—In this section:

(1) INDUSTRIAL ENERGY EFFICIENCY.—The term “industrial energy efficiency” means the energy efficiency derived from commercial technologies and measures to improve energy efficiency or to generate or transmit electric power and heat, including electric motor efficiency improvements, demand response, direct or indirect combined heat and power, and waste heat recovery.

(2) INDUSTRIAL SECTOR.—The term “industrial sector” means any subsector of the manufacturing sector (as defined in North American Industry Classification System codes 31-33 (as in effect on the date of enactment of this Act)) establishments of which have, or could have, thermal host facilities with electricity requirements met in whole, or in part, by onsite electricity generation, including direct and indirect combined heat and power or waste recovery.

(3) SECRETARY.—The term “Secretary” means the Secretary of Energy.

(b) REPORT ON THE DEPLOYMENT OF INDUSTRIAL ENERGY EFFICIENCY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report describing—

(A) the results of the study conducted under paragraph (2); and

(B) recommendations and guidance developed under paragraph (3).

(2) STUDY.—The Secretary, in coordination with the industrial sector, shall conduct a study of the following:

(A) The legal, regulatory, and economic barriers to the deployment of industrial energy efficiency in all electricity markets (including organized wholesale electricity markets, and regulated electricity markets), including, as applicable, the following:

(i) Transmission and distribution interconnection requirements.

(ii) Standby, back-up, and maintenance fees (including demand ratchets).

(iii) Exit fees.

(iv) Life of contract demand ratchets.

(v) Net metering.

(vi) Calculation of avoided cost rates.

(vii) Power purchase agreements.

(viii) Energy market structures.

(ix) Capacity market structures.

(x) Other barriers as may be identified by the Secretary, in coordination with the industrial sector.

(B) Examples of—

(i) successful State and Federal policies that resulted in greater use of industrial energy efficiency;

(ii) successful private initiatives that resulted in greater use of industrial energy efficiency; and

(iii) cost-effective policies used by foreign countries to foster industrial energy efficiency.

(C) The estimated economic benefits to the national economy of providing the industrial sector with Federal energy efficiency matching grants of \$5,000,000,000 for 5- and 10-year periods, including benefits relating to—

(i) estimated energy and emission reductions;

(ii) direct and indirect jobs saved or created;

(iii) direct and indirect capital investment;

(iv) the gross domestic product; and

(v) trade balance impacts.

(D) The estimated energy savings available from increased use of recycled material in energy-intensive manufacturing processes.

(3) RECOMMENDATIONS AND GUIDANCE.—The Secretary, in coordination with the industrial sector, shall develop policy recommendations regarding the deployment of industrial energy efficiency, including proposed regulatory guidance to States and relevant Federal agencies to address barriers to deployment.

SEC. 244. FUTURE OF INDUSTRY PROGRAM.

(a) IN GENERAL.—Section 452 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111) is amended by striking the section heading and inserting the following: “future of industry program”.

(b) DEFINITION OF ENERGY SERVICE PROVIDER.—Section 452(a) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111(a)) is amended—

(1) by redesignating paragraphs (3) through (5) as paragraphs (4) through (6), respectively; and

(2) by inserting after paragraph (3):

“(5) ENERGY SERVICE PROVIDER.—The term ‘energy service provider’ means any private company or similar entity providing technology or services to improve energy efficiency in an energy-intensive industry.”.

(c) INDUSTRIAL RESEARCH AND ASSESSMENT CENTERS.—

(1) IN GENERAL.—Section 452(e) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111(e)) is amended—

(A) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively, and indenting appropriately;

(B) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”;

(C) in subparagraph (A) (as redesignated by subparagraph (A)), by inserting before the semicolon at the end the following: “, including assessments of sustainable manufacturing goals and the implementation of information technology advancements for supply chain analysis, logistics, system monitoring, industrial and manufacturing processes, and other purposes”;

(D) by adding at the end the following:

“(2) CENTERS OF EXCELLENCE.—

“(A) IN GENERAL.—The Secretary shall establish a Center of Excellence at up to 10 of the highest performing industrial research and assessment centers, as determined by the Secretary.

“(B) DUTIES.—A Center of Excellence shall coordinate with and advise the industrial research and assessment centers located in the region of the Center of Excellence.

“(C) FUNDING.—Subject to the availability of appropriations, of the funds made available under subsection (f), the Secretary shall use to support each Center of Excellence not less than \$500,000 for fiscal year 2012 and each fiscal year thereafter, as determined by the Secretary.

“(3) EXPANSION OF CENTERS.—The Secretary shall provide funding to establish additional industrial research and assessment centers at institutions of higher education that do not have industrial research and assessment centers established under paragraph (1), taking into account the size of, and potential energy efficiency savings for, the manufacturing base within the region of the proposed center.

“(4) COORDINATION.—

“(A) IN GENERAL.—To increase the value and capabilities of the industrial research and assessment centers, the centers shall—

“(i) coordinate with Manufacturing Extension Partnership Centers of the National Institute of Standards and Technology;

“(ii) coordinate with the Building Technologies Program of the Department of Energy to provide building assessment services to manufacturers;

“(iii) increase partnerships with the National Laboratories of the Department of Energy to leverage the expertise and technologies of the National Laboratories for national industrial and manufacturing needs;

“(iv) increase partnerships with energy service providers and technology providers to leverage private sector expertise and accelerate deployment of new and existing technologies and processes for energy efficiency, power factor, and load management;

“(v) identify opportunities for reducing greenhouse gas emissions; and

“(vi) promote sustainable manufacturing practices for small- and medium-sized manufacturers.

“(5) OUTREACH.—The Secretary shall provide funding for—

“(A) outreach activities by the industrial research and assessment centers to inform small- and medium-sized manufacturers of the information, technologies, and services available; and

“(B) a full-time equivalent employee at each center of excellence whose primary mission shall be to coordinate and leverage the efforts of the center with—

“(i) Federal and State efforts;

“(ii) the efforts of utilities and energy service providers;

“(iii) the efforts of regional energy efficiency organizations; and

“(iv) the efforts of other centers in the region of the center of excellence.

“(6) WORKFORCE TRAINING.—

“(A) IN GENERAL.—The Secretary shall pay the Federal share of associated internship programs under which students work with or for industries, manufacturers, and energy service providers to implement the recommendations of industrial research and assessment centers.

“(B) FEDERAL SHARE.—The Federal share of the cost of carrying out internship programs described in subparagraph (A) shall be 50 percent.

“(C) FUNDING.—Subject to the availability of appropriations, of the funds made available under subsection (f), the Secretary shall use to carry out this paragraph not less than \$5,000,000 for fiscal year 2012 and each fiscal year thereafter.

“(7) SMALL BUSINESS LOANS.—The Administrator of the Small Business Administration shall, to the maximum practicable, expedite consideration of applications from eligible small business concerns for loans under the Small Business Act (15 U.S.C. 631 et seq.) to implement recommendations of industrial research and assessment centers established under paragraph (1).”.

SEC. 245. SUSTAINABLE MANUFACTURING INITIATIVE.

(a) IN GENERAL.—Part E of title III of the Energy Policy and Conservation Act (42 U.S.C. 6341) is amended by adding at the end the following:

“SEC. 376. SUSTAINABLE MANUFACTURING INITIATIVE.

“(a) IN GENERAL.—As part of the Industrial Technologies Program of the Department of Energy, the Secretary shall carry out a sustainable manufacturing initiative under which the Secretary, on the request of a manufacturer, shall conduct onsite technical assessments to identify opportunities for—

“(1) maximizing the energy efficiency of industrial processes and cross-cutting systems;

“(2) preventing pollution and minimizing waste;

“(3) improving efficient use of water in manufacturing processes;

“(4) conserving natural resources; and

“(5) achieving such other goals as the Secretary determines to be appropriate.

“(b) COORDINATION.—The Secretary shall carry out the initiative in coordination with the private sector and appropriate agencies, including the National Institute of Standards and Technology to accelerate adoption of new and existing technologies or processes that improve energy efficiency.

“(c) RESEARCH AND DEVELOPMENT PROGRAM FOR SUSTAINABLE MANUFACTURING AND INDUSTRIAL TECHNOLOGIES AND PROCESSES.—As part of the Industrial Technologies Program of the Department of Energy, the Secretary shall carry out a joint industry-government partnership program to research, develop, and demonstrate new sustainable manufacturing and industrial technologies and processes that maximize the energy efficiency of industrial systems, reduce pollution, and conserve natural resources.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be to carry out this section \$10,000,000 for the period of fiscal years 2012 through 2021.”.

(b) TABLE OF CONTENTS.—The table of contents of the Energy Policy and Conservation Act (42 U.S.C. prec. 6201) is amended by adding at the end of the items relating to part E of title III the following:

“Sec. 376. Sustainable manufacturing initiative.”.

SEC. 246. STUDY OF ADVANCED ENERGY TECHNOLOGY MANUFACTURING CAPABILITIES IN THE UNITED STATES.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary shall enter into an arrangement with the National Academy of Sciences under which the Academy shall conduct a study of the development of advanced manufacturing capabilities for various energy technologies, including—

(1) an assessment of the manufacturing supply chains of established and emerging industries;

(2) an analysis of—

(A) the manner in which supply chains have changed over the 25-year period ending on the date of enactment of this Act;

(B) current trends in supply chains; and

(C) the energy intensity of each part of the supply chain and opportunities for improvement;

(3) for each technology or manufacturing sector, an analysis of which sections of the supply chain are critical for the United States to retain or develop to be competitive in the manufacturing of the technology;

(4) an assessment of which emerging energy technologies the United States should focus on to create or enhance manufacturing capabilities; and

(5) recommendations on leveraging the expertise of energy efficiency and renewable energy user facilities so that best materials and manufacturing practices are designed and implemented.

(b) REPORT.—Not later than 2 years after the date on which the Secretary enters into the agreement with the Academy described in subsection (a), the Academy shall submit to the Committee on Energy and Natural Resources of the Senate, the Committee on Energy and Commerce of the House of Representatives, and the Secretary a report describing the results of the study required under this section, including any findings and recommendations.

SEC. 247. INDUSTRIAL TECHNOLOGIES STEERING COMMITTEE.

The Secretary shall establish an advisory steering committee that includes national trade associations representing energy-intensive industries or energy service providers to provide recommendations to the Secretary on planning and implementation of the Industrial Technologies Program of the Department of Energy.

PART II—SUPPLY STAR

SEC. 251. SUPPLY STAR.

Part B of title III of the Energy Policy and Conservation Act (42 U.S.C. 6291) is amended by inserting after section 324A (42 U.S.C. 6294a) the following:

“SEC. 324B. SUPPLY STAR PROGRAM.

“(a) IN GENERAL.—There is established within the Department of Energy a Supply Star program to identify and promote practices, recognize companies, and, as appropriate, recognize products that use highly efficient supply chains in a manner that conserves energy, water, and other resources.

“(b) COORDINATION.—In carrying out the program described in subsection (a), the Secretary shall—

“(1) consult with other appropriate agencies; and

“(2) coordinate efforts with the Energy Star program established under section 324A.

“(c) DUTIES.—In carrying out the Supply Star program described in subsection (a), the Secretary shall—

“(1) promote practices, recognize companies, and, as appropriate, recognize products that comply with the Supply Star program as the preferred practices, companies, and products in the marketplace for maximizing supply chain efficiency;

“(2) work to enhance industry and public awareness of the Supply Star program;

“(3) collect and disseminate data on supply chain energy resource consumption;

“(4) develop and disseminate metrics, processes, and analytical tools (including software) for evaluating supply chain energy resource use;

“(5) develop guidance at the sector level for improving supply chain efficiency;

“(6) work with domestic and international organizations to harmonize approaches to analyzing supply chain efficiency, including the development of a consistent set of tools, templates, calculators, and databases; and

“(7) work with industry, including small businesses, to improve supply chain efficiency through activities that include—

“(A) developing and sharing best practices; and

“(B) providing opportunities to benchmark supply chain efficiency.

“(d) EVALUATION.—In any evaluation of supply chain efficiency carried out by the Secretary with respect to a specific product, the Secretary shall consider energy consumption and resource use throughout the entire lifecycle of a product, including production, transport, packaging, use, and disposal.

“(e) GRANTS AND INCENTIVES.—

“(1) IN GENERAL.—The Secretary may award grants or other forms of incentives on a competitive basis to eligible entities, as determined by the Secretary, for the purposes of—

“(A) studying supply chain energy resource efficiency; and

“(B) demonstrating and achieving reductions in the energy resource consumption of commercial products through changes and improvements to the production supply and distribution chain of the products.

“(2) USE OF INFORMATION.—Any information or data generated as a result of the grants or incentives described in paragraph (1) shall be used to inform the development of the Supply Star Program.

“(f) TRAINING.—The Secretary shall use funds to support professional training programs to develop and communicate methods, practices, and tools for improving supply chain efficiency.

“(g) EFFECT OF IMPACT ON CLIMATE CHANGE.—For purposes of this section, the impact on climate change shall not be a factor in determining supply chain efficiency.

“(h) EFFECT OF OUTSOURCING OF AMERICAN JOBS.—For purposes of this section, the outsourcing of American jobs in the production of a product shall not count as a positive factor in determining supply chain efficiency.

“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$10,000,000 for the period of fiscal years 2012 through 2021.”

PART III—ELECTRIC MOTOR REBATE PROGRAM

SEC. 261. ENERGY SAVING MOTOR CONTROL REBATE PROGRAM.

(a) ESTABLISHMENT.—Not later than January 1, 2012, the Secretary of Energy (referred to in this section as the “Secretary”) shall establish a program to provide rebates for expenditures made by entities for the purchase and installation of a new constant speed electric motor control that reduces motor energy use by not less than 5 percent.

(b) REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a rebate under this section, an entity shall submit to the Secretary an application in such form, at such time, and containing such information as the Secretary may require, including—

(A) demonstrated evidence that the entity purchased a constant speed electric motor

control that reduces motor energy use by not less than 5 percent; and

(B) the physical nameplate of the installed motor of the entity to which the energy saving motor control is attached.

(2) AUTHORIZED AMOUNT OF REBATE.—The Secretary may provide to an entity that meets the requirements of paragraph (1) a rebate the amount of which shall be equal to the product obtained by multiplying—

(A) the nameplate horsepower of the electric motor to which the energy saving motor control is attached; and

(B) \$25.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2012 and 2013, to remain available until expended.

PART IV—TRANSFORMER REBATE PROGRAM

SEC. 271. ENERGY EFFICIENT TRANSFORMER REBATE PROGRAM.

(a) DEFINITION OF QUALIFIED TRANSFORMER.—In this section, the term “qualified transformer” means a transformer that meets or exceeds the National Electrical Manufacturers Association (NEMA) Premium Efficiency designation, calculated to 2 decimal points, as having 30 percent fewer losses than the NEMA TP-1-2002 efficiency standard for a transformer of the same number of phases and capacity, as measured in kilovolt-amperes.

(b) ESTABLISHMENT.—Not later than January 1, 2012, the Secretary of Energy (referred to in this section as the “Secretary”) shall establish a program to provide rebates for expenditures made by owners of commercial buildings and multifamily residential buildings for the purchase and installation of a new energy efficient transformers.

(c) REQUIREMENTS.—

(1) APPLICATION.—To be eligible to receive a rebate under this section, an owner shall submit to the Secretary an application in such form, at such time, and containing such information as the Secretary may require, including demonstrated evidence that the owner purchased a qualified transformer.

(2) AUTHORIZED AMOUNT OF REBATE.—For qualified transformers, rebates, in dollars per kilovolt-ampere (referred to in this paragraph as “kVA”) shall be—

(A) for 3-phase transformers—

(i) with a capacity of not greater than 10 kVA, \$15;

(ii) with a capacity of not less than 10 kVA and not greater than 100 kVA, the difference between 15 and the quotient obtained by dividing—

(I) the difference between—

(aa) the capacity of the transformer in kVA; and

(bb) 10; by

(II) 9; and

(iii) with a capacity greater than or equal to 100 kVA, \$5; and

(B) for single-phase transformers, 75 percent of the rebate for a 3-phase transformer of the same capacity.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2012 and 2013, to remain available until expended.

Subtitle D—Federal Agency Energy Efficiency

SEC. 281. ADOPTION OF PERSONAL COMPUTER POWER SAVINGS TECHNIQUES BY FEDERAL AGENCIES.

(a) IN GENERAL.—Not later than 360 days after the date of enactment of this Act, the Secretary of Energy, in consultation with the Secretary of Defense, the Secretary of Veterans Affairs, and the Administrator of General Services, shall issue guidance for

Federal agencies to employ advanced tools allowing energy savings through the use of computer hardware, energy efficiency software, and power management tools.

(b) REPORTS ON PLANS AND SAVINGS.—Not later than 180 days after the date of the issuance of the guidance under subsection (a), each Federal agency shall submit to the Secretary of Energy a report that describes—

(1) the plan of the agency for implementing the guidance within the agency; and

(2) estimated energy and financial savings from employing the tools described in subsection (a).

SEC. 282. AVAILABILITY OF FUNDS FOR DESIGN UPDATES.

Section 3307 of title 40, United States Code, is amended—

(1) by redesignating subsections (d) through (h) as subsections (e) through (i), respectively; and

(2) by inserting after subsection (c) the following:

“(d) AVAILABILITY OF FUNDS FOR DESIGN UPDATES.—

“(1) IN GENERAL.—Subject to paragraph (2), for any project for which congressional approval is received under subsection (a) and for which the design has been substantially completed but construction has not begun, the Administrator of General Services may use appropriated funds to update the project design to meet applicable Federal building energy efficiency standards established under section 305 of the Energy Conservation and Production Act (42 U.S.C. 6834) and other requirements established under section 3312.

“(2) LIMITATION.—The use of funds under paragraph (1) shall not exceed 125 percent of the estimated energy or other cost savings associated with the updates as determined by a life-cycle cost analysis under section 544 of the National Energy Conservation Policy Act (42 U.S.C. 8254).”

SEC. 283. BEST PRACTICES FOR ADVANCED METERING.

Section 543(e) of the National Energy Conservation Policy Act (42 U.S.C. 8253(e)) is amended by striking paragraph (3) and inserting the following:

“(3) PLAN.—

“(A) IN GENERAL.—Not later than 180 days after the date on which guidelines are established under paragraph (2), in a report submitted by the agency under section 548(a), each agency shall submit to the Secretary a plan describing the manner in which the agency will implement the requirements of paragraph (1), including—

“(i) how the agency will designate personnel primarily responsible for achieving the requirements; and

“(ii) a demonstration by the agency, complete with documentation, of any finding that advanced meters or advanced metering devices (as those terms are used in paragraph (1)), are not practicable.

“(B) UPDATES.—Reports submitted under subparagraph (A) shall be updated annually.

“(4) BEST PRACTICES REPORT.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of the Energy Savings and Industrial Competitiveness Act of 2012, the Secretary of Energy, in consultation with the Secretary of Defense and the Administrator of General Services, shall develop, and issue a report on, best practices for the use of advanced metering of energy use in Federal facilities, buildings, and equipment by Federal agencies.

“(B) UPDATING.—The report described under subparagraph (A) shall be updated annually.

“(C) COMPONENTS.—The report shall include, at a minimum—

“(i) summaries and analysis of the reports by agencies under paragraph (3);

“(ii) recommendations on standard requirements or guidelines for automated energy management systems, including—

“(I) potential common communications standards to allow data sharing and reporting;

“(II) means of facilitating continuous commissioning of buildings and evidence-based maintenance of buildings and building systems; and

“(III) standards for sufficient levels of security and protection against cyber threats to ensure systems cannot be controlled by unauthorized persons; and

“(iii) an analysis of—

“(I) the types of advanced metering and monitoring systems being piloted, tested, or installed in Federal buildings; and

“(II) existing techniques used within the private sector or other non-Federal government buildings.”.

SEC. 284. FEDERAL ENERGY MANAGEMENT AND DATA COLLECTION STANDARD.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended—

(1) by redesignating the second subsection (f) (as added by section 434(a) of Public Law 110-140 (121 Stat. 1614)) as subsection (g); and

(2) in subsection (f)(7), by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—For each facility that meets the criteria established by the Secretary under paragraph (2)(B), the energy manager shall use the web-based tracking system under subparagraph (B)—

“(i) to certify compliance with the requirements for—

“(I) energy and water evaluations under paragraph (3);

“(II) implementation of identified energy and water measures under paragraph (4); and

“(III) follow-up on implemented measures under paragraph (5); and

“(ii) to publish energy and water consumption data on an individual facility basis.”.

SEC. 285. ELECTRIC VEHICLE CHARGING INFRASTRUCTURE.

Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended—

(1) in subparagraph (A), by striking “or” after the semicolon;

(2) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) a measure to support the use of electric vehicles or the fueling or charging infrastructure necessary for electric vehicles.”.

SEC. 286. FEDERAL PURCHASE REQUIREMENT.

Section 203 of the Energy Policy Act of 2005 (42 U.S.C. 15852) is amended—

(1) in subsections (a) and (b)(2), by striking “electric energy” each place it appears and inserting “electric, direct, and thermal energy”;

(2) in subsection (b)(2)—

(A) by inserting “, or avoided by,” after “generated from”; and

(B) by inserting “(including ground-source, reclaimed, and ground water)” after “geothermal”;

(3) by redesignating subsection (d) as subsection (e); and

(4) by inserting after subsection (c) the following:

“(d) SEPARATE CALCULATION.—Renewable energy produced at a Federal facility, on Federal land, or on Indian land (as defined in section 2601 of the Energy Policy Act of 1992 (25 U.S.C. 3501))—

“(1) shall be calculated (on a BTU-equivalent basis) separately from renewable energy used; and

“(2) may be used individually or in combination to comply with subsection (a).”.

SEC. 287. STUDY ON FEDERAL DATA CENTER CONSOLIDATION.

(a) IN GENERAL.—The Secretary of Energy shall conduct a study on the feasibility of a government-wide data center consolidation, with an overall Federal target of a minimum of 800 Federal data center closures by October 1, 2015.

(b) COORDINATION.—In conducting the study, the Secretary shall coordinate with Federal data center program managers, facilities managers, and sustainability officers.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the results of the study, including a description of agency best practices in data center consolidation.

SubTitle E—Miscellaneous

SEC. 291. OFFSETS.

(a) ZERO-NET ENERGY COMMERCIAL BUILDINGS INITIATIVE.—Section 422(f) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17082(f)) is amended by striking paragraphs (2) through (4) and inserting the following:

“(2) \$50,000,000 for each of fiscal years 2009 through 2012;

“(3) \$100,000,000 for fiscal year 2013; and

“(4) \$200,000,000 for each of fiscal years 2014 through 2018.”.

(b) ENERGY SUSTAINABILITY AND EFFICIENCY GRANTS AND LOANS FOR INSTITUTIONS.—Subsection (j) of section 399A of the Energy Policy and Conservation Act (42 U.S.C. 6371h-1) (as redesignated by section 241(2)) is amended—

(1) in paragraph (1), by striking “through 2013” and inserting “and 2010, \$100,000,000 for each of fiscal years 2011 and 2012, and \$250,000,000 for fiscal year 2013”; and

(2) in paragraph (2), by striking “through 2013” and inserting “and 2010, \$100,000,000 for each of fiscal years 2011 and 2012, and \$425,000,000 for fiscal year 2013”.

(c) WASTE ENERGY RECOVERY INCENTIVE PROGRAM.—Section 373(f)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6343(f)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

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

“(A) \$100,000,000 for fiscal year 2008;

“(B) \$200,000,000 for each of fiscal years 2009 and 2010;

“(C) \$100,000,000 for each of fiscal years 2011 and 2012; and”.

(d) ENERGY-INTENSIVE INDUSTRIES PROGRAM.—Section 452(f)(1) of the Energy Independence and Security Act of 2007 (42 U.S.C. 17111(f)(1)) is amended—

(1) in subparagraph (D), by striking “\$202,000,000” and inserting “\$102,000,000”; and

(2) in subparagraph (E), by striking “\$208,000,000” and inserting “\$108,000,000”.

SEC. 292. BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SEC. 293. ADVANCE APPROPRIATIONS REQUIRED.

The authorization of amounts under this title and the amendments made by this title shall be effective for any fiscal year only to the extent and in the amount provided in advance in appropriations Acts.

SA 2562. Ms. COLLINS submitted an amendment intended to be proposed by

her to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. __. EXTENSION OF 2001 AND 2003 TAX RELIEF.

(a) IN GENERAL.—Paragraph (1) of section 901(a) of the Economic Growth and Tax Relief Reconciliation Act of 2001 is amended by striking “December 31, 2012” and inserting “December 31, 2013”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001.

SEC. __. SURTAX ON MILLIONAIRES.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new part:

“PART VIII—SURTAX ON MILLIONAIRES

“Sec. 59B. Surtax on millionaires.

“SEC. 59B. SURTAX ON MILLIONAIRES.

“(a) GENERAL RULE.—In the case of a taxpayer other than a corporation for any taxable year beginning after 2012 and before 2014, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to 2 percent of so much of the modified adjusted gross income of the taxpayer for such taxable year as exceeds \$1,000,000 (\$500,000, in the case of a married individual filing a separate return).

“(b) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this section—

“(1) IN GENERAL.—The term ‘modified adjusted gross income’ means adjusted gross income reduced by the excess of—

“(A) gross income from a small business (as defined in section 6654(d)(1)(D)(iii))—

“(i) which is not a passive activity with respect to the taxpayer (within the meaning of section 469(c)), and

“(ii) which pays wages to at least 1 full-time equivalent employee (as defined in section 45R(d)(2)), other than the taxpayer, the taxpayer’s spouse, or an individual who bears a relationship to the taxpayer described in section 152(d)(2), over

“(B) the deductions which are properly allocable to such income.

“(2) AGGREGATION RULE.—All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as one employer for purposes of paragraph (1)(A).

“(3) REGULATIONS.—The Secretary shall prescribe regulations similar to the regulations under section 469(l) for determining the income that is taken into account under paragraph (1)(A).

“(c) SPECIAL RULES.—

“(1) NONRESIDENT ALIEN.—In the case of a nonresident alien individual, only amounts taken into account in connection with the tax imposed under section 871(b) shall be taken into account under this section.

“(2) CITIZENS AND RESIDENTS LIVING ABROAD.—The applicable dollar amount under subsection (a) shall be decreased by the excess of—

“(A) the amounts excluded from the taxpayer’s gross income under section 911, over

“(B) the amounts of any deductions or exclusions disallowed under section 911(d)(6) with respect to the amounts described in subparagraph (A).

“(3) CHARITABLE TRUSTS.—Subsection (a) shall not apply to a trust all the unexpired interests in which are devoted to one or more of the purposes described in section 170(c)(2)(B).

“(4) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax

imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.”.

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“PART VIII. SURTAX ON MILLIONAIRES.”.

(c) SECTION 15 NOT TO APPLY.—The amendment made by subsection (a) shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

SA 2563. Mr. CORNYN submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. ____ . POINT OF ORDER ON LEGISLATION THAT RAISES INCOME TAX RATES ON SMALL BUSINESSES.

(a) POINT OF ORDER.—

(1) IN GENERAL.—In the Senate, it shall not be in order to consider any bill, joint resolution, amendment, motion, or conference report that includes any provision which increases Federal income tax rates.

(2) DEFINITION.—In this section, the term “Federal income tax rates” means any rate of tax under—

(A) subsection (a), (b), (c), (d), or (e) of section 1 of the Internal Revenue Code of 1986,

(B) section 11(b) of such Code, or

(C) section 55(b) of such Code.

(b) SUPERMAJORITY WAIVER AND APPEALS.—

(1) WAIVER.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEALS.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SA 2564. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

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

(a) SHORT TITLE.—This Act may be cited as the “United States Job Creation and International Tax Reform Act of 2012”.

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

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—PARTICIPATION EXEMPTION SYSTEM FOR TAXATION OF FOREIGN INCOME

Sec. 101. Deduction for dividends received by domestic corporations from certain foreign corporations.

Sec. 102. Application of dividends received deduction to certain sales and exchanges of stock.

Sec. 103. Deduction for foreign intangible income derived from trade or business within the United States.

Sec. 104. Treatment of deferred foreign income upon transition to participation exemption system of taxation.

TITLE II—OTHER INTERNATIONAL TAX REFORMS

Subtitle A—Modifications of Subpart F

Sec. 201. Treatment of low-taxed foreign income as subpart F income.

Sec. 202. Permanent extension of look-thru rule for controlled foreign corporations.

Sec. 203. Permanent extension of exceptions for active financing income.

Sec. 204. Foreign base company income not to include sales or services income.

Subtitle B—Modifications Related to Foreign Tax Credit

Sec. 211. Modification of application of sections 902 and 960 with respect to post-2012 earnings.

Sec. 212. Separate foreign tax credit basket for foreign intangible income.

Sec. 213. Inventory property sales source rule exceptions not to apply for foreign tax credit limitation.

Subtitle C—Allocation of Interest on Worldwide Basis

Sec. 221. Acceleration of election to allocate interest on a worldwide basis.

TITLE I—PARTICIPATION EXEMPTION SYSTEM FOR TAXATION OF FOREIGN INCOME

SEC. 101. DEDUCTION FOR DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM CERTAIN FOREIGN CORPORATIONS.

(a) ALLOWANCE OF DEDUCTION.—Part VIII of subchapter B of chapter 1 is amended by inserting after section 245 the following new section:

“SEC. 245A. DIVIDENDS RECEIVED BY DOMESTIC CORPORATIONS FROM CERTAIN FOREIGN CORPORATIONS.

“(a) IN GENERAL.—In the case of any dividend received from a controlled foreign corporation by a domestic corporation which is a United States shareholder with respect to such controlled foreign corporation, there shall be allowed as a deduction an amount equal to 95 percent of the qualified foreign-source portion of the dividend.

“(b) TREATMENT OF ELECTING NONCONTROLLED SECTION 902 CORPORATIONS AS CONTROLLED FOREIGN CORPORATIONS.—

“(1) IN GENERAL.—If a domestic corporation elects the application of this subsection for any noncontrolled section 902 corporation with respect to the domestic corporation, then, for purposes of this title—

“(A) the noncontrolled section 902 corporation shall be treated as a controlled foreign corporation with respect to the domestic corporation, and

“(B) the domestic corporation shall be treated as a United States shareholder with respect to the noncontrolled section 902 corporation.

“(2) ELECTION.—

“(A) TIME OF ELECTION.—Any election under this subsection with respect to any noncontrolled section 902 corporation shall be made not later than the due date for filing the return of tax for the first taxable year of the taxpayer with respect to which the foreign corporation is a noncontrolled section 902 corporation with respect to the taxpayer (or, if later, the first taxable year of the taxpayer for which this section is in effect).

“(B) REVOCATION OF ELECTION.—Any election under this subsection, once made, may be revoked only with the consent of the Secretary.

“(C) CONTROLLED GROUPS.—If a domestic corporation making an election under this subsection with respect to any noncontrolled section 902 corporation is a member of a controlled group of corporations (within the meaning of section 1563(a), except that ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears therein), then, except as otherwise provided by the Secretary, such election shall apply to all members of such group.

“(C) QUALIFIED FOREIGN-SOURCE PORTION OF DIVIDENDS.—For purposes of this section—

“(1) QUALIFIED FOREIGN-SOURCE PORTION.—

“(A) IN GENERAL.—The qualified foreign-source portion of any dividend is an amount which bears the same ratio to such dividend as—

“(i) the post-2012 undistributed qualified foreign earnings, bears to

“(ii) the total post-2012 undistributed earnings.

“(B) POST-2012 UNDISTRIBUTED EARNINGS.—The term ‘post-2012 undistributed earnings’ means the amount of the earnings and profits of a controlled foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 2012—

“(i) as of the close of the taxable year of the controlled foreign corporation in which the dividend is distributed, and

“(ii) without diminution by reason of dividends distributed during such taxable years.

“(C) POST-2012 UNDISTRIBUTED QUALIFIED FOREIGN EARNINGS.—The term ‘post-2012 undistributed qualified foreign earnings’ means the portion of the post-2012 undistributed earnings which is attributable to income other than—

“(i) income described in section 245(a)(5)(A), or

“(ii) dividends described in section 245(a)(5)(B).

“(2) ORDERING RULE FOR DISTRIBUTIONS OF EARNINGS AND PROFITS.—Distributions shall be treated as first made out of earnings and profits of a controlled foreign corporation which are not post-2012 undistributed earnings and then out of post-2012 undistributed earnings.

“(d) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—

“(1) IN GENERAL.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to the qualified foreign-source portion of any dividend.

“(2) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1).

“(3) COORDINATION WITH SECTION 78.—Section 78 shall not apply to any tax for which credit is not allowable under section 901 by reason of paragraph (1).

“(4) TREATMENT OF NONDEDUCTIBLE PORTION IN APPLYING FOREIGN TAX CREDIT LIMIT.—For purposes of applying the limitation under section 904(a), the remaining 5 percent of the qualified foreign-source portion of any dividend with respect to which a deduction is not allowable to the domestic corporation under subsection (a) shall be treated as income from sources within the United States.

“(e) SPECIAL RULES FOR HYBRID DIVIDENDS.—

“(1) IN GENERAL.—Subsection (a) shall not apply to any dividend received by a United States shareholder from a controlled foreign corporation if the dividend is a hybrid dividend.

“(2) HYBRID DIVIDENDS OF TIERED CONTROLLED FOREIGN CORPORATIONS.—If a controlled foreign corporation with respect to which a domestic corporation is a United States shareholder receives a hybrid dividend from any other controlled foreign corporation with respect to which such domestic corporation is also a United States shareholder, then, notwithstanding any other provision of this title—

“(A) the hybrid dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the receiving controlled foreign corporation for the taxable year of the controlled foreign corporation in which the dividend was received, and

“(B) the United States shareholder shall include in gross income an amount equal to the shareholder's pro rata share (determined in the same manner as under section 951(a)(2)) of the subpart F income described in subparagraph (A).

“(3) DENIAL OF FOREIGN TAX CREDIT, ETC.—The rules of subsection (d) shall apply to any hybrid dividend received by, or any amount included under paragraph (2) in the gross income of, a United States shareholder, except that, for purposes of applying subsection (d)(4), all of such dividend or amount shall be treated as income from sources within the United States.

“(4) HYBRID DIVIDEND.—The term ‘hybrid dividend’ means an amount received from a controlled foreign corporation—

“(A) which is treated as a dividend for purposes of this title, and

“(B) for which the controlled foreign corporation received a deduction (or similar tax benefit) under the laws of the country in which the controlled foreign corporation was created or organized.

“(f) DEFINITIONS.—For purposes of this section—

“(1) UNITED STATES SHAREHOLDER.—The term ‘United States shareholder’ has the meaning given such term in section 951(b).

“(2) CONTROLLED FOREIGN CORPORATION.—The term ‘controlled foreign corporation’ has the meaning given such term in section 957(a).

“(3) NONCONTROLLED SECTION 902 CORPORATION.—The term ‘noncontrolled section 902 corporation’ has the meaning given such term in section 904(d)(2)(E)(i).

“(g) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.”.

(b) APPLICATION OF HOLDING PERIOD REQUIREMENT.—Subsection (c) of section 246 is amended—

(1) by striking “or 245” in paragraph (1) and inserting “245, or 245A”, and

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

“(5) SPECIAL RULES FOR QUALIFIED FOREIGN-SOURCE PORTION OF DIVIDENDS RECEIVED FROM CONTROLLED FOREIGN CORPORATIONS.—

“(A) 1-YEAR HOLDING PERIOD REQUIREMENT.—For purposes of section 245A—

“(i) paragraph (1)(A) shall be applied—

“(I) by substituting ‘365 days’ for ‘45 days’ each place it appears, and

“(II) by substituting ‘731-day period’ for ‘91-day period’, and

“(ii) paragraph (2) shall not apply.

“(B) STATUS MUST BE MAINTAINED DURING HOLDING PERIOD.—For purposes of section 245A, the holding period requirement of this subsection shall be treated as met only if—

“(i) the controlled foreign corporation referred to in section 245A(a) is a controlled foreign corporation at all times during such period, and

“(ii) the taxpayer is a United States shareholder (as defined in section 951) with respect to such controlled foreign corporation at all times during such period.

“(C) SPECIAL RULES FOR ELECTING NONCONTROLLED SECTION 902 CORPORATIONS.—In the case of an election under section 245A(b) to treat a noncontrolled section 902 corporation as a controlled foreign corporation, the requirements of subparagraph (B) shall be treated as met for any continuous period ending on the day before the effective date of the election for which the taxpayer met the ownership requirements of section 904(d)(2)(E) with respect to such corporation.”.

(c) APPLICATION OF RULES GENERALLY APPLICABLE TO DEDUCTIONS FOR DIVIDENDS RECEIVED.—

(1) TREATMENT OF DIVIDENDS FROM TAX-EXEMPT CORPORATIONS.—Paragraph (1) of section 246(a) is amended by striking “and 245” and inserting “245, and 245A”.

(2) ASSETS GENERATING TAX-EXEMPT PORTION OF DIVIDEND NOT TAKEN INTO ACCOUNT IN ALLOCATING AND APPORTIONING DEDUCTIBLE EXPENSES.—Paragraph (3) of section 864(e) is amended by striking “or 245(a)” and inserting “, 245(a), or 245A”.

(3) COORDINATION WITH SECTION 1059.—Subparagraph (B) of section 1059(b)(2) is amended by striking “or 245” and inserting “245, or 245A”.

(d) CONFORMING AMENDMENTS.—

(1) Clause (vi) of section 56(g)(4)(C) is amended by inserting “245A or” before “965”.

(2) Subsection (b) of section 951 is amended—

(A) by striking “subpart” and inserting “title”, and

(B) by adding at the end the following: “Such term shall include, with respect to any entity treated as a controlled foreign corporation under section 245A(b), any domestic corporation treated as a United States shareholder with respect to such entity under such section.”.

(3) Subsection (a) of section 957 is amended—

(A) by striking “subpart” in the matter preceding paragraph (1) and inserting “title”, and

(B) by adding at the end the following: “Such term shall include any entity treated as a controlled foreign corporation under section 245A(b).”.

(4) The table of sections for part VIII of subchapter B of chapter 1 is amended by inserting after the item relating to section 245 the following new item:

“Sec. 245A. Dividends received by domestic corporations from certain foreign corporations.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 102. APPLICATION OF DIVIDENDS RECEIVED DEDUCTION TO CERTAIN SALES AND EXCHANGES OF STOCK.

(a) SALES BY UNITED STATES PERSONS OF STOCK IN CFC.—Section 1248 is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

“(j) COORDINATION WITH DIVIDENDS RECEIVED DEDUCTION.—

“(1) IN GENERAL.—In the case of the sale or exchange by a domestic corporation of stock in a foreign corporation held for 1 year or more, any amount received by the domestic corporation which is treated as a dividend by reason of this section shall be treated as a dividend for purposes of applying section 245A.

“(2) LOSSES DISALLOWED.—If a domestic corporation—

“(A) sells or exchanges stock in a foreign corporation in a taxable year of the domestic

corporation with or within which a taxable year of the foreign corporation beginning after December 31, 2012, ends, and

“(B) met the ownership requirements of subsection (a)(2) with respect to such stock, no deduction shall be allowed to the domestic corporation with respect to any loss from the sale or exchange.”.

(b) SALE BY A CFC OF A LOWER TIER CFC.—Section 964(e) is amended by adding at the end the following new paragraph:

“(4) COORDINATION WITH DIVIDENDS RECEIVED DEDUCTION.—

“(A) IN GENERAL.—If, for any taxable year of a controlled foreign corporation beginning after December 31, 2012, any amount is treated as a dividend under paragraph (1) by reason of a sale or exchange by the controlled foreign corporation of stock in another foreign corporation held for 1 year or more, then, notwithstanding any other provision of this title—

“(i) the qualified foreign-source portion of such dividend shall be treated for purposes of section 951(a)(1)(A) as subpart F income of the selling controlled foreign corporation for such taxable year,

“(ii) a United States shareholder with respect to the selling controlled foreign corporation shall include in gross income for the taxable year of the shareholder with or within which such taxable year of the controlled foreign corporation ends an amount equal to the shareholder's pro rata share (determined in the same manner as under section 951(a)(2)) of the amount treated as subpart F income under clause (i), and

“(iii) the deduction under section 245A(a) shall be allowable to the United States shareholder with respect to the subpart F income included in gross income under clause (ii) in the same manner as if such subpart F income were a dividend received by the shareholder from the selling controlled foreign corporation.

“(B) EFFECT OF LOSS ON EARNINGS AND PROFITS.—For purposes of this title, in the case of a sale or exchange by a controlled foreign corporation of stock in another foreign corporation in a taxable year of the selling controlled foreign corporation beginning after December 31, 2012, to which this paragraph would apply if gain were recognized, the earnings and profits of the selling controlled foreign corporation shall not be reduced by reason of any loss from such sale or exchange.

“(C) QUALIFIED FOREIGN-SOURCE PORTION.—For purposes of this paragraph, the qualified foreign-source portion of any amount treated as a dividend under paragraph (1) shall be determined in the same manner as under section 245A(c).”.

SEC. 103. DEDUCTION FOR FOREIGN INTANGIBLE INCOME DERIVED FROM TRADE OR BUSINESS WITHIN THE UNITED STATES.

(a) IN GENERAL.—Part VIII of subchapter B of chapter 1 is amended by adding at the end the following new section:

“SEC. 250. FOREIGN INTANGIBLE INCOME DERIVED FROM TRADE OR BUSINESS WITHIN THE UNITED STATES.

“(a) IN GENERAL.—In the case of a domestic corporation, there shall be allowed as a deduction an amount equal to 50 percent of the qualified foreign intangible income of such domestic corporation for the taxable year.

“(b) QUALIFIED FOREIGN INTANGIBLE INCOME.—

“(1) IN GENERAL.—The term ‘qualified foreign intangible income’ means, with respect to any domestic corporation, foreign intangible income which is derived by the domestic corporation from the active conduct of a trade or business within the United States with respect to the intangible property giving rise to the income.

“(2) REQUIREMENTS RELATING TO TRADE OR BUSINESS WITHIN THE UNITED STATES.—For purposes of this section, foreign intangible income shall be treated as derived by a domestic corporation from the active conduct of a trade or business within the United States only if—

“(A) the domestic corporation developed, created, or produced within the United States the intangible property giving rise to the income, or

“(B) in any case in which the domestic corporation acquired such intangible property, the domestic corporation added substantial value to the property through the active conduct of such trade or business within the United States.

“(C) FOREIGN INTANGIBLE INCOME.—For purposes of this section—

“(1) IN GENERAL.—The term ‘foreign intangible income’ means any intangible income which is derived in connection with—

“(A) property which is sold, leased, licensed, or otherwise disposed of for use, consumption, or disposition outside the United States, or

“(B) services provided with respect to persons or property located outside the United States.

“(2) EXCEPTIONS FOR CERTAIN INCOME.—The following amounts shall not be taken into account in computing foreign intangible income:

“(A) Any amount treated as received by the domestic corporation under section 367(d)(2) with respect to any intangible property.

“(B) Any payment under a cost-sharing arrangement entered into under section 482.

“(C) Any amount received from a controlled foreign corporation with respect to which the domestic corporation is a United States shareholder to the extent such amount is attributable or properly allocable to income which is—

“(i) effectively connected with the conduct of a trade or business within the United States and subject to tax under this chapter, or

“(ii) subpart F income.

For purposes of clause (ii), amounts not otherwise treated as subpart F income shall be so treated if the amount creates (or increases) a deficit which under section 952(c) may reduce the subpart F income of the payor or any other controlled foreign corporation.

“(3) INTANGIBLE INCOME.—The term ‘intangible income’ means gross income from—

“(A) the sale, lease, license, or other disposition of property in which intangible property is used directly or indirectly, or

“(B) the provision of services related to intangible property or in connection with property in which intangible property is used directly or indirectly,

to the extent that such gross income is properly attributable to such intangible property.

“(4) DEDUCTIONS TO BE TAKEN INTO ACCOUNT.—The gross income of a domestic corporation taken into account under this subsection shall be reduced, under regulations prescribed by the Secretary, so as to take into account deductions properly allocable to such income.

“(5) INTANGIBLE PROPERTY.—The term ‘intangible property’ has the meaning given such term by section 936(h)(3)(B).

“(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the provisions of this section.”

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

“Sec. 250. Foreign intangible income derived from trade or business within the United States.”

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of domestic corporations beginning after December 31, 2012.

SEC. 104. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.

(a) IN GENERAL.—Section 965 is amended to read as follows:

“SEC. 965. TREATMENT OF DEFERRED FOREIGN INCOME UPON TRANSITION TO PARTICIPATION EXEMPTION SYSTEM OF TAXATION.

“(a) DEDUCTION ALLOWED.—In the case of a domestic corporation which elects the application of this section to any controlled foreign corporation with respect to which it is a United States shareholder, there shall be allowed as a deduction for the taxable year of the United States shareholder with or within which the first taxable year of the controlled foreign corporation beginning after December 31, 2012, ends an amount equal to 70 percent of the amount determined under subsection (b) for the taxable year.

“(b) ELIGIBLE AMOUNT.—For purposes of subsection (a)—

“(1) IN GENERAL.—The amount determined under this subsection for a United States shareholder with respect to any controlled foreign corporation for the taxable year of the shareholder described in subsection (a) is the lesser of—

“(A) the shareholder’s pro rata share of the earnings and profits of the controlled foreign corporation described in section 959(c)(3) as of the close of the taxable year preceding the first taxable year of the controlled foreign corporation beginning after December 31, 2012, or

“(B) an amount equal to the sum of—

“(i) the dividends received by the shareholder during such taxable year from the controlled foreign corporation which are attributable to the earnings and profits described in subparagraph (A), plus

“(ii) the increase in subpart F income required to be included in gross income of the shareholder for the taxable year by reason of the election under paragraph (2).

“(2) ELECTION OF DEEMED SUBPART F INCLUSION.—A United States shareholder may elect for purposes of paragraph (1)(B)(ii) to treat all (or any portion) of the shareholder’s pro rata share of the earnings and profits of a controlled foreign corporation described in paragraph (1)(A) as subpart F income includible in the gross income of the shareholder for the taxable year of the shareholder described in subsection (a).

“(3) ORDERING RULE.—For purposes of paragraph (1)(B)(i), distributions shall be treated as first made out of earnings and profits of a controlled foreign corporation described in paragraph (1)(A).

“(4) DIVIDEND.—The term ‘dividend’ shall not include amounts includible in gross income as a dividend under section 78.

“(c) DISALLOWANCE OF FOREIGN TAX CREDIT, ETC.—In the case of a domestic corporation making an election under subsection (a) with respect to any controlled foreign corporation—

“(1) IN GENERAL.—No credit shall be allowed under section 901 for any taxes paid or accrued (or treated as paid or accrued) with respect to the earnings and profits taken into account in determining the amount under subsection (b).

“(2) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any tax for which credit is not allowable under section 901 by reason of paragraph (1).

“(3) COORDINATION WITH SECTION 78.—Section 78 shall not apply to any tax for which credit is not allowable under section 901 by reason of paragraph (1).

“(4) TREATMENT OF NONDEDUCTIBLE PORTION IN APPLYING FOREIGN TAX CREDIT LIMIT.—For purposes of applying the limitation under section 904(a), the remaining 30 percent of the amount determined under subsection (b) with respect to which a deduction is not allowable under subsection (a) shall be treated as income from sources within the United States.

“(d) ELECTION TO PAY LIABILITY FOR DEEMED SUBPART F INCOME IN INSTALLMENTS.—

“(1) IN GENERAL.—In the case of a United States shareholder with respect to 1 or more controlled foreign corporations to which elections under subsections (a) and (b)(2) apply, such United States shareholder may elect to pay the net tax liability determined with respect to its deemed subpart F inclusions with respect to such corporations under subsection (b)(2) for the taxable year described in subsection (a) in 2 or more (but not exceeding 8) equal installments.

“(2) DATE FOR PAYMENT OF INSTALLMENTS.—If an election is made under paragraph (1), the first installment shall be paid on the due date (determined without regard to any extension of time for filing the return) for the return of tax for the taxable year for which the election was made and each succeeding installment shall be paid on the due date (as so determined) for the return of tax for the taxable year following the taxable year with respect to which the preceding installment was made.

“(3) ACCELERATION OF PAYMENT.—If there is an addition to tax for failure to pay timely assessed with respect to any installment required under this subsection, a liquidation or sale of substantially all the assets of the taxpayer (including in a title 11 or similar case), a cessation of business by the taxpayer, or any similar circumstance, then the unpaid portion of all remaining installments shall be due on the date of such event (or in the case of a title 11 or similar case, the day before the petition is filed).

“(4) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under paragraph (1) to pay the net tax liability described in paragraph (1) in installments and a deficiency has been assessed which increases such net tax liability, the increase shall be prorated to the installments payable under paragraph (1). The part of the increase so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as a part of, such installment. The part of the increase so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

“(5) TIME FOR PAYMENT OF INTEREST.—Interest payable under section 6601 on the unpaid portion of any amount of tax the time for payment of which has been extended under this subsection shall be paid annually at the same time as, and as part of, each installment payment of such tax. In the case of a deficiency to which paragraph (4) applies, interest with respect to such deficiency which is assigned under the preceding sentence to any installment the date for payment of which has arrived on or before the date of the assessment of the deficiency, shall be paid upon notice and demand from the Secretary.

“(6) NET TAX LIABILITY FOR DEEMED SUBPART F INCLUSIONS.—For purposes of this subsection—

“(A) IN GENERAL.—The net tax liability described in paragraph (1) with respect to any United States shareholder for any taxable year is the excess (if any) of—

“(i) such taxpayer’s net income tax for the taxable year, over

“(ii) such taxpayer’s net income tax for such taxable year determined as if the elections under subsection (b)(2) with respect to 1 or more controlled foreign corporations had not been made.

“(B) NET INCOME TAX.—The term ‘net income tax’ means the net income tax (as defined in section 38(c)(1)) reduced by the credit allowed under section 38.

“(e) SPECIAL RULES.—For purposes of this section—

“(1) ELECTIONS.—Any election under subsection (a), (b)(2), or (d)(1) shall be made not later than the due date (including extensions) for the return of tax for the taxable year for which made and shall be made in such manner as the Secretary may provide.

“(2) SECTION NOT TO APPLY TO NONCONTROLLED SECTION 902 CORPORATIONS TREATED AS CFCS.—No election may be made under subsection (a) with respect to a controlled foreign corporation which was a noncontrolled section 902 corporation which a United States shareholder elected under section 245A(b) to treat as a controlled foreign corporation.

“(3) PRO RATA SHARE.—A shareholder’s pro rata share of any earnings and profits shall be determined in the same manner as under section 951(a)(2).”.

(b) CONFORMING AMENDMENTS.—

(1) Clause (vi) of section 56(g)(4)(C), as amended by this Act, is amended—

(A) by striking “965” and inserting “965(b)”, and

(B) by inserting “AND INCLUSIONS” after “CERTAIN DISTRIBUTIONS” in the heading thereof.

(2) Paragraph (2) of section 6601(b) is amended—

(A) by striking “section 6156(a)” in the matter preceding subparagraph (A) and inserting “section 965(d)(1) or 6156(a)”, and

(B) by striking “section 6156(b)” in subparagraph (A) and inserting “section 965(d)(2) or 6156(b), as the case may be”.

(3) The table of section for subpart F of part III of subchapter N of chapter 1 is amended by striking the item relating to section 965 and inserting the following:

“Sec. 965. Treatment of deferred foreign income upon transition to participation exemption system of taxation.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

TITLE II—OTHER INTERNATIONAL TAX REFORMS

Subtitle A—Modifications of Subpart F

SEC. 201. TREATMENT OF LOW-TAXED FOREIGN INCOME AS SUBPART F INCOME.

(a) IN GENERAL.—Subsection (a) of section 952 is amended by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) the following new paragraph:

“(3) low-taxed income (as defined under subsection (e)).”.

(b) LOW-TAXED INCOME.—Section 952 is amended by adding at the end the following new subsection:

“(e) LOW-TAXED INCOME.—

“(1) IN GENERAL.—For purposes of subsection (a), except as provided in paragraph (2), the term ‘low-taxed income’ means, with respect to any taxable year of a controlled

foreign corporation, the entire gross income of the controlled foreign corporation unless the taxpayer establishes to the satisfaction of the Secretary that such income was subject to an effective rate of income tax (determined under rules similar to the rules of section 954(b)(4)) imposed by a foreign country in excess of one-half of the highest rate of tax under section 11(b) for taxable years of United States corporations beginning in the same calendar year as the taxable year of the controlled foreign corporation begins.

“(2) EXCEPTION FOR QUALIFIED BUSINESS INCOME.—For purposes of paragraph (1), qualified business income—

“(A) shall be taken into account in determining the effective rate of income tax at which the entire gross income of the controlled foreign corporation is taxed, but

“(B) the amount of gross income treated as low-taxed income under paragraph (1) shall be reduced by the amount of the qualified business income.

“(3) QUALIFIED BUSINESS INCOME.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘qualified business income’ means, with respect to any controlled foreign corporation, income derived by the controlled foreign corporation in a foreign country but only if—

“(i) such income is attributable to the active conduct of a trade or business of such corporation in such foreign country,

“(ii) the corporation maintains an office or fixed place of business in such foreign country, and

“(iii) officers and employees of the corporation physically located at such office or place of business in such foreign country conducted (or significantly contributed to the conduct of) activities within the foreign country which are substantial in relation to the activities necessary for the active conduct of the trade or business to which such income is attributable.

“(B) EXCEPTION FOR INTANGIBLE INCOME.—For purposes of subparagraph (A), qualified business income of a controlled foreign corporation shall not include intangible income (as defined in section 250(c)(3)).

“(4) DETERMINATION OF EFFECTIVE RATE OF FOREIGN INCOME TAX AND QUALIFIED BUSINESS INCOME.—

“(A) COUNTRY-BY-COUNTRY DETERMINATION.—For purposes of determining the effective rate of income tax imposed by any foreign country under paragraph (1) and qualified business income under paragraph (3), each such paragraph shall be applied separately with respect to—

“(i) each foreign country in which a controlled foreign corporation conducts any trade or business, and

“(ii) the entire gross income and qualified business income derived with respect to such foreign country.

“(B) TREATMENT OF LOSSES.—For purposes of determining the effective rate of income tax imposed by any foreign country under paragraph (1)—

“(i) such effective rate shall be determined without regard to any losses carried to the relevant taxable year, and

“(ii) to the extent the income of the controlled foreign corporation reduces losses in the relevant taxable year, such effective rate shall be treated as being the effective rate which would have been imposed on such income without regard to such losses.

“(5) DEDUCTIONS TO BE TAKEN INTO ACCOUNT.—The gross income of a controlled foreign corporation taken into account under this subsection shall be reduced, under regulations prescribed by the Secretary, so as to take into account deductions (including taxes) properly allocable to such income.”.

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 952 is amended—

(A) by striking “paragraph (4)” in the next to last sentence and inserting “paragraph (5)”, and

(B) by striking “paragraph (5)” in the last sentence and inserting “paragraph (6)”.

(2) Subsection (d) of section 952 is amended by striking “subsection (a)(5)” and inserting “subsection (a)(6)”.

(3) Paragraphs (1) and (2) of section 999(c) are each amended by striking “section 952(a)(3)” and inserting “section 952(a)(4)”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

SEC. 202. PERMANENT EXTENSION OF LOOK-THRU RULE FOR CONTROLLED FOREIGN CORPORATIONS.

(a) IN GENERAL.—Section 954(c)(6)(C) is amended by striking “and before January 1, 2012.”.

(b) 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 such taxable years of foreign corporations end.

SEC. 203. PERMANENT EXTENSION OF EXCEPTIONS FOR ACTIVE FINANCING INCOME.

(a) EXCEPTION FROM INSURANCE INCOME.—Section 953(e)(10) is amended—

(1) by striking “and before January 1, 2012.”, and

(2) by striking the last sentence.

(b) EXCEPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954(h)(9) is amended by striking “and before January 1, 2012.”.

(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 such taxable years of foreign corporations end.

SEC. 204. FOREIGN BASE COMPANY INCOME NOT TO INCLUDE SALES OR SERVICES INCOME.

(a) REPEAL.—Paragraphs (2) and (3) of section 954(a) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 954(d) is amended by adding at the end the following new paragraph:

“(5) TERMINATION.—This subsection shall not apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.”.

(2) Section 954(e) is amended by adding at the end the following new paragraph:

“(3) TERMINATION.—This subsection shall not apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of foreign corporations beginning after December 31, 2012, and to taxable years of United States shareholders with or within which such taxable years of foreign corporations end.

Subtitle B—Modifications Related to Foreign Tax Credit

SEC. 211. MODIFICATION OF APPLICATION OF SECTIONS 902 AND 960 WITH RESPECT TO POST-2012 EARNINGS.

(a) SECTION 902 NOT TO APPLY TO DIVIDENDS FROM POST-2012 EARNINGS.—Section 902 is

amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

“(d) SECTION NOT TO APPLY TO DIVIDENDS FROM POST-2012 EARNINGS.—

“(1) IN GENERAL.—This section shall not apply to the portion of any dividend paid by a foreign corporation to the extent such portion is made out of earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 2012.

“(2) COORDINATION WITH DISTRIBUTIONS FROM PRE-2013 EARNINGS AND PROFITS.—For purposes of this section—

“(A) ORDERING RULE.—Any distribution in a taxable year beginning after December 31, 2012, shall be treated as first made out of earnings and profits of the foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning before January 1, 2013.

“(B) POST-1986 UNDISTRIBUTED EARNINGS.—Post-1986 undistributed earnings shall not include earnings and profits described in paragraph (1).”.

(b) DETERMINATION OF SECTION 960 CREDIT ON CURRENT YEAR BASIS.—Section 960 is amended by adding at the end the following new subsection:

“(d) DEEMED PAID CREDIT FOR SUBPART F INCLUSIONS ATTRIBUTABLE TO POST-2012 EARNINGS.—

“(1) IN GENERAL.—For purposes of this subpart, if there is included in the gross income of a domestic corporation any amount under section 951(a)—

“(A) with respect to any controlled foreign corporation with respect to which such domestic corporation is a United States shareholder, and

“(B) which is attributable to the earnings and profits of the controlled foreign corporation (computed in accordance with sections 964(a) and 986) accumulated in taxable years beginning after December 31, 2012, then subsections (a), (b), and (c) shall not apply and such domestic corporation shall be deemed to have paid so much of such foreign corporation's foreign income taxes as are properly attributable to the amount so included.

“(2) FOREIGN INCOME TAXES.—For purposes of this subsection, the term ‘foreign income taxes’ means any income, war profits, or excess profits taxes paid or accrued by the controlled foreign corporation to any foreign country or possession of the United States.

“(3) REGULATIONS.—The Secretary shall provide such regulations as may be necessary or appropriate to carry out the provisions of this subsection.”.

SEC. 212. SEPARATE FOREIGN TAX CREDIT BASKET FOR FOREIGN INTANGIBLE INCOME.

(a) IN GENERAL.—Paragraph (1) of section 904(d) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following:

“(C) foreign intangible income (as defined in paragraph (2)(J)).”.

(b) FOREIGN INTANGIBLE INCOME.—

(1) IN GENERAL.—Section 904(d)(2) is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

“(J) FOREIGN INTANGIBLE INCOME.—For purposes of this section—

“(i) IN GENERAL.—The term ‘foreign intangible income’ has the meaning given such term by section 250(c).

“(ii) COORDINATION.—Passive category income and general category income shall not include foreign intangible income.”.

(2) GENERAL CATEGORY INCOME.—Section 904(d)(2)(A)(ii) is amended by inserting “or

foreign intangible income” after “passive category income”.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2012.

(2) TRANSITIONAL RULE.—For purposes of section 904(d)(1) of the Internal Revenue Code of 1986 (as amended by this Act)—

(A) taxes carried from any taxable year beginning before January 1, 2013, to any taxable year beginning on or after such date, with respect to any item of income, shall be treated as described in the subparagraph of such section 904(d)(1) in which such income would be described without regard to the amendments made by this section, and

(B) any carryback of taxes with respect to foreign intangible income from a taxable year beginning on or after January 1, 2013, to a taxable year beginning before such date shall be allocated to the general income category.

SEC. 213. INVENTORY PROPERTY SALES SOURCE RULE EXCEPTIONS NOT TO APPLY FOR FOREIGN TAX CREDIT LIMITATION.

(a) IN GENERAL.—Section 904 is amended by redesignating subsection (1) as subsection (m) and by inserting after subsection (k) the following new subsection:

“(1) INVENTORY PROPERTY SALES SOURCE RULE EXCEPTIONS NOT TO APPLY.—Any amount which would be treated as derived from sources without the United States by reason of the application of section 862(a)(6) or 863(b)(2) for any taxable year shall be treated as derived from sources within the United States for purposes of this section.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2012.

Subtitle C—Allocation of Interest on Worldwide Basis

SEC. 221. ACCELERATION OF ELECTION TO ALLOCATE INTEREST ON A WORLDWIDE BASIS.

Section 864(f)(6) is amended by striking “December 31, 2020” and inserting “December 31, 2012”.

SA 2565. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE —TAX RETURN DUE DATE SIMPLIFICATION AND MODERNIZATION

SEC. .01. SHORT TITLE; REFERENCE.

(a) SHORT TITLE.—This title may be cited as the “Tax Return Due Date Simplification and Modernization Act of 2012”.

(b) REFERENCE.—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.

SEC. .02. NEW DUE DATE FOR PARTNERSHIP FORM 1065, S CORPORATION FORM 1120S, AND C CORPORATION FORM 1120.

(a) PARTNERSHIPS.—

(1) IN GENERAL.—Section 6072 is amended by adding at the end the following new subsection:

“(f) RETURNS OF PARTNERSHIPS.—Returns of partnerships under section 6031 made on the basis of the calendar year shall be filed on or before the 15th day of March following the close of the calendar year, and such returns made on the basis of a fiscal year shall be filed on or before the 15th day of the third

month following the close of the fiscal year.”.

(2) CONFORMING AMENDMENT.—Section 6072(a) is amended by striking “6017, or 6031” and inserting “or 6017”.

(b) S CORPORATIONS.—

(1) IN GENERAL.—So much of subsection (b) of 6072 as precedes the second sentence thereof is amended to read as follows:

“(b) RETURNS OF CERTAIN CORPORATIONS.—Returns of S corporations under sections 6012 and 6037 made on the basis of the calendar year shall be filed on or before the 31st day of March following the close of the calendar year, and such returns made on the basis of a fiscal year shall be filed on or before the last day of the third month following the close of the fiscal year.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1362(b) is amended—

(i) by striking “15th” each place it appears and inserting “last”;

(ii) by striking “2½” each place it appears and inserting “3”, and

(iii) by striking “2 months and 15 days” in paragraph (4) and inserting “3 months”.

(B) Section 1362(d)(1)(C)(i) is amended by striking “15th” and inserting “last”.

(C) Section 1362(d)(1)(C)(ii) is amended by striking “such 15th day” and inserting “the last day of the 3d month thereof”.

(c) CONFORMING AMENDMENTS RELATING TO C CORPORATIONS.—

(1) Section 170(a)(2)(B) is amended by striking “third month” and inserting “4th month”.

(2) Section 563 is amended by striking “third month” each place it appears and inserting “4th month”.

(3) Section 1354(d)(1)(B)(i) is amended by striking “3d month” and inserting “4th month”.

(4) Subsection (a) and (c) of section 6167 are each amended by striking “third month” and inserting “4th month”.

(5) Section 6425(a)(1) is amended by striking “third month” and inserting “4th month”.

(6) Subsections (b)(2)(A), (g)(3), and (h)(1) of section 6655 are each amended by striking “3rd month” and inserting “4th month”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2012.

SEC. .03. MODIFICATION OF DUE DATES BY REGULATION.

In the case of returns for taxable years beginning after December 31, 2012, the Secretary of the Treasury or the Secretary's delegate shall modify appropriate regulations to provide as follows:

(1) The maximum extension for the returns of partnerships filing Form 1065 shall be a 6-month period ending on September 15 for calendar year taxpayers.

(2) The maximum extension for the returns of trusts filing Form 1041 shall be a 5½-month period ending on September 30 for calendar year taxpayers.

(3) The maximum extension for the returns of employee benefit plans filing Form 5500 shall be an automatic 3½-month period ending on November 15 for calendar year taxpayers.

(4) The maximum extension for the returns of organizations exempt from income tax filing Form 990 shall be an automatic 6-month period ending on November 15 for calendar year filers.

(5) The due date of Form 3520-A (relating to the Annual Information Return of Foreign Trust with a United States Owner) for calendar year filers shall be April 15 with a maximum extension for a 6-month period ending on October 15.

(6) The due date of Form TD F 90-22.1 (relating to Report of Foreign Bank and Financial Accounts) shall be April 15 with a maximum extension for a 6-month period ending on October 15 and with provision for an extension under rules similar to the rules in Treas. Reg. 1.6081-5. For any taxpayer required to file such Form for the first time, any penalty for failure to timely request for, or file, an extension, may be waived by the Secretary of the Treasury or the Secretary's delegate.

SEC. 04. CORPORATIONS PERMITTED STATUTORY AUTOMATIC 6-MONTH EXTENSION OF INCOME TAX RETURNS.

(a) IN GENERAL.—Section 6081(b) is amended by striking “3 months” and inserting “6 months”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to returns for taxable years beginning after December 31, 2012.

SA 2566. Mr. MCCAIN (for himself and Mrs. HAGAN) submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the end, add the following:

TITLE —FOREIGN EARNINGS REINVESTMENT

SEC. 01. SHORT TITLE.

This title may be cited as the “Foreign Earnings Reinvestment Act”.

SEC. 02. ALLOWANCE OF TEMPORARY DIVIDENDS RECEIVED DEDUCTION FOR DIVIDENDS RECEIVED FROM A CONTROLLED FOREIGN CORPORATION.

(a) APPLICABILITY OF PROVISION.—

(1) IN GENERAL.—Subsection (f) of section 965 is amended to read as follows:

“(f) ELECTION; ELECTION YEAR.—

“(1) IN GENERAL.—The taxpayer may elect to apply this section to—

“(A) the taxpayer's last taxable year which begins before the date of the enactment of the Foreign Earnings Reinvestment Act, or

“(B) the taxpayer's first taxable year which begins during the 1-year period beginning on such date.

Such election may be made for a taxable year only if made on or before the due date (including extensions) for filing the return of tax for such taxable year.

“(C) ELECTION YEAR.—For purposes of this section, the term ‘election year’ means the taxable year—

“(i) which begins after the date that is one year before the date of the enactment of the Foreign Earnings Reinvestment Act, and

“(ii) to which the taxpayer elects under paragraph (1) to apply this section.”.

(2) CONFORMING AMENDMENTS.—

(A) EXTRAORDINARY DIVIDENDS.—Section 965(b)(2) of such Code is amended—

(i) by striking “June 30, 2003” and inserting “September 30, 2011”, and

(ii) by adding at the end the following new sentence: “The amounts described in clauses (i), (ii), and (iii) shall not include any amounts which were taken into account in determining the deduction under subsection (a) for any prior taxable year.”.

(B) DETERMINATIONS RELATING TO RELATED PARTY INDEBTEDNESS.—Section 965(b)(3)(B) of such Code is amended by striking “October 3, 2004” and inserting “September 30, 2011”.

(C) APPLICABLE FINANCIAL STATEMENT.—Section 965(c)(1) of such Code is amended by striking “June 30, 2003” each place it appears and inserting “September 30, 2011”.

(D) DETERMINATIONS RELATING TO BASE PERIOD.—Section 965(c)(2) of such Code is amended by striking “June 30, 2003” and inserting “September 30, 2011”.

(b) DEDUCTION INCLUDES CURRENT AND ACCUMULATED FOREIGN EARNINGS.—

(1) IN GENERAL.—Paragraph (1) of section 965(b) of the Internal Revenue Code of 1986 is amended to read as follows:

“(1) IN GENERAL.—The amount of dividends taken into account under subsection (a) shall not exceed the sum of the current and accumulated earnings and profits described in section 959(c)(3) for the year a deduction is claimed under subsection (a), without diminution by reason of any distributions made during the election year, for all controlled foreign corporations of the United States shareholder.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 965(c) of such Code, as amended by subsection (a), is amended by striking paragraph (1) and by redesignating paragraphs (2), (3), (4), and (5), as paragraphs (1), (2), (3), and (4), respectively.

(B) Paragraph (4) of section 965(c) of such Code, as redesignated by subparagraph (A), is amended to read as follows:

“(4) CONTROLLED GROUPS.—All United States shareholders which are members of an affiliated group filing a consolidated return under section 1501 shall be treated as one United States shareholder.”.

(c) AMOUNT OF DEDUCTION.—

(1) IN GENERAL.—Paragraph (1) of section 965(a) of the Internal Revenue Code of 1986 is amended by striking “85 percent” and inserting “75 percent”.

(2) BONUS DEDUCTION IN SUBSEQUENT TAXABLE YEAR FOR INCREASING JOBS.—Section 965 of such Code is amended by adding at the end the following new subsection:

“(g) BONUS DEDUCTION.—

“(1) IN GENERAL.—In the case of any taxpayer who makes an election to apply this section, there shall be allowed as a deduction for the first taxable year following the election year an amount equal to the applicable percentage of the cash dividends which are taken into account under subsection (a) with respect to such taxpayer for the election year.

“(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is the amount which bears the same ratio (not greater than 1) to 10 percent as—

“(A) the excess (if any) of—

“(i) the qualified payroll of the taxpayer for the calendar year which begins with or within the first taxable year following the election year, over

“(ii) the qualified payroll of the taxpayer for calendar year 2010, bears to

“(B) 10 percent of the qualified payroll of the taxpayer for calendar year 2010.

“(3) QUALIFIED PAYROLL.—For purposes of this paragraph:

“(A) IN GENERAL.—The term ‘qualified payroll’ means, with respect to a taxpayer for any calendar year, the aggregate wages (as defined in section 3121(a)) paid by the corporation during such calendar year.

“(B) EXCEPTION FOR CHANGES IN OWNERSHIP OF TRADES OR BUSINESSES.—

“(i) ACQUISITIONS.—If, after December 31, 2009, and before the close of the first taxable year following the election year, a taxpayer acquires the trade or business of a predecessor, then the qualified payroll of such taxpayer for any calendar year shall be increased by so much of the qualified payroll of the predecessor for such calendar year as was attributable to the trade or business acquired by the taxpayer.

“(ii) DISPOSITIONS.—If, after December 31, 2009, and before the close of the first taxable year following the election year, a taxpayer disposes of a trade or business, then—

“(I) the qualified payroll of such taxpayer for calendar year 2010 shall be decreased by the amount of wages for such calendar year

as were attributable to the trade or business which was disposed of by the taxpayer, and

“(II) if the disposition occurs after the beginning of the first taxable year following the election year, the qualified payroll of such taxpayer for the calendar year which begins with or within such taxable year shall be decreased by the amount of wages for such calendar year as were attributable to the trade or business which was disposed of by the taxpayer.

“(C) SPECIAL RULE.—For purposes of determining qualified payroll for any calendar year after calendar year 2011, such term shall not include wages paid to any individual if such individual received compensation from the taxpayer for services performed—

“(i) after the date of the enactment of this paragraph, and

“(ii) at a time when such individual was not an employee of the taxpayer.”.

(3) REDUCTION FOR FAILURE TO MAINTAIN EMPLOYMENT LEVELS.—Paragraph (4) of section 965(b) of such Code (relating to limitations) is amended to read as follows:

“(4) REDUCTION IN BENEFITS FOR FAILURE TO MAINTAIN EMPLOYMENT LEVELS.—

“(A) IN GENERAL.—If, during the period consisting of the calendar month in which the taxpayer first receives a distribution described in subsection (a)(1) and the succeeding 23 calendar months, the taxpayer does not maintain an average employment level at least equal to the taxpayer's prior average employment, an additional amount equal to \$75,000 multiplied by the number of employees by which the taxpayer's average employment level during such period falls below the prior average employment (but not exceeding the aggregate amount allowed as a deduction pursuant to subsection (a)(1)) shall be taken into income by the taxpayer during the taxable year that includes the final day of such period.

“(B) AVERAGE EMPLOYMENT LEVEL.—For purposes of this paragraph, the taxpayer's average employment level for a period shall be the average number of full-time United States employees of the taxpayer, measured at the end of each month during the period.

“(C) PRIOR AVERAGE EMPLOYMENT.—For purposes of this paragraph, the taxpayer's ‘prior average employment’ shall be the average number of full-time United States employees of the taxpayer during the period consisting of the 24 calendar months immediately preceding the calendar month in which the taxpayer first receives a distribution described in subsection (a)(1).

“(D) FULL-TIME UNITED STATES EMPLOYEE.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘full-time United States employee’ means an individual who provides services in the United States as a full-time employee, based on the employer's standards and practices; except that regardless of the employer's classification of the employee, an employee whose normal schedule is 40 hours or more per week is considered a full-time employee.

“(ii) EXCEPTION FOR CHANGES IN OWNERSHIP OF TRADES OR BUSINESSES.—Such term does not include—

“(I) any individual who was an employee, on the date of acquisition, of any trade or business acquired by the taxpayer during the 24-month period referred to in subparagraph (A), and

“(II) any individual who was an employee of any trade or business disposed of by the taxpayer during the 24-month period referred to in subparagraph (A) or the 24-month period referred to in subparagraph (C).

“(E) AGGREGATION RULES.—In determining the taxpayer's average employment level and prior average employment, all domestic members of a controlled group shall be treated as a single taxpayer.”.

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

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on July 19, 2012, at 9:30 a.m.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Ms. STABENOW. 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 “Making College Affordability a Priority: Promising Practices and Strategies” on July 19, 2012, at 10 a.m. in room 430 of the Dirksen Senate Office Building.

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

COMMITTEE ON INDIAN AFFAIRS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on July 19, 2012, in room SD-628 of the Dirksen Senate Office Building, at 2:15 p.m., to conduct a hearing entitled “Impacts of Environmental Changes on Treaty Rights, Traditional Lifestyles, and Tribal Homelands.”

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

COMMITTEE ON THE JUDICIARY

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 19, 2012, at 10 a.m., in SD-226 of the Dirksen Senate Office Building, to conduct an executive business meeting.

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

SELECT COMMITTEE ON INTELLIGENCE

Ms. STABENOW. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on July 19, 2012, at 2:30 p.m.

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

PRIVILEGES OF THE FLOOR

Mr. MERKLEY. Mr. President, I ask unanimous consent that Steven Kirby, a member of my staff who is serving as an intern this summer, be granted the privilege of the floor for the balance of today.

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

Mr. BROWN of Ohio. Mr. President, I ask unanimous consent that Jennifer Parsons, a member of my staff, be granted floor privileges during today's session of the Senate.

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

MEASURES PLACED ON THE CALENDAR—S. 3412 AND S. 3413

Mr. REID. Mr. President, I ask unanimous consent that S. 3412 and S. 3413, which are both at the desk, be considered as having been read twice and placed on the calendar.

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

MEASURES READ THE FIRST TIME—S. 3414 AND H.R. 5872

Mr. REID. Mr. President, there are two bills at the desk, and I ask for their first reading.

The PRESIDING OFFICER. The clerk will report the bills by title for the first time.

The assistant legislative clerk read as follows:

A bill (S. 3414) to enhance the security and resiliency of the cyber and communications infrastructure of the United States.

A bill (H.R. 5872) to require the President to provide a report detailing the sequester

required by the Budget Control Act of 2011 on January 2, 2013.

Mr. REID. Mr. President, I now ask for a second reading on both these matters but object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bills will be read for a second time on the next legislative day.

ORDERS FOR MONDAY, JULY 23, 2012

Mr. REID. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it adjourn until 2 p.m. on Monday, July 23; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, and the time for the two leaders be reserved for their use later in the day, and at that time I be recognized; that at 5 p.m. the Senate proceed to executive session to consider Calendar No. 663, the nomination of Michael A. Shipp to be U.S. district judge for the District of New Jersey, with 30 minutes of debate equally divided and controlled in the usual form; further, that the cloture vote on the Shipp nomination be at 5:30 p.m. on Monday.

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

PROGRAM

Mr. REID. Mr. President, the next rollcall vote will be at 5:30 p.m. on Monday on the motion to invoke cloture on the Shipp nomination.

ADJOURNMENT UNTIL MONDAY, JULY 23, 2012, AT 2 P.M.

The PRESIDING OFFICER. Mr. President, if there is no further business to come before the Senate, I ask that it adjourn under the previous order.

There being no objection, the Senate, at 5:46 p.m., adjourned until Monday, July 23, 2012, at 2 p.m.